

Türkiye's Bank
100th
Anniversary

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Introduction

The Bank of Türkiye and the Future for Exactly 100 Years!

Celebrating its century-old corporate heritage by blending it with innovation and a vision of the future, İşbank proudly presents its 100th anniversary Integrated Annual Report.

While celebrating our 100th anniversary, we are reinforcing highlighting not just our accomplishments but also our long-standing dedication to responsible banking that has shaped our identity. This report summarizes our efforts towards a sustainable future and is a testament to our commitment to environmental, social, and governance responsibilities.

Celebrating its 100th anniversary in 2024 as one of our Republic's longest-established institutions, İşbank is an institution synonymous with trust and reputation. Since its foundation, İşbank has been committed to supporting the country's economy. As a Republican institution, İşbank played an important transformative role in the national economy, throughout its history. The Bank seeks to be an innovative, reliable, and respected financial organization in its second century, drawing strength from its past and seeing itself as "the bank of the future".

The 2023 Integrated Annual Report intends to inform its stakeholders how on the Bank's preparations for its second century, as well as its priorities and strategies for this period.

The İşbank 2023 Integrated Annual Report details the Bank's value creation for its stakeholders in four main sections.



How Do We Create Value?

section explains İşbank's value creation process, emphasizing the İşbank Banking model that prioritizes sustainability. This section comprises the sustainability priorities revised in 2023 in accordance with the "double materiality" approach and the Bank's new strategic goals, sustainability initiatives supported, stakeholder communication, and contribution to the United Nations Sustainable Development Goals.



Reliable Financial Actor

section describes İşbank's role as a financial organization supporting an inclusive and vibrant economy. This section includes İşbank's sustainable financial performance goals, customer experience considered during product and service presentation, inclusiveness, financial literacy, and savings awareness efforts. İşbank's business strategy involves establishing itself as a key actor in climate action. The Bank has described its role in the transition economy and its targets in this field under this heading, together with the digitization journey, which is critical to the Bank's vision of becoming the "bank of the future".



Responsible Operations

section sets out İşbank's projects and practices to minimize the negative environmental impacts of its operations and promote its working standards throughout the supply chain. The section also covers İşbank's employer approach, workplace practices, and employee preparation for the future of business.



Good Corporate Citizen

section provides an overview of the Bank's corporate governance structure, ethical and principled banking approach, effective risk management for short and long-term risks and opportunities, management principles, and performance.



About the Report

İşbank's Integrated Annual Report for 2023 has been prepared to demonstrate the Bank's performance in line with its strategies and the value created for its stakeholders.

Structure and content of the report

2023 Integrated Annual Report of İşbank provides up-to-date information about the Bank's efforts undertaken within its approach focusing on creating sustainable and shareable value by considering financial and non-financial capital elements as a whole. The 2023 Integrated Annual Report includes İşbank's 2023 performance in line with its strategic priorities, the value created for all its stakeholders with this performance, and the risks and opportunities it faced in the value creation process.

Period and scope of the report

The İşbank 2023 Integrated Annual Report presents the Bank's performance for the period between January 1st, 2023 and December 31st, 2023. The Integrated Annual Report, which includes consolidated and unconsolidated financial charts and independent audit reports, comprises İşbank's activities in Türkiye and abroad. The activities of the Bank's subsidiaries are excluded from the scope of reporting. However, a brief summary of subsidiary performances is included in the report.

See. İş Bank's Subsidiaries

Compliance and legislation

The İşbank Integrated Annual Report has been prepared in compliance with the Integrated Reporting Framework (<IR> Framework) of the International Integrated Reporting Council (IIRC) and GRI Universal Standards 2021 published by the Global Reporting Initiative (GRI).

See. GRI Standards Content Index

While creating the report:

- >> The Provisional Standard for Commercial Banks Guide released by the Sustainability Accounting Standards Board - SASB,
- >> United Nations Environment Program Finance Initiative (UNEP FI) Principles of Responsible Banking (PRB) Guideline,
- >> The Integrated Reporting Framework (<IR>) prepared by the Value Reporting Foundation (VRF),
- >> Carbon Disclosure Project's (CDP) Climate Change and Water Security Programs Guidelines,
- >> World Economic Forum (WEF) Stakeholder Capitalism Metrics,
- >> Bloomberg Gender Equality Index Indicators, and
- >> Task Force on Climate-related Financial Disclosures (TCFD) recommendations

were utilized in developing the content.

The report also includes İşbank's contribution to the United Nations Sustainable Development Goals.

See Contribution to Sustainable Development Goals

İşbank, a signatory of the United Nations Women's Empowerment Principles (UN WEPs), has prepared a more detailed performance summary on gender equality.

See Women's Empowerment Principles Progress Statement

Audit

The financial statements included in İşbank's 2023 Integrated Annual Report have been audited by Güney Bağımsız Denetim ve SMMM A.Ş. See Compliance Opinion, KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. has provided limited assurance on selected non-financial information.

See Independent Assurance Report, İşbank's Environmental Management System has been audited within the scope of ISO 14001: 2015 standard under DAKKS accreditation by TÜV SÜD.

Senior management responsibility statement

In the opinion of İşbank's top management, this report includes all the subjects in terms of value creation for the Bank's stakeholders while presenting a holistic evaluation of the Bank's financial and non-financial performance for the period between January 1st, 2023 and December 31st, 2023, and its plans for the future. The statement of responsibility regarding this report has been prepared as per the relevant legislation and presented on the KAP platform. The statement can be found on the Bank's corporate website.

Contact

The integrated annual report, which we aim to make accessible to all our stakeholders, can be accessed via the Public Disclosure Platform (KAP) and on www.isbank.com.tr/en

Please send your opinions and suggestions on the report to

surdurulebilirlik@isbank.com.tr

Report's Navigation

mark represents the data that passed the independent audit.

information in another section of the report.

You can return to the table of "Contents" page of the report with the navigation bar at the top of the report.

İşbank's annual report set



Integrated Annual Report: This report summarizes İşbank's performance, strategies and targets, and financial and non-financial components from an integrated perspective.



Carbon Disclosure Project (CDP) Climate Change Program Report:

This report summarizes İşbank's targets and strategies developed for climate action and its annual performance within the framework of CDP Climate Change Reporting indicators.

Carbon Disclosure Project (CDP) Water Security Program Report:

This report summarizes İşbank's water risks, its targets and strategies in this area, and its annual performance within the framework of CDP Water Security Reporting indicators.



Capital Markets Board – Sustainability Principle Compliance Framework:

This report summarizes İşbank's sustainability strategy, management structure, performance and targets within the scope of CMB requirements.

Capital Markets Board – Corporate Governance Compliance Report:

This report shows that İşbank conducts its operations in compliance with the compulsory principles of the Corporate Governance Communiqué published by the Capital Markets Board.



UNEP-FI Principles for Responsible Banking Report:

This report presents the impact assessment of İşbank's portfolio within the scope of the Principles for Responsible Banking, of which İşbank is a signatory.



UN Global Compact- Communication on Progress Report (CoP):

This is the report in which İşbank transparently shares its commitment to the 10 principles of the United Nations Global Compact and its social and environmental performance.

All reports published by İşbank are available on the sustainability page at <https://www.isbank.com.tr/en> or by contacting the Investor Relations and Sustainability Division.

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Corporate Profile


İşbank is a leading financial institution in its sector with its strong financial structure and "bank of the future" vision.

As of the end of 2023, with its 21,167 employees providing services to 24.3 million customers, İşbank is the largest private bank in Türkiye, with a total asset size of TL 2,453.8 billion. İşbank is amongst the most highly respected institutions in the banking sector, with its products and services in corporate, commercial, SME, retail, and private banking.


İşbank is widely accessible through its Internet Branch, İşCep (the mobile app), Call Center, 6,312 ATMs (including TRNC and abroad) and 660,375 POS devices (including online POS).

The Bank provides its services with 49 Regional Directorates and 1,066 branches in Türkiye, in addition to the Head Office in Istanbul, Tuzla Technology and Operations Center (TUTOM), Tuzla Atlas Data Center, and Ankara Operations Center (ATOM). In addition, 12 MaxiOfis, which are located in 8 different provinces within the scope of the regional office design with open office design, provide employees with the opportunity to work independently.


Stable shareholding structure for many years



Strong cooperation with international organizations



Large shareholder base



11 countries
22
foreign branches

3
abroad bank subsidiaries


2
representative offices

119 countries
1,000
banks effectively managed correspondent relationships with nearly

İşbank operates its cross-border banking activities with 2 branches in Iraq, 2 in Kosovo, 2 in England, 1 in Bahrain, and 15 in Northern Cyprus as of the end of 2023. The Bank has 2 representative offices, one in Shanghai (China) and one in Cairo (Egypt). İşbank operates its banking activities via its subsidiaries in Germany, Russia, and Georgia.

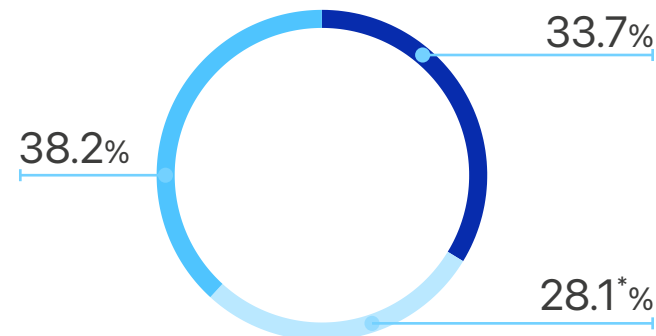
İşbank Group is an integrated organization with domestic and international subsidiaries operating in many fields. As of the end of 2023, İşbank has direct and indirect subsidiaries with 154 companies. The number of companies controlled directly or indirectly by the Bank is 119.

 See İşbank's Subsidiaries

 You can find the history of İşbank [here](#).

 Amendments to the Articles of Incorporation

İşbank's Shareholding Structure**



- Free Float
- Türkiye İş Bankası A.Ş. Members' Supplementary Social Security and Charity Fund Foundation
- Atatürk's Shares*

* These shares belong to Atatürk and are represented by the Republican People's Party in accordance with Atatürk's will. Since the dividend income of these shares was left to the Turkish Language Association and Turkish Historical Society in accordance with Atatürk's will, dividend payments are made to the aforementioned institutions within the framework of the will and legal legislation.

** The shareholding structure has been included as of 31.12.2023. (31.12.2022: Foundation 37.31%, Atatürk Shares 28.09%, Public 34.60%).

Our Vision, Values, Strategic Goals and Strategy



Our Vision

Becoming the bank of the future, creating sustainable value with an inclusive and participatory approach



Our Values

Innovation, Solidarity, Common Sense, Reliability, Sincerity, and Transparency adopted by the guidance of the principles "Intelligence, diligence, integrity, technical and methodical work"



Our Strategy

Managing our balance sheet to ensure sustainable and value-added growth while using our internal and external resources in accordance with the priorities of the country's economy and preparing our enterprise for the future by continuously improving our business model along with our group companies and all our business partners in the period of technological transformation.

Our Strategic Goals

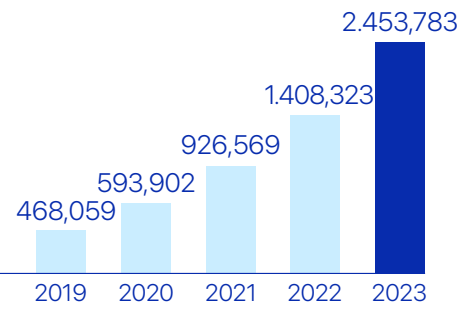
>> Continuous commitment to our country >> Strong and sustainable financial performance >> Efficient risk management >> Flawless customer experience >> Value-creating technology and innovation leadership >> Happy and productive human resource >> Ethical and responsible banking compassionate towards people, society, and the environment



Highlights in 2023

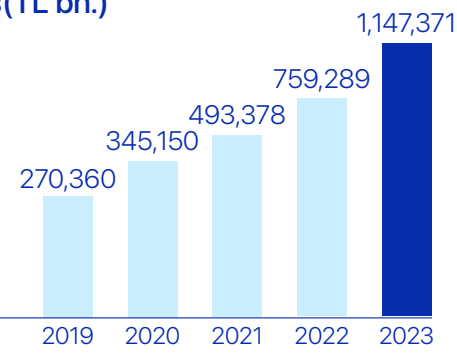
Asset Size (TL bn.)

74.2%
increase



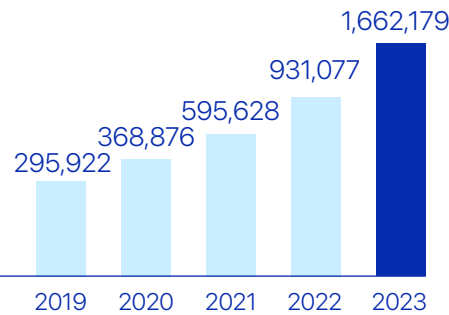
Cash Loans (TL bn.)

51.1%
increase



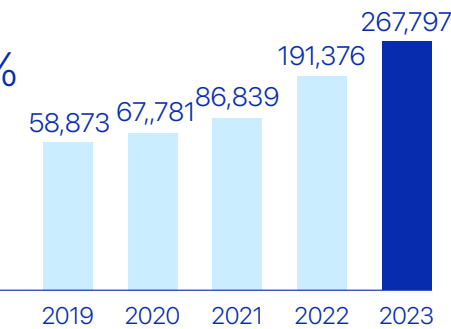
Deposits (TL bn.)

78.5%
increase



Shareholders' Equity (TL bn.)

39.9%
increase



72.3
billion TL
Net Profit

233.6
billion TL
Market Value



7.23
TL
Profit per share



24.3
million
customers



1,066
branches

22
foreign
branches

1.5 billion TL
sustainable investment
fund

2.6 million
Maximum Mobile
users

27 million
users served by Bankamatik
ATMs, including customers
of other banks

6,312
the largest ATM
network among
private banks

75.26%
share of İşCep in
transactions conducted
through all channels

77.3%
renewable energy
projects/Energy
generation portfolio

162.5
million USD
Loan allocation for
hospital and motorway
projects.

121.33
million MWh
MWh the amount of clean
energy generated through
the projects financed by
İşbank in the last 3 years

97%
ratio of transactions
out of total
transactions made
through non-branch
channels at İşbank

56.5 hour
average training time
per employee

30 thousand
chess classes opened in
schools in total

2.8 million
social media
followers

99.8%
ratio of return from
maternity leave

~15 million
digital banking
customers

53%
ratio of female
employees

40%
ratio of women in
management

13.7 million
İşCep users

97.2%
unionization rate

3 million
Nays users

1.63%
employee turnover
rate

94%
ratio of Local
Suppliers

İşbank from 1924 to Today

The story of İşbank, which was established as our country's first national bank based on Gazi Mustafa Kemal Atatürk's idea that political independence could only be possible through economic independence, is parallel to the history of the Republic. Established to achieve more with less with Atatürk's directive **"Establishing a truly modern and national bank, born from the direct reputation and trust of the people, as one of the primary measures that will liberate and elevate the country..."**, İşbank has always been a Republican institution that is much more than a bank.

İşbank's pioneering achievements

- ▶ The "İşbank Moneybox" was offered to the public in order to create and popularize the habit of saving.
- ▶ Checks were introduced for daily transactions.
- ▶ The foundations of electronic banking were laid in our country.
- ▶ Bankamatik ATMs, named and introduced by İşbank, became the name of the service in this field.
- ▶ İşbank opened the first Turkish bank branches in Europe and Cyprus.
- ▶ The first Savings Account service was introduced.
- ▶ The first Mutual Fund was established.
- ▶ The first securities trading was organized within the Bank and the savings of our customers increased in value.
- ▶ The first interactive telephone banking service was provided.
- ▶ In 1997, Türkiye's first Internet Branch was launched.
- ▶ Netmatik machines were introduced to the market so that customers without access to PCs could also benefit from the opportunities of Internet Banking.
- ▶ With WAP, banking transactions were brought to mobile phones for the first time in Türkiye.
- ▶ Finger Vein Recognition Technology, one of the most advanced technologies in its field, was introduced to the Turkish banking sector, providing a high level of security and speed in identity verification operations with the biometric application.
- ▶ Parakod, Türkiye's first payment system using QR (Quick Response) code, was made available for customers.

1920s-1930s



İşbank, the first national bank of the Republican era, was established on August 26, 1924, in line with the decisions taken at the Izmir First Economics Congress with Atatürk's directives. İşbank was the first Turkish bank to establish branches abroad, with the first international branches opened in Hamburg, Germany and Alexandria, Egypt in 1932.

1950s



The Bank developed its portfolio of subsidiaries. As the Bank's subsidiaries became the driving force of Turkish industry, the Bank invested in and financed a number of industries, with a focus on manufacturing.

1960s-1970s



In the 1960s and 1970s, İşbank focused on extending its branch network.

1980s



The Bank increased the number of its overseas branches. At İşbank, the 1980s were characterized by the growing importance of multichannel banking, and the Bank started offering an even broader range of products to its customers.

In 1982, İşbank introduced the first ATMs to Türkiye, and its ATMs named "Bankamatik" became a brand.

1990s



İşbank further solidified its position as the sector's pioneer in alternative distribution channels when it launched "Mavi Hat" (Blue Line) in 1991 and the first online banking branch in 1997.

2000s



Maintaining strong and stable growth, İşbank relocated the Bank's headquarters from Ankara to Istanbul in 2000. In light of rapid advances in technology, İşbank continued to improve the innovative multichannel banking network, allowing customers to utilize the most suitable channel to perform all banking transactions conveniently, quickly, and reliably on a 24/7 basis.

2010s



Initiating the customer-centered Digital Transformation Program with the vision of becoming "Türkiye's Best Digital Bank", İşbank founded MaxiTech, its subsidiary, in Silicon Valley, USA in 2016 to support digital transformation.

The Bank initiated the "Workup by İşbank" Entrepreneurship Program to support high potential and technology-focused initiatives (Startups) and began to invest in technology-focused startup ventures by making an investment commitment to the Maxis Innovative Venture Capital Fund established within the İşbank Group. İşbank established the "Innovation Committee" in order to extend the innovation culture and ensure the continuation of innovation processes.

In 2018, İşbank continued to consolidate its leadership in digital banking by integrating the personal assistant application Maxi into the service platform, which quickly achieved a record number of customer contacts.

İşbank advanced one step further in the innovation universe with the opening of the Shanghai Innovation Center.

With TekCep service, Türkiye's first open banking app, the Bank offered an opportunity to track account activity at different banks via İşCep.

2020s

During the extraordinary period of COVID-19 pandemic conditions, İşbank demonstrated its support for households and companies with special product and service applications.

With an innovative approach that brings agriculture and technology together, agriculture-focused activities gained momentum.

Considering its consolidated leadership in digital banking, İşbank launched entrepreneurship branches with the first startup-focused branch service model in Türkiye with the vision of being the bank of entrepreneurship and entrepreneurs.

İşbank joined the United Nations Net-Zero Banking Alliance (NZBA) and committed internationally to continue and increase its support for the transition to a carbon-free economy.



You can access the history of İşbank at isbank.com.tr/en/about-us/our-history

Message from the Chairperson

Esteemed Stakeholders,

We had a very difficult and sorrowful start to 2023, the 100th anniversary of our Republic, due to the earthquake disasters that shook our country deeply. We suffered the loss of many of our citizens, including our colleagues working in the region, in the earthquakes, the impact of which was felt over a vast area. While the mobilization of solidarity began across the country to heal the wounds caused by this great disaster, we, as İşbank Group, provided a comprehensive disaster relief package to ensure that the needs in the region could be met and to provide permanent support to the region. Today, we continue to do our best to ensure that our country can leave the impact of these dark days behind us completely. On this occasion, I wish Allah's mercy on those who lost their lives due to the earthquake and express my condolences once again to their relatives and our nation.

2023 was a year of significant developments in the world economy. While the global economy continued to lose momentum in line with the tightening steps taken by major central banks until the last quarter of the year, divergences in growth between regions were noteworthy. Concerns about a global recession, which had been on the agenda from time to time, were largely replaced by expectations of a "soft landing in economic activity". The easing of supply-side pressures stemming from supply chain disruptions supported the containment of inflationary effects on a global basis. Throughout the year, the course of global economic activity and the decisions of central banks as well as geopolitical developments, particularly the tension in the Middle East and the Russia-Ukraine war, were influential on the course of global risk appetite. Foreign capital continued to be selective in its investment decisions especially in developing countries.

In 2023, the determining factors in the performance of the Turkish economy were the earthquake disasters and the economic policies implemented. The Turkish economy grew by 4.5% in 2023. Despite the weak course in major export markets, the annual decline in commodity prices, particularly in energy prices, led to limited expansion in the foreign trade deficit, while the expansion in the current account deficit lost momentum in the second half of the year thanks to the contribution of service revenues. On the other hand, annual consumer inflation, which displayed a downward trend in the first half of the year due to the base effect, resumed an upward trend in the second half of the year due to the depreciation in TRY and the

increases in tax rates. In addition to the earthquake disaster, the high inflation environment led to an increase in the budget deficit in 2023. As of the second half of the year, policies that put the fight against inflation more at the forefront were pursued, and simplification steps were taken in macroprudential measures. Under these conditions, Türkiye's banking sector maintained its strong outlook and continued to support economic activity.

Special projects for the 100th anniversary of our Republic

In the 100th anniversary of our Republic, which we celebrate with enthusiasm and pride, we continued our efforts to present permanent and inclusive works to our country. The historical building, which served as the Beyoğlu Branch of our Bank for 63 years, opened its doors to art lovers as the İşbank Painting and Sculpture Museum on October 29th.

In March of the same year, we opened our exhibition titled "Long Live the Republic! The First Steps of Economic Independence in the Atatürk Era" at the İşbank Museum in Eminönü, İstanbul. In September, we organized an international conference titled "Looking to the Next Century with Atatürk's Vision", where we heard different perspectives and reflections on Atatürk's visionary approach from many guests from Türkiye and around the world who are experts in their fields.

İşbank is 100 years old!

We are now entering another extremely important year for our Bank. İşbank, the younger brother of the Republic by one year, will celebrate its 100th anniversary in 2024.

Atatürk's words, "Political and military victories, no matter how great they may be, cannot be permanent unless they are crowned with economic victories", expressed at the Economic Congress convened in İzmir in an environment where the wounds of the struggle for independence were still healing, became the economic motto of our Republic. With this understanding, our Bank, which was conceived "to establish a nationwide bank with a large capital belonging exclusively to Turks", was established in 1924 with the initiative of Atatürk himself.

Having taken responsibility for the development of our country since day one, İşbank reached its 100th anniversary as an institution guided by its founding values in all its activities. Creating value for stakeholders, a culture of ethical, transparent, and accountable business conduct, and a long-term perspective have always been among the most fundamental principles of sustainable development. In this respect, we are delighted to see that İşbank has succeeded in combining these deep-rooted values with modern requirements and has established a strong position among the leading institutions in its field.

Contribution to sustainable growth

As a brand identified with trust and reputation in our sector, we believe in the power of common sense in solving global problems and adopt the approach of doing business together. We are a signatory and member of many leading sustainability initiatives, including the Net-Zero Banking Alliance, the United Nations Environment Program Finance Initiative, the United Nations Women's Empowerment Principles, and the Global Compact.

Within İşbank Group, we are a large community that supports Türkiye's sustainable growth and development with our employment, exports, production, and services. We develop products and services to support the real sector and households with our widespread service network and digital contact points. In the coming period, we will continue to utilize our resources for Türkiye with determination.

Esteemed Stakeholders,

As we leave behind our centenary year, we continue our efforts with the vision of becoming the bank of the future in line with global developments and new regulations. In this process, on behalf of the Board of Directors, I would like to extend our gratitude to all our stakeholders, especially to the people of İşbank, whose efforts have brought us to this day.

Yours sincerely,

Adnan Bali
Chairperson



Adnan Bali
Chairperson

We are delighted to see that İşbank has succeeded in combining deep-rooted values with modern requirements and has established a strong position among the leading institutions in its field.

Message from the CEO

Esteemed Stakeholders,

Having started with the joy of celebrating the 100th anniversary of our Republic, 2023 turned into a challenging year in every sense due to the earthquake disasters on February 6th, which shook us all deeply. We have tried to come out of the difficult times in which we were put to the test with human life through the healing power of social solidarity. Although we suffered great losses, we quickly took action to shoulder our responsibility. On behalf of İşbank Group, we donated TL 1 billion to AFAD for the earthquake region and provided TL 1 billion 750 million in support for earthquake housing to be built. In addition to the TL 10 billion we allocated in the first phase with our disaster aid package, which we implemented to heal the wounds in the region and to initiate production and employment mobilization, we made the decision to defer or write off loan payments in the provinces and districts that suffered severe damage in the earthquake. Although it will take a long time to heal the wounds in the region, I believe that we will overcome these difficult days with the solidarity we have shown as a nation since the first day.

2023 was a year in which the global economy continued to lose momentum in parallel with the tightening steps taken by central banks to combat inflation worldwide, especially in developed countries. According to IMF, the global economy, which grew by 3.5% in 2022, is predicted to have completed 2023 with a growth rate of 3.1%. In this period, global inflation declined but remained above central banks' targets. Having tended to raise policy rates throughout 2023, major central banks preferred to maintain interest rates at the level reached in the last months of the year in order to observe the effects of the tightening measures implemented.

Despite the earthquake disasters at the beginning of the year, which affected a vast area, the Turkish economy grew by 4.5% year-on-year in 2023. Having declined in the first half of the year largely due to the base effect, annual CPI inflation resumed an upward trend as of June due to the depreciation of the Turkish lira and the increases in tax rates. In this framework, tightening steps in monetary policy came to the forefront in the second half of the year. The increase in the current account deficit lost momentum in the second half of the year with the contribution of tourism revenues.

İşbank continued to display a successful performance in this challenging environment with its effective risk management and quick decision-making skills. Our total asset size reached TL 2,453.8 billion, up 74.2% year-on-year, while cash loans increased to TL 1,147.4 billion and non-cash loans to TL 427.4 billion, and our total contribution to the economy was TL 1.6 trillion. Throughout the year, in addition to the soundness of our financial structure, the holistic approach we adopted in digitalization, sustainability, competent human resources, customer experience, and subsidiary strategy was one of our greatest strengths.

100th Anniversary of İşbank

In 2024, we are celebrating the 100th anniversary of the establishment of our Bank, which was founded as the first national bank of our country with the visionary approach of Gazi Mustafa Kemal Atatürk. This institution, which is nearly as old as the Republic, has taken on and continues to take on important responsibilities for our country since its first day.

In addition to our main fields of activity, we also endeavor to contribute to social life in areas such as education, culture, arts, science, and sports through the projects we carry out. In 2023, in cooperation with the Turkish Marine Research Foundation (TÜDAV), we launched the "Future of the Seas: Seagrass Meadows" project, which aims to protect the last Posidonia oceanica seagrasses, which are critical to the health of the Marmara Sea. In 2023, Deniz Kaşifi (Sea Explorer), an unmanned underwater glider that was put into use by the Middle East Technical University (METU) Institute of Marine Sciences in the previous year, continued its underwater activities in the Marmara and Mediterranean Seas.

In 2023, we contributed to the spread of sports to large masses by assuming the title sponsorship to the Istanbul Marathon and Half Marathon for two years, making sports more accessible and enjoyable. At the same time, we continue to support our athletes who will represent our country at the 2024 Paris Olympics within the scope of the cooperation we started in 2022 with the Turkish National Olympic Committee.

As part of the "Show Your Report Card, Get Your Book" campaign, one of the most widespread and long-lasting book projects in Türkiye to date, we prepared a special book titled "Çocuklar Soruyor Tarih Dede Anlatıyor" in cooperation with İşbank Cultural Publications

and Darüşşafaka on the occasion of the 100th anniversary of the founding of our Republic. We continued our sponsorship of the Turkish Chess Federation, which started in 2005, by expanding it with the 100th Anniversary of the Republic of Türkiye İşbank Chess Cup and the "Minik Hamleler" project aimed at spreading chess to kindergartens.

We support sustainable transformation in the economy

We are aware that the finance sector plays a very important role in building a sustainable economy. As a signatory of the Net-Zero Banking Alliance (NZBA) within the scope of our decarbonization efforts, we have announced our science-based intermediate emission reduction targets with the efforts we have initiated to manage the impacts arising from our loan portfolio. With our NZBA commitment, we aim to reduce the emission intensity financed by our Bank by 61% in the power generation, 21% in cement, and 10% in iron and steel by 2030 compared to the base year 2021. In line with our commitment to transparency-lined, systematic annual reporting, in 2024, we will be conducting targeting studies for other carbon-intensive sectors, report the progress on the initial targets we have set, and create our transition plans including the portfolio actions we will recommend to our customers.

In a move to bolster the green transformation within the economy, İşbank has declared its intention to progressively phase out coal financing by the year 2040, alongside the intermediate targets set for the Net-Zero Banking Alliance. In 2020, we have announced our commitment to refrain from financing new investments in coal and natural gas-based thermal power plants for electricity generation and pledged not to finance new coal mining activities in 2021.

In 2023, we continued to hold Green Transformation at SMEs meetings and provided the real sector with the know-how it needs to transition to a green economy. With the Water Platform technology developed specifically for SMEs, we supported businesses in reducing both water costs and water-related energy costs. We continued to provide resources for renewable energy investments, one of the most important components of the green economy. The resources we provided for renewable energy projects, which have a 77% share in our power generation projects portfolio, totaled USD 6.8 billion. In 2024, we aim to accelerate both the digital and green transformation of SMEs, the backbone of the economy, with the "Twin Transformation Journey of 100 SMEs" project, which we implemented in cooperation with the MEXT Technology Center.



Hakan Aran
Chief Executive Officer

We are preparing for our second century with the awareness of the greatness of the heritage we carry.

Message from the CEO

We had a year in which we continued to diversify our resources in the field of sustainable finance by adding new resources. The total amount of sustainability-themed resources we provided during the year reached USD 2.4 billion. This year, we had an outstanding green bond issuance with the amount of TL 500 million with a 2-year maturity. The transaction is labeled as the first green debt instrument issuance in TL denominated by the banking sector in the country.

New initiatives in agriculture

Food safety is among the most important issues in sustainable development. We continue our efforts in this area in order to support the agricultural sector and ensure the sustainability of the country's agriculture. Our goal is to popularize sustainable practices that increase productivity in agriculture and are supported by technology. To this end, we increased the number of our agriculture specialized branches in 2023. We aim to open more than 50 Agriculture Specialized Branches in the 100th year of our Bank.

In the first phase of the project, which we launched in cooperation with our Bank and the European Fund for Southeast Europe (EFSE) and under the consultancy of the Frankfurt School, we started to measure the carbon footprint of producers in four main product groups. Ultimately, we aim to develop product-specific banking solutions that reduce carbon footprint.

We continued to support the agricultural activities of our farmers with our mobile application İmeceMobil, a platform specific to the agricultural sector. We became an 8.3% shareholder in the Izmir Agricultural Technology Center through our subsidiary İmeceMobil. We established the "İmeceMobil Agriculture Platform", which provides digital agricultural technology services to small and medium-sized farmers with the aim of supporting sustainable, efficient agricultural production in the agriculture sector, which is among our strategic priorities, and using technologies in the field of digital agriculture correctly and spreading them to the grassroots.

We are Building the Bank of the Future

Our Bank, which has broken ground many times in terms of digitalization of banking and technological innovation in our country, continues to offer secure products and services to its stakeholders without slowing down with the vision of being the "bank of the future" as it prepares for its second century. In 2023, the number of our digital banking users reached approximately 15 million.

Launched as Türkiye's first mobile banking application and serving 5 million users every day, İşCep received the "World's Best Mobile Banking Application" award at the "Best Digital Bank Awards" organized by the international finance publication Global Finance. Our Maxi application won the "Best Chatbot Technology" award at the MarTech Technology Awards.

We are an important financial provider for an inclusive economy

As the bank of Türkiye and the future, we are working with the goal of providing products and services for all segments of society. Our aim is to make the highest contribution to our country by offering our technological capabilities, experience, and financial strength together in the best way where needed. We continue our efforts in line with our commitment to contribute to the transformation of the economy by providing sustainable financing amounting to TL 300 billion by 2026 with the aim of creating inclusive, sustainable, and shareable economic value.

With this approach, in 2023, we continued our efforts for SMEs, which are the locomotive of the Turkish economy, and diversified our products and services, especially for women's participation in the economy.

With the "Women's Empowerment Declaration", we demonstrate our support for women to be more active in economic life with the goal of providing TL 100 billion in financing to women business owners within 5 years. The declaration includes issues such as women taking a more active role in business life, having equal rights, facilitating access to financial services, preventing discrimination and implicit prejudices in marketing activities, and developing practices that consider all stakeholders in the value chain and create a positive impact.

In addition, we launched the "Internet for 100 Villages" project on the occasion of the 100th-anniversary celebrations of the Republic of Türkiye and İşbank. With this Project, we aim to expand the availability of the advantages offered by technology in every field, from education to economy, by providing internet access in rural areas.

We allocate resources to entrepreneurship and produce a multiplier effect on the support we provide to the economy

We believe that supporting the entrepreneurship ecosystem is of great importance for our country to be among the world's leading economies. For this reason, we have been accompanying entrepreneurs for many years and providing them with both financial support and knowledge.

The 11th term of the Workup Entrepreneurship Program, which has continued uninterruptedly since 2017 under the main support of our Bank, and the 2nd term of Workup Agri, an acceleration program focused on agricultural technologies, took place. The program has produced more than 100 graduates in 5 years. In addition to the Workup and Workup Agri Entrepreneurship Programs, in 2023, we launched the Workup Gaming program, which aims to accelerate education-focused gaming technologies. We won the Golden Sardis award in the "Most Innovative Acceleration and Incubation Programs" category with Workup, Workup Agri, and Workup Gaming Entrepreneurship Programs.

We moved our entrepreneurship programs, particularly Workup and Workup Agri, to İş Towers, thus transforming İş Towers, where our Istanbul Entrepreneurship Branch is also located, into an entrepreneurship base.

In 2023, we launched Proemtia, the first digital marketplace platform in its field in our country. With this platform, we aimed to contribute to the development and digitalization of industrial commodity trade. Proemtia is primarily used for iron and steel industry products and will expand its field of activity and volume to include other industrial products in the future.

As İşbank Group, in line with our mission to be the leading bank of digitalization, entrepreneurship, and initiatives in our country, we decided to invest in GetirFinans, which was born as a new initiative and became a strategic business partner. Thus, with platform banking, we aim to meet the financial needs of our customers on the platform where they make transactions and on our own digital channels when needed.

Consolidation of subsidiaries

In 2023, we took a strategic step and decided to consolidate our subsidiaries under a new company to be established under 100% ownership of our Bank for more effective management. With this new structure, we aim to adopt a more focused and strategic management approach with a systematic approach required by the rapid changes in every field in the world. In addition, we aim to increase the synergy between the subsidiaries, manage the subsidiaries more dynamically, and achieve a competitive performance that increases the value of the subsidiary portfolio and maximizes profits through increased efficiency.

Next-generation working environments

The greatest strength of our Bank, which has been carrying out its banking activities with competent and ethical employees since its establishment, has always been its human resources. With this awareness, we implement practices that will both attract young talents to the Bank and increase the satisfaction of our existing employees. We integrate the working systems of the future into our organization.

Considering the office usage needs of the new era, we are opening modern regional offices called MaxiOfis in different provinces so that our employees can carry out their work from "an İşbank Office" anywhere they are located. In 2023, we opened one more office each in Ankara, Izmir, Kayseri, and Mersin and made 12 MaxiOfis locations available to our employees in 8 different provinces. In 2024, we plan to adapt digital workspace components and technological innovations that will strengthen next-generation working methodologies to working life, thus supporting the phenomenon of working together with technology.

We are also working to offer next-generation experiences to our İşbank customers. In January 2023, we launched İş Mekân, a next-generation experience space, which is the first of its kind in our country, in order to go beyond banking services and meet the needs of our customers holistically together with our subsidiaries and to serve our customers, whom we contact digitally, in a physical environment. İş Mekân, which started its operations in Nişantaşı and serves an average of 20,000 visitors per month, is an ecosystem where brands and platforms within the İşbank Group can meet with visitors in addition to banking transactions.

Esteemed Stakeholders,

The rapidly changing conjuncture in the world and in our country once again underlines the necessity for organizations to have strong compasses in order to survive. As an institution that was founded to achieve more with less and has always been much more than just a bank, İşbank is an ethical, principled, and reputable institution that works with the understanding of creating value for all its stakeholders and that prioritizes the interests of the country. This positions us among the most valuable brands of our country and our sector.

We at İşbank are preparing for our second century with the awareness of the greatness of the heritage we carry. Without compromising our vision of "being the bank of the future that creates sustainable value with an inclusive and participatory approach", we endeavor to reclaim and earn the title of "the bank of the future" every day. Without deviating from the principles of our founder Gazi Mustafa Kemal Atatürk, we are working with all our strength to contribute to carrying our country above the level of contemporary civilizations. In our second century, we will continue to offer reliable, seamless, and personalized digital products and services supported by new technologies.

I would like to extend my gratitude to all our stakeholders who have trusted and accompanied us on this journey and to my colleagues at İşbank who have always worked with great dedication.

Yours sincerely,

Hakan Aran
Chief Executive Officer

Looking Into The Future

Operating Environment: General Evaluations

Global Economy

In 2023, while geopolitical uncertainties were still going on, the relatively weak course of global economic growth continued, with divergence among countries. Although inflation lost momentum on a global scale, it continued to stay above central banks' targets. Major central banks, which continued to raise interest rates throughout the year, preferred to wait to monitor the impacts of the tightening steps taken in the last quarter of the year. In this environment, international organizations assess that the risk of a global recession has diminished and the possibility of a "soft landing" is gaining weight, taking into account the above-expected course of economic activity in the US and major emerging economies and the possible effects of monetary and fiscal stimulus in China. According to IMF data, the world economy, which grew by 3.5% in 2022, is estimated to have grown by 3.1% in 2023 and is expected to display a similar outlook in 2024.

Turkish Economy

In 2023, the Turkish economy grew by 4.5% thanks to the continued strong course of consumption expenditures and the contribution of the increase in investment expenditures due to the earthquake disaster. In line with the tightening trend in economic policy, growth is expected to lose some momentum in 2024.

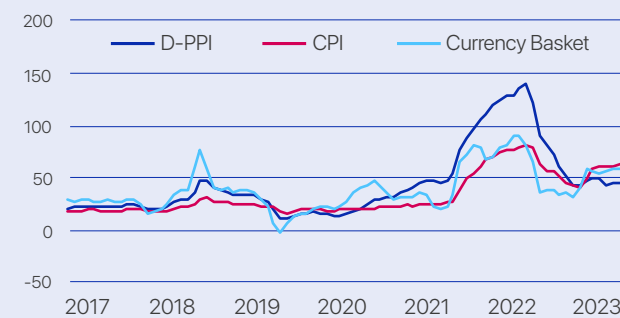
Despite the favorable performance of budget revenues, particularly tax revenues, increased budget expenditures due to the earthquake disaster and high inflation caused the budget deficit to widen rapidly in 2023. The budget deficit, which stood at TL 1.4 trillion throughout the year, widened to 5.2 % of GDP. In 2023, the decline in energy prices was effective in narrowing the foreign trade deficit. In this period, services revenues, especially tourism, displayed a positive performance. Thus, the current account deficit narrowed by 8% year-on-year to 45.2 billion USD.

Annual inflation, which declined in the first half of the year due to the high base effect, regained momentum in line with the depreciation in TL, tax adjustments, and wage hikes since June. As of December 2023, annual CPI inflation rose to 64.77%, while D-PPI inflation amounted to 44.22%. The CBRT raised the policy rate since June to 42.5% as of December as part of the campaign to fight inflation. The CBRT also took various steps towards simplifying macroprudential measures, increasing the share of Turkish lira deposits, selective lending, and quantitative tightening. The normalization steps taken in economic policies led to an improvement in risk perception towards Türkiye, with Türkiye's 5-year CDS premium declining from around 700 basis points at the end of May to 280 basis points by the end of the year.

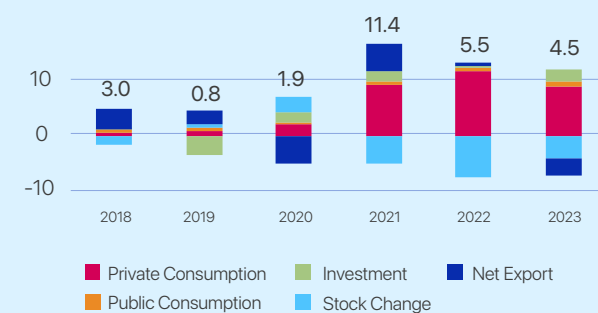
IMF Forecasts (January 2024)

	2023	2024	2025
Growth			
World	3.1	3.1	3.2
Advanced Economies	1.6	1.5	1.8
USA	2.5	2.1	1.7
Euro Area	0.5	0.9	1.7
UK	0.5	0.6	1.6
Japan	1.9	0.9	0.8
Emerging Economies	4.1	4.1	4.2
Türkiye	4.0	3.1	3.2
Russia	3.0	2.6	1.1
China	5.2	4.6	4.1
Brazil	3.1	1.7	1.9
Inflation			
Advanced	4.6	2.6	2.0
Emerging	8.4	8.1	6.0
Increase in World Trade Volume	0.4	3.3	3.6

Türkiye Inflation Indicators and Currency Basket (annual % change)



Contributions to GDP by Expenditure Method (%)

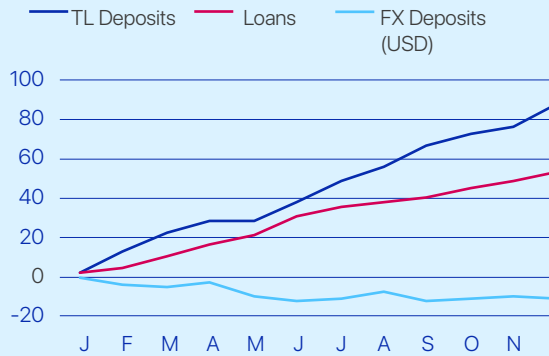


Banking Sector

The banking sector maintained its strong outlook in 2023 and continued to support economic activity. According to the Weekly Bulletin data published by the Banking Regulation and Supervision Agency, the volume of Turkish lira loans, including loans to the financial sector, increased by 53.5% on an annual basis, reaching TL 7,293 billion as of December 29, 2023. In USD terms, FX loan volume decreased by 3.5% to USD 121.6 billion in the same period. Accordingly, the total loan volume expanded at a rate of 52.9% as of December 29, 2023 and reached TL 10,859 billion. According to the exchange rate adjusted data, the total loan volume expanded by 34.7% in this period.

As of December 29, 2023, the volume of TL deposits, including deposits of banks, increased by 85.9% and reached TL 8,308 billion compared to the same period in 2022. In USD terms, FX deposit volume decreased by 8.2% to USD 191.3 billion in this period. The volume of FX-protected deposits, which peaked at TL 3.4 trillion in August, started to decline following the announcement of the exit strategy on August 20, falling to TL 2.6 trillion as of December 29. Thus, as of December 29, 2023, total deposit volume increased by 66.5% year-on-year to TL 13,919 billion. According to the exchange rate adjusted data, the annual increase in total deposit volume was 42.1%.

Deposits and Loans in 2023 (Change Compared to Year-end, %)



Source: Monthly Bulletin Data (Excluding Participation Banks)

İşbank

In 2023, the banking sector was shaped by macroprudential measures in the first half of the year and by the CBRT's simplification and normalization steps aimed at increasing the functionality of market mechanisms and strengthening macro financial stability in the second half. In this conjuncture, by focusing on effective risk management and maintaining balance sheet management with a dynamic perspective, İşbank increased its asset size by 74.2% to TL 2,453.8 billion as of year-end 2023 and maintained its title as "Türkiye's largest private bank".

Continuing to support the Turkish economy in a wide range of areas from the needs of households to the financing of Türkiye's large-scale investments, İşbank increased its cash loans by 51.1% compared to the end of the previous year. As of the end of 2023, the amount of resources provided by the Bank to the economy amounted to TL 1.6 trillion, of which TL 1,147.4 billion was cash loans and TL 427.3 billion was non-cash loans. Thus, İşbank continued to be the private bank making the largest contribution to the national economy.

İşbank's deposits increased by 78.5% compared to the end of the previous year, reaching TL 1.7 trillion. While the "liraization" strategy continued to shape the composition of deposits in 2023, Turkish currency deposits increased by more than 128% in this period. İşbank maintained its leading position among private banks not only in total deposits but also in demand deposits.

Continuing to improve its asset quality indicators in 2023, İşbank's NPL ratio declined to 2.1% from 3.0% at the end of the previous year.

Maintaining its strong liquidity level in 2023, İşbank's total liquidity coverage ratio and foreign currency liquidity coverage ratio were realized at 185% and 327%, respectively.

İşbank maintained its leading position among private banks with its shareholders' equity, which increased by 39.9% in 2023 compared to the previous year and reached TL 267.8 billion. With a capital adequacy ratio of 21.6% in 2023, İşbank became one of the banks with the highest ratio in the sector.

Global Tendencies, Risks, Opportunities and Forecasts

Climate Crisis

According to the World Economic Forum's 2023 Global Risks Report, failure to mitigate and/or adequately adapt to climate change, natural disasters, biodiversity loss, and environmental degradation represent five of the top 10 risks for our world. The report warns of highly interconnected risks, noting that climate change is triggering "a range of interlinked global risks", including economic tensions, energy and food supply shortages, increases in the cost of living, and debt payment capacity. On the other hand, it was also stated that there is an opportunity that the connections between global risks offer a dimension that may be leveraged to reduce risks.

As the final declaration of the 28th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP28) closed in Dubai shows, global performance in this area needs to be improved and efforts need to be accelerated. According to the final declaration, the most important and urgent need for increasing

climate resilience, meeting climate damages, and the transition economy is access to finance.

The COP28 final declaration provided important clues on the focus areas that stand out in the global action plan to fight climate change. The Global Stocktake (GST) agreed upon at COP28 called for a significant increase in renewable energy capacity and energy efficiency improvements by country parties. While 118 countries signed the Global Renewables and Energy Efficiency Pledge, Türkiye was not among the signatories. In the decision text of the COP28, countries party to the Framework Convention on Climate Change called for "an orderly and equitable transition away from fossil fuels in energy systems, accelerating actions in this critical decade so that net zero is achieved by 2050". This was the first time that the term "fossil fuels" was included in a COP text. Türkiye, which has not yet announced its National Climate Action Plan and has not yet enacted its Climate Law, has also declared that it wants to benefit from the Loss and Damage Fund.

According to the Financial Stability Oversight Council Climate-Related Financial Risk report published in July 2023, three main categories of climate risk for the banking and finance sector are highlighted:

Credit Risks

can increase substantially due to physical climatic events, regulatory changes due to climatic events, and changing customer behaviors. Extreme natural events can lead to the deteriorating financial performance of agricultural customers; severe weather events can damage properties and lead to increased loan defaults. Thermal power plants may be restricted or shut down as a result of their inability to meet increased emission standards.

Market Risks

the physical risks of climate events pose a threat to all assets exposed to severe weather events, leading to balance sheet losses. Transition risks in financial markets include expectations regarding technology, regulations, and changing consumer preferences, as well as the potential decline in the value of assets that are considered high climate risk, such as carbon-intensive energy generation and other emission-intensive products, services, or technologies.

Operational Risks

physical climate risks can impact both face-to-face and digital banking experiences. Financial institutions and service providers need to have backup technology in place to remain operational if a severe weather event impacts critical functions such as data centers. On the transitional risk dimension of climate change, financial institutions are expected to face much stricter regulations, resulting in higher operating costs and more complex cross-border transactions.

In the case of Türkiye, Regulatory Risk: regulations such as the Emissions Trading System (ETS) or the Carbon Border Adjustment Mechanism (CBAM) may reduce the profitability of customers and increase the probability of default. This may reduce the Bank's asset quality. Within the scope of reputational risk, reputational damage may occur due to failure to meet the climate change actions expected from banks, and access to capital and financing may become difficult.

As institutions that direct finance, banks play a crucial role in tackling the climate crisis. Banks can make significant contributions to the fight against climate change by providing resources to startups

working in the field of climate innovation, supporting the green transformation of emission-intensive sectors, reducing the emission intensity of their own portfolios, and raising the awareness of their customers. Banks, which are an important point of contact for customers and have professionals with knowledge and experience in climate action, can help deepen knowledge in this area and channel investments correctly.

How do we manage? Please visit the ["Climate Action"](#) section for details on İşbank's practices and performance in this area.

New Regulations and Risk Management

In parallel with global regulations, efforts to prepare local legislation on fighting climate change and sustainability are accelerating. Draft regulations and guidelines on Green Asset Ratio, Sustainable Reporting Standards, and Effective Management of Climate-Related Financial Risks by Banks are expected to enter into force. These regulations increase banks' obligations regarding the management of climate risks.

At the same time, many developments such as climate change, new business models, and crypto-assets expose companies to a volatile risk environment and the legal regulations arising from these risks. Financial institutions, for which risk management is of utmost importance, need to monitor the constantly evolving risk environment and exhibit proactive approaches. While macroeconomic risks such as inflation and uncertain growth expectations create potential credit challenges, risks such as changing regulations, cyber-attacks and fraud, integration of artificial intelligence into the banking system, and ever-changing climate risks constitute important new risk areas.

The coming period is expected to witness significant regulations affecting the financial sector. For example, in the USA, as part of Basel III, the FED is preparing to implement refined capital rules for banks with assets of over USD 100 billion. This regulation will standardize credit and operational risk approaches by 2028. It will also change the required bank capital for securitization risks.

As of January 1, 2024, publicly listed large companies in the EU will have to comply with the Corporate Sustainability Reporting Directive (CSRD) when preparing their annual reports for 2025. The key requirement under the CSRD will be a dual materiality assessment, which assesses the impact of a company's activities on both its own finances and on wider society and the environment. Smaller companies will also face the same rules from 2025 on.

How do we manage? Please visit the ["Transparent and Ethical Management"](#) section for details on İşbank's practices and performance in this area.

Generative Artificial Intelligence

Integration of artificial intelligence and big data applications into banking systems is a global trend that has been on the agenda for a long time. Automated customer identification and authorization, the creation of responsive and conversational interfaces for front-end banking, and applications based on powerful analytical data to enhance anti-fraud and risk management are some of the most prominent use cases for artificial intelligence (AI) and machine learning (ML) in banking. While these use cases remain essential, a notable development in AI that is redesigning the technology is generative AI (Gen AI).

Generative AI, a subset of artificial intelligence focused on natural language processing and content production, stands out with promising potential for the banking sector, especially to use for improving customer services and experience. Although it is still in its early stages of development, generative AI is an extremely important development in terms of a safer and more efficient banking experience.

A study by McKinsey revealed that this technology can reduce operational expenses in the banking and finance industry by \$200 to \$300 billion and increase efficiency by 3-5%. The biggest impact is expected in sales, marketing, customer relations, investment services, and risk and legal departments.

How do we manage? Please visit the ["Innovative Bank for 100 Years"](#) section for details on İşbank's practices and performance in this area.

² Climate-related Financial Risk: 2023 Staff Progress Report

Global Tendencies, Risks, Opportunities and Forecasts

Stable Cryptocurrencies

Stable cryptocurrencies, a type of cryptocurrency whose value is pegged to a currency such as the US dollar or the Euro, have emerged as a tool to help smooth out the volatility in the value of other cryptocurrencies such as Bitcoin and Ethereum, which have seen large fluctuations in value.

In August 2023, the USA positioned itself as a leader in the stable cryptocurrency area after PayPal announced the launch of PayPal USD. PYUSD was the first official stable cryptocurrency launched by a US financial firm, marking a significant milestone for this technology.

In the European Union, stable cryptocurrencies have been around longer and are being launched by more companies. The European Banking Authority has begun the process of setting MiCA requirements for stable cryptocurrencies, with the proposed regulations expected to come into force in 2024.

Central Bank Digital Currencies (CBDCs) are being supported by governments around the world, either to increase financial inclusion or because they provide more efficient payment methods. A global agreement on minimum standards for cryptocurrency governance is likely to emerge after the Financial Stability Board in the USA and the IMF raised concerns about financial stability and macroeconomic risks.

Blockchain and Crypto Asset Regulations

The year 2023 saw SEC lawsuits against major crypto exchanges such as Coinbase and Binance. With these lawsuits, regulators around the world began to focus on blockchain and related technologies. While most of the regulatory changes related to blockchain were specifically related to cryptocurrency, other blockchain-based projects and products remained in a legal gray area.

One of the most significant developments in blockchain and crypto regulations last year was the European Union's Markets in Crypto Assets (MiCA) regulation. This legislation covers currently unregulated crypto assets and aims to promote both market integrity and financial stability. MiCA also aims to provide consumers with more information to make more informed decisions about cryptocurrencies and the associated risks.

³ A company is defined as large if it meets two of three criteria: Having more than 250 employees, a turnover of more than EUR 40 million, or total assets of more than EUR 20 million.

⁴ "The economic potential of generative AI: The next productivity frontier," McKinsey, June 14, 2023.

Technology Investments and Digital Core

The transformation of banks into technology companies is a long-standing trend. According to recent research reported by The Financial Brand ⁵, 79% of financial institutions plan to increase their technology spending over the next two years. Research by Gartner ⁶ predicts that global spending on banking and investment technology services will exceed USD 652 billion by the end of 2023. This figure represents an increase of 8.1% compared to 2022.

Today, digital solutions are not just about solving specific problems or supporting existing systems. Having a modern digital core based on advanced technologies like digital and cloud, as well as innovative tools such as artificial intelligence and machine learning has become a vital requirement for organizations, not a convenience or added value.

A robust corporate digital core is a trend emerging as the foundation for ensuring competitiveness, overall customer satisfaction and product innovation, scalability and flexibility, and total cost efficiency across the entire platform.

Leveraging technology and AI to increase efficiency, better utilize talents, and improve the delivery of products and services is increasingly becoming a critical differentiator for banks.

How do we manage? For details on İşbank's practices and performance in this area, please visit the ["Innovative Bank for 100 Years"](#) section.

Open Banking

Open banking is evolving all over the world, but it is taking different forms in different parts of the world. For example, the United Kingdom has adopted the Open Banking Standard, while the European Union is currently regulating open banking under the PSD2 regulation (soon to be PSD3). These regulatory standards are paving the way for open banking adoption in other regions. Deloitte reports that Hong Kong and Australia are adopting a more regulatory-driven approach to open banking, similar to the approach seen in the UK and EU.

The USA is a major player that has not yet adopted comprehensive open banking legislation, but the Consumer Financial Protection Bureau (CFPB) is working to publish a new personal data rights regulation that will accelerate the adoption of open banking in the USA. The regulation is scheduled to be published in 2024.

How do we manage? For details on İşbank's practices and performance in this area, please visit the ["Innovative Bank for 100 Years"](#) section.

Geopolitical Risks

According to the World Economic Forum's 2023 Global Risks Report, conflicts and geo-economic tensions are triggering a series of deeply interconnected global risks. These risks include shortages in energy and food supplies, strong increases in the cost of living, and decrease in debt payments, which are likely to continue in the coming years. These crises also have the risk of undermining efforts to tackle long-term risks such as climate change, biodiversity, and investment in human capital.

According to a recent survey by Oxford Economics, companies see geopolitical tensions as the biggest threat to the global economy. In its biannual Financial Stability Report, the US Federal Reserve noted that "geopolitical tensions pose significant risks to global economic activity, including the possibility of sustained disruptions to regional trade of food, energy, and other commodities". The World Economic Forum's 2023 Risk Report similarly placed geopolitical risks in the top 10 list of both short-term (two-year) and medium-term (10-year) global concerns.

A succession of crises has brought significant geopolitical uncertainty, volatility, and fragility to markets. The war in the Middle East, Russia's invasion of Ukraine, and US-China tensions have accelerated geopolitical fragmentation. The humanitarian crisis caused by the Russia-Ukraine conflict has also led to increased risk exposure in capital flows, trade, and commodity markets around the world. As geopolitical competition increases, so does the scope, scale, and sophistication of cyberattacks.

How do we manage? Please visit the ["Risk Management"](#) section for details on İşbank's practices and performance in this area.

Changing Competitive Environment

The banking and finance sector is one of the sectors where competition is changing the fastest today. Traditional financial institutions have to compete both among themselves and with new fintechs entering the industry. As the number of digital transactions in retail banking transactions increases, the number of banks that serve only as digital banks is also increasing. Applications such as digital wallets, account-to-account money transfers, buy now pay later, etc. are giving rise to alternative payment systems. Banks are increasingly partnering with fintechs and other technology companies. As the number of alternatives increases, customers' expectation of communication from multiple sources increases and brand loyalty decreases.

How do we manage? For details on İşbank's practices and performance in this area, please visit the ["Innovative Bank for 100 Years"](#) section.

Cybersecurity

Rapidly increasing digitalization, integration of artificial intelligence, the banks' increasing number of business partners due to open banking applications, and "deepfake" incidents that gradually become more realistic with artificial intelligence technologies continue to emphasize the importance of cybersecurity measures. Ensuring cybersecurity and the trust created among customers in this regard provide a significant competitive advantage for financial institutions.

According to the IBM Cost of a Data Breach Report 2023, the global average cost of data breaches is USD 4.45 million, up 15% in 3 years. In the Deloitte Global Future of Cyber Survey, 56% of respondents reported being moderately or severely impacted by cyber incidents and breaches, including operational disruption, revenue loss, reputational damage, and intellectual property theft.

How do we manage? Please visit the ["Information Security at İşbank"](#) section for details on İşbank's practices and performance in this area.

Access to Talent

One of the most important elements in creating a competitive advantage for organizations across the world is to access talented employees and ensure employee commitment. As the technological transformation of financial institutions accelerates, there is an increased demand for technically qualified employees, especially in the fields of artificial intelligence and big data. Qualified employees are in high demand in all sectors. Another requirement for the technological transformation of institutions is to increase the technological literacy of their current employees. Increasing digitalization in all units, integration of artificial intelligence and big data processing systems embedded into decision mechanisms require all employees to have a minimum level of knowledge in these areas. These developments require increased technology content in employee development programs.

How do we manage? Please visit the ["Decent Work"](#) section for details on İşbank's practices and performance in this area.

Message from the Sustainability Leader

Esteemed Stakeholders,

In the business world, where global dynamics change, consumer behavior shifts, and the importance of human capital increases, sustainability comes to the forefront as one of the key elements shaping the future. As İşbank, a bank that has integrated sustainability into all its processes with the vision of "becoming the bank of the future that creates sustainable value", and as we enter our 100th anniversary and perform at international standards in this field, we develop all our activities and services in the light of scientific studies and in consideration of changing stakeholder expectations.

As an institution nearly as old as the Republic, contributing to the economic and social welfare of our country has been the most important mission of our Bank since our founding. Creating an order that is inclusive, environmentally responsible, and fair while ensuring social welfare can only be possible through the integration of environmental, social and governance factors into decision-making processes. Based on this necessity, we carry out our sustainability efforts in coordination and cooperation with the participation of all relevant departments of our Bank, covering governance, coordination, strategy, marketing and operational processes in line with systematic and international best practices.

The Sustainability Committee, which operates under the Board of Directors, the highest governance body of our Bank, also includes members of the Board of Directors and the Executive Board. This governance structure ensures that our sustainability activities are managed from a holistic perspective and that interdisciplinary interaction is supported.

Our Efforts for a Sustainable Economy and Future

In order to combat climate change and accelerate the transition to a low-carbon economy, we adopt an end-to-end business model that extends from procurement of resources to provision of these resources to our customers through sustainable products and services. We aim to reduce emissions resulting from our own operations as well as those of our customers and suppliers. We see decarbonization, especially from our loan portfolio, as one of the top priorities in terms of emissions from our operations in building a sustainable future.

In 2023, we procured 100% renewable energy for the electricity consumed by our own operations, while implementing energy efficiency measures. As of the end of 2023, we reduced our emissions by 79%, while shifting our carbon-neutrality target from 2035 to 2026.

In 2022, as a signatory of the Net-Zero Banking Alliance established at the United Nations, we made a commitment to align our loan portfolio with science-based net-zero emission targets by 2050. In

this context, we prioritized supporting our customers' transition to a net-zero economy. In terms of emissions from loans, we started to plan the actions to be taken by creating sectoral decarbonization routes starting from carbon-intensive sectors. We publicly disclosed our 2030 targets for emission reductions in the energy, iron-steel and cement sectors, which are among the carbon-intensive sectors we prioritized in 2023. Accordingly, we aim to reduce emission intensity by 61% in the energy production sector, 21% in cement and 10% in iron-steel by 2030 compared to the base year 2021. The targets we have set represent a fundamental elements of our Bank's sustainability strategy and reflect our aim to be a guiding business partner in the green transformation of our customers. In parallel with our decarbonization efforts, we also announced that we will gradually phase out coal financing by 2040.

We evaluate climate change issues not only in terms of emission reduction and adaptation but also in terms of the opportunities created for the green transformation of the business world. In this regard, our Bank continues its efforts to offer both product packages and consultancy to its customers and to be a solution partner in their transformation.

As a reflection of our ongoing efforts in the field of sustainability, we raised our 2023 score to the "A" level, defined as the global leadership category, in the CDP Climate Change Program, which we have been reporting on since 2019. We also raised our score to the "A-" leadership level in the Water Security Program.

Our Responsible and Inclusive Banking Efforts

As an organization that believes equal participation of all segments of society in the economy and increasing the effectiveness of women in business life are requirements of sustainable development, we carry out activities that consider gender equality in our banking activities. Being a signatory of the United Nations Women's Empowerment Principles (WEPs), our Bank published the "Women's Empowerment Declaration" in 2023, which sets out that women's economic independence and their active role in business life are among the Bank's strategic priorities. We have made a commitment of providing TL 100 billion financing women entrepreneurs by 2028 and financial literacy training to 15,000 women entrepreneurs. In our value chain, we implement action plans that aim to develop new, innovative, and good practices from end to end, from human resources practices to financing/sales activities that affect customers, from procurement to corporate social responsibility. In this way we aim to assist women overcome economic difficulties and become more active in economic life.

2023 was also a year in which we continued to increase the diversity of transactions in sustainability-themed funding. In 2023, we provided USD 2.4 billion worth of sustainability-themed funding to our country, some of which was allocated to the earthquake region. From the first day of the earthquake, we have aimed to maximize

the financial support we provide to the region by mobilizing both our own and external resources and to make a permanent contribution to recover the effects caused by earthquake disasters in the region. With the resources we have provided, we will continue to increase the support we give to areas such as renewable energy, energy and resource efficiency, and to support women entrepreneurs in order to increase women's participation in business life. We also broke new ground in the sector this year by issuing a green bond worth TL 500 million with a two-year maturity. The transaction is the first green debt instrument issuance in TL by the banking sector in Türkiye.

Developments in the Operating Environment

In 2023, the Public Oversight Authority decided to adopt the standards published by the International Sustainability Standards Board (ISSB), which was established under the International Financial Reporting Standards (IFRS), to develop a transparent and comparable reporting framework in the field of sustainability. The Turkish Sustainability Reporting Standards (TSRS) were published on the basis of "General Provisions on Disclosure of Sustainability-Related Financial Information" and "Climate-related Disclosures" fully compliant with IFRS. As İşbank, we closely follow the recent standardization processes in the sustainability reporting universe, both in terms of our own activities and those of our customers, and we welcome the developments evolving towards a single standard in this field. Throughout our integrated reporting journey, we have had the opportunity to effectively manage our sustainability efforts, assess our environmental and social impacts, set our sustainability goals, and share these goals with our stakeholders in a transparent way. Certainly our experience in reporting will provide a strong base for the developments in international and local reporting practices and standards.

I would like to thank all our stakeholders, especially our employees and customers, for accompanying us on our sustainability journey. At İşbank, we have been working with the aim of adding value to the world, our country, and society for a hundred years under the guidance of our founding values, and we make plans to shape our second century with the same sense of responsibility in line with these values. We invite all our stakeholders to take joint action with us for a more livable world where all segments of society participate equally in the economy, gender equality is achieved, and natural resources are used responsibly.

Yours sincerely,

İzlem Erdem
Deputy Chief Executive
Sustainability Leader



İzlem Erdem
Deputy Chief Executive
Sustainability Leader

As İşbank celebrates its 100th anniversary, the goals we have set for decarbonization represent the core elements of our Bank's sustainability strategy and reflect our aim to be a guiding business partner in the green transformation of our customers.

Management Evaluation and Analysis

The Turkish economy grew by 4.5% in 2023 thanks to the continued strong course of consumption expenditures and the contribution from the increase in investment expenditures due to the earthquake disaster. The Turkish banking sector maintained its strong outlook in 2023 and continued to support economic activity.

In 2023, İşbank continued to create value for the development of the country's economy and society and to pioneer technological development in the sector with our strong and productive business model, which we structured in line with our vision of "becoming the bank of the future, creating sustainable value with an inclusive and participatory approach" and our strategy of "managing our balance sheet to ensure sustainable and value-added growth while using our internal and external resources in accordance with the priorities of the country's economy and preparing our enterprise for the future by continuously improving our business model along with our group companies and all our business partners in the period of technological transformation."

As of year-end 2023, İşbank had largely achieved its 2023 targets and maintained its title as "Türkiye's largest private bank" in terms of total assets, loans, deposits, and shareholders' equity.

Loans accounted for 46.8% of İşbank's total assets of TL 2.5 trillion as of year-end 2023. The Bank's total cash loans increased by 51.1% in 2023. Compared to the end of the previous year, retail loans and TL commercial loans increased by 89.2% and 36.6%, respectively, with total growth in TL loans reaching 56.3%. FX loans contracted by 9.7% in USD terms, which is in line with the previous year.

Deposits continue to be the main source of funding, with a 67.7% share in total liabilities. In 2023, the Bank's total deposit volume increased by 78.5%. The steps taken within the framework of the liraization strategy were decisive in deposit development and customer preferences, with TL deposits increasing by 128.1%, while foreign currency deposits contracted by 9.1% in USD terms.

In 2023, our shareholders' equity and capital adequacy ratio remained strong, supported by our net profit. In 2024, in order to ensure that our strong financial structure and capital adequacy are maintained under all conditions, we will prioritize the management of our balance sheet with a proactive and prudent approach by considering the risk-return balance.

In its second century, İşbank will be positioned as one of the leading institutions building the future and will carry out all its activities with the goal of creating sustainable value by putting people, society, and the environment at the center. İşbank's strategic priorities include providing an open, integrated, and seamless banking experience to customers from all segments of society; creating value in cooperation with key actors and sectors of the economy; and supporting entrepreneurship, which is seen as the building block of sustainable development and has a high potential to create value for the economy. Just as İşbank helped lay the foundations of industrialization in our country in the years of the establishment of the Republic, it will continue to use the transformative power of technological innovations, especially artificial intelligence, which is considered to be the revolution of today, for the benefit of all its stakeholders.

How Do We Create Value?

Sustainability at İşbank

Aiming to create shareable and long lasting value for our country since its foundation, İşbank's sustainability approach has been summarized as "İşbank Banking".

Our business model: İşbank Banking

İşbank is among the most reputable institutions in the finance sector with its business approach based on ethical principles and trust. Defined as "İşbank Banking", this model, which is integrated into all of the Bank's processes and which handles financial and non-financial capital elements together, reflects the unique corporate culture that İşbank has built over 100 years. With this business model, which focuses on "creating shareable and sustainable value" for our country, the Bank aims to generate value for all its stakeholders in the short and long term. This value creation model, which allows the Bank's sustainability priorities to be integrated into all decision-making processes, positions sustainability as one of the focal points of its corporate strategy. İşbank carries out all its efforts in this direction under the ownership of senior management and with the participation of all employees.

Looking out for social benefit, as well as the needs and expectations of all its stakeholders, İşbank associates the outputs of its value creation process with the United Nations Sustainable Development Goals that it has contributed to and manifests its support of global goals with the value creation approach.

 Please visit <https://www.isbank.com.tr/en/about-us/our-approach> for the principles of İşbank Banking.

Highlights in 2023

2030 mid-term emission reduction targets were announced in the energy, cement and iron and steel sectors within the scope of the Net Zero Banking Alliance commitment.

Committed to provide TL 300 billion in sustainable financing by 2026 and TL 100 billion in financing to women operators by 2028.

Achieved "A" Global Leadership score with the CDP Climate Change Report.

CDP Water Security Report Rating raised to "A-" Leadership level.

By 2040, it was announced that the financing of coal activities will be gradually terminated.


First sustainable eurobond issuance realized.

The first domestic TL green bond issuance was realized.

BIST Sustainability 25 Index was launched.

Participated in the FTSE4Good EM Index.

Published the "Women's Empowerment Declaration" that considers all stakeholders in the value chain.

 Please visit <https://www.isbank.com.tr/en/about-us/sustainability-milestones> to review our past achievements.

Value Creation Model

Inputs

Financial Capital
Broad customer bas - **24,3 million**
Strong capital structure
TL 2,453.8 billion asset size

Human Capital
21,167 employees
Practices that support employee satisfaction and development
Strong rights policies that reinforce gender equality and labour peace

Social-Relational Capital
Strong brand value
Effective stakeholder communication
New generation banking practices
Initiatives involved in sustainability – 18

Intellectual Capital
Centuries-old corporate know-how
Agile working model
Continuous investment in employee qualifications
Value-creating technology and innovation investments

Natural Capital
Digitalised banking processes
Financing of **2,659 MW** installed capacity renewable energy projects
Energy and water used in operations

Produced Capital
Extensive branch network – **1,066 domestic branches**
The largest ATM network in Türkiye – **6,312**
Maxi, a personal assistant powered by artificial intelligence and natural language processing (NLP) technologies
Strong information systems infrastructure

Our Strategic Elements



Outputs

51.1% Cash Loan Growth in Total
TL 1,662.2 billion Total deposits
TL 72.3 billion Net profit
33.3% Average profit on shareholder equity

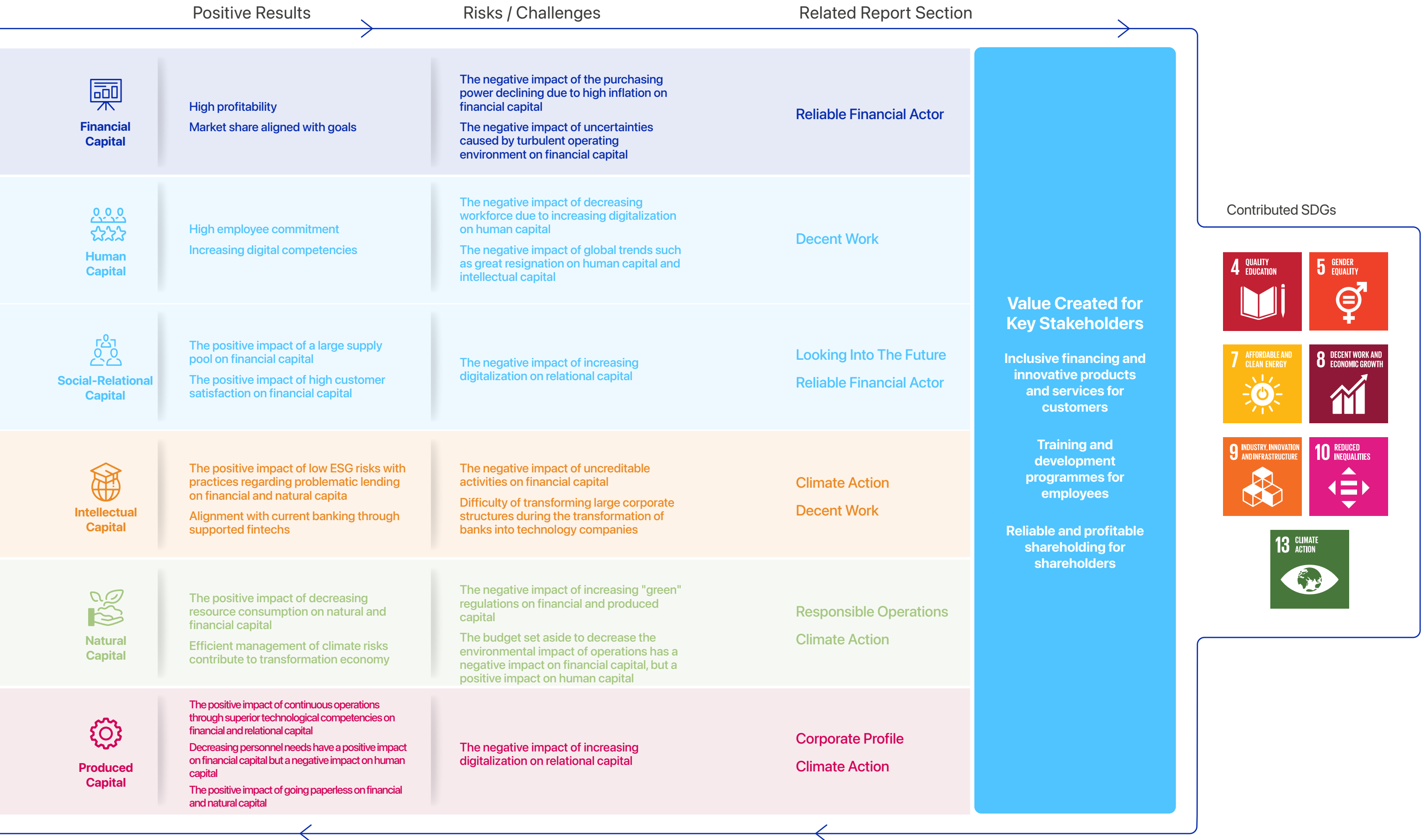
53% Percentage of female employees
40% Percentage of female employees in management
1.63% Employee turnover rate
97% Unionization rate

Individual Net Promoter Score Ranking **1.** (among private banks)
427 Number of graduates from the "81 Students from 81 Cities"
10.7 million users reached with Maxi
13.7 million Number of İşCep users

Over 16 thousand subscribers to ekonom.isbank.com.tr
1,660 employees and **225** Agile Team working with the Agile working model
Over **3,600 farmers** reached through
38 «Farmer Meetings»

100% The amount of energy generated from renewable energy sources of the total energy consumption
77.3% Share of renewable energy projects in İşbank's total energy generation projects portfolio
238 million pages Paper savings with digitalization
Renewable energy supply for **100%** of electricity demand

6,312 Number of Bankamatik ATMs
87.3 million Number of questions answered with Maxi
BREEAM In-use Excellent certified Head Office building
LEED v4 Gold for Data Centers certified Tuzla Data Centre (Atlas) building



Sustainability Management

İşbank's Board of Directors holds the highest management authority in sustainability management. The "Sustainability Committee", which is overseen by the Chairperson of the Board and represents all business units, consists of two Board of Directors and Executive Members and is the management body responsible for the Bank's sustainability efforts. The Deputy Chief Executive in charge of Investor Relations and Sustainability is now İşbank's Sustainability Leader. The Sustainability Leader is in charge of representing the Bank in sustainability communications and guiding sustainability initiatives.

For senior executives and all employees, except for the Executive Board, an incentive-based remuneration system was developed based on specific performance indicators related to sustainability in line with the Bank's strategic priorities.

The Sustainability Coordinator ensures that the Bank's senior management prioritizes sustainability and climate-related issues. The Investor Relations and Sustainability Department is in charge of analyzing developments and global trends in the field of sustainability, shaping the Bank's ESG strategy and targets, developing business plans in line with them, and ensuring that efforts in this context are coordinated across the Bank.

The Sustainability Working Group, which comprises representatives from key functions of the Bank, works to ensure that sustainability and climate-related issues are included in business decisions while also allowing information flow between functions.

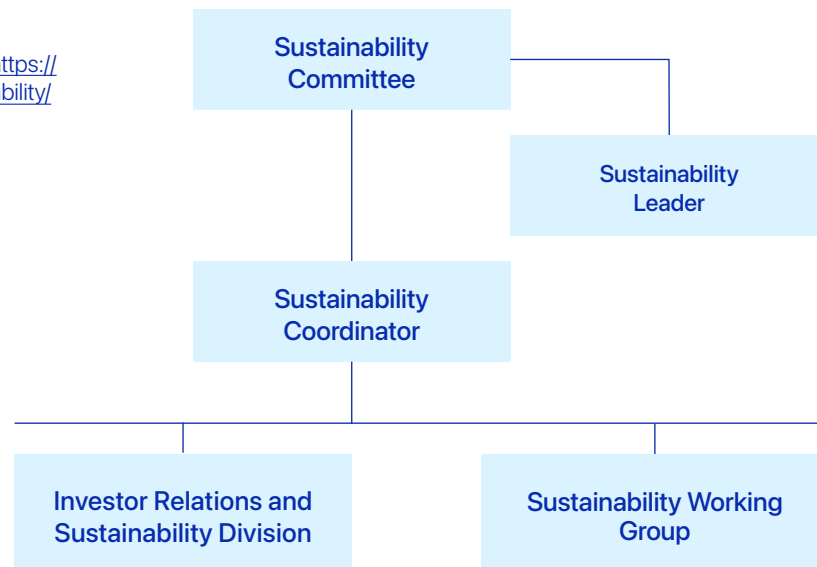
The "Sustainability Management System" is a regularly updated that was developed in 2015 to frame the Bank's approach to sustainability and its environmental, social, and governance activities. The Sustainability Management System is based on İşbank's Sustainability Policy and other supplemental policies approved by the Board of Directors.

The İşbank Internal Control Division oversees the operations that are performed within the Sustainability Management System and in compliance with the Bank's Sustainability Policy. The activities are designed to test the effectiveness of the controls defined within the scope of the Sustainability Management System, assess compliance with rules and standards, and ensure the accuracy of environmental and sustainability-related data used as inputs in the Integrated Annual Report. The annual Sustainability Management System audits assess the Bank's sustainability commitments, targets, and progress toward these targets and share findings and recommendations. In addition, the Bank adheres to with the international ISO 14001 Environmental Management System standards for assessing and managing of environmental impacts, and the Internal Control Division performs "internal audit" activities outlined in the ISO 14001-Environmental Management System.

You can access İşbank's Sustainability Policy at <https://www.isbank.com.tr/en/about-us/Documents/sustainability/sustainability-policy.pdf>

Other policies that support İşbank's sustainability approach can be found at the addresses below.

- Environmental and Social Impacts Policy
- Supplier Code of Conduct
- Occupational Health and Safety Policy
- Human Rights and Human Resources Policy
- Anti-Bribery and Anti-Corruption Policy
- Gifts and Hospitality Policy
- Gender Equality Policy



As we prepare for our second century, our commitments for a more sustainable and inclusive future

Aligning our loan portfolio with science-based, **net-zero emissions targets** by 2050 as part of our Net Zero Banking commitments

Establishing sectoral decarbonization routes starting from carbon-intensive sectors to reduce our emissions from loans

We shared with the public our 2030 targets for **emission reductions in the carbon-intensive sectors of power generation, iron-steel and cement.**

by 2028
100 billion TL
financing for female enterprises



by 2026
300 billion TL
of sustainable credit

By 2040, exit from financing of coal and coal-related activities (excluding NOCAH)















Making all İşbank contact points disabled-friendly by 2030















Running paperless operations in 2030

Increasing the number and awareness of products that increase savings consciousness

Increasing the number of customers using digital banking channels to over 20 million by 2030

Our Stakeholders

	Financial Institutions and Rating Agencies	Analysts	Trade Union	Suppliers	Initiatives Supported	NGOs and Media	University Students
Why is it important for İşbank?	Strong partnerships with financial institutions provide the Bank with advantageous financial opportunities.	İşbank contributes to analysts' accurate assessments through transparent and timely information sharing, thus guaranteeing that it is a preferred corporation.	İşbank operates as an institution with a high level of employee satisfaction thanks to the labor peace resulting from the dialogue with trade unions.	Long-term supplier relationships provide the Bank with operational and cost advantages.	Long-term supplier relationships provide the Bank with operational and cost advantages.	İşbank contacts numerous non-governmental organizations to keep abreast of current developments, exchange ideas with other institutions and organizations, obtain information on areas of need, and share its corporate news with the public in a fast and accurate manner.	With its employer branding efforts, İşbank aims to be a corporation preferred by the next generation in the future as it is today.
Key expectations from İşbank	Transparent reporting on financial and non-financial performance	Transparent non-financial reporting	Fair selection and evaluation processes; Fast and easy communication; Corporate capacity building	Ensuring labor peace, practices to increase employee satisfaction	Increasing joint projects	Quick response to information requests; Opportunities for joint project development	Mentoring activities; Internship and career opportunities
İşbank's Response	İşbank reports its financial and non-financial performance on various platforms.	İşbank reports its sustainability performance in compliance with numerous international frameworks.	İşbank respects the association rights of its employees. The Bank fulfills the requirements of the collective bargaining agreement reached through negotiations.	İşbank manages a competent and large pool of suppliers through supplier selection, evaluation, and development systems.	İşbank shares its performance with its stakeholders by fulfilling the requirements of its corporate engagements which increase every year.	İşbank carries out joint projects with numerous non-governmental organizations compatible with its corporate values.	İşbank offers internship and mentoring opportunities to a large number of university students every year.
Communication channels	Evaluation and information meetings, Corporate Reports, replying to written queries	Analyst days, investor meetings, investor presentations, teleconferences, communications of the Investor Relations and Sustainability Division, Annual Report, Integrated Report, Reputation Research	Regular meetings	Daily communication with product and service suppliers, projects aimed at increasing sustainability awareness among suppliers	Conferences, seminars, congresses, workshops, replying to written queries	Information and press meetings, private meetings, replying to written queries, online training, mentorship activities and other joint projects	Career days, campus events, sponsorship activities
Related capital element	 Financial Capital  Social-Relational Capital	 Financial Capital  Social-Relational Capital	 Financial Capital  Social-Relational Capital	 Human Capital  Social-Relational Capital	 Social-Relational Capital  Intellectual Capital	 Social-Relational Capital  Social-Relational Capital	 Human Capital  Intellectual Capital

	Employees	Customers	Shareholders	Business Partners	Subsidiaries	Public Institutions
Why is it important for İşbank?	A highly motivated, ethically committed, qualified workforce with digital competencies provides a competitive advantage for the Bank.	İşbank finances its sustainable growth strategy through its extensive customer base.	İşbank's broad-based shareholder structure provides the Bank with financial strength.	Business partners that match up with İşbank's corporate values and with whom joint projects can be carried out in a mutually beneficial relationship provide financial and reputational benefits for the Bank.	As an integrated organization, İşbank creates value for its investors through the synergy it creates with its subsidiaries.	İşbank ensures its operational sustainability by fully complying with the laws and regulations of all geographies in which it operates. The Bank exchanges views with public institutions and expresses opinions on new regulations.
Key expectations from İşbank	A development-supportive, fair working environment; A corporation that brings the competencies of the day to its employees; Adoption of new working models	Easy to reach; Accurate guidance on products and services; User-friendliness of digital channels	To directly and quickly get accurate and up-to-date developments about İşbank and exercise their shareholder rights	A win-win approach with transparent and innovative corporate practices	Protecting and enhancing İşbank Group's reputation, Joint projects and information exchange	Full compliance with legislation; Exchange of ideas on new regulations
İşbank's Response	İşbank has defined its policies and procedures to be a fair employer. The Bank strives to be the employer of the next generation through trainings developed for employees at all levels and models such as agile working and hybrid working.	Through its digital channels, İşbank is accessible 24/7. Customer feedback is analyzed and integrated into decision-making processes.	İşbank's Investor Relations and Sustainability Department considers providing timely information to the Bank's shareholders to be its primary responsibility.	İşbank establishes long-term relationships with its business partners and increases the corporate capacity of its business partners.	İşbank implements projects that will create synergy with its subsidiaries and includes its subsidiaries in its audit processes.	İşbank submits its opinions on the regulations related to the sector and carries out all its activities with a full compliance approach.
Communication channels	Working Life Evaluation Survey, training programs, performance evaluation, internal communication platforms, regular executive meetings	Branches, Bankamatik ATMs, Internet Branch, Telephone Branch and mobile banking channels, customer relations representatives, meetings, customer satisfaction surveys, social media	General Assembly and investor meetings, investor presentations, analyst and investor days, promotional meetings, teleconferences, daily communications from the Investor Relations and Sustainability Division, İşbank Investor Relations web page, Public Disclosure Platform (KAP), the Information Society Services Platform established as per the Turkish Commercial Code, Integrated Report, CDP Reports	Joint projects, thematic meetings, training programs	Boards of Directors of subsidiaries, Joint projects, reputation research	Reporting processes, consultation meetings
Related capital element	 Human Capital	 Financial Capital  Intellectual Capital  Social-Relational Capital  Produced Capital	 Financial Capital	 Financial Capital  Social-Relational Capital	 Financial Capital  Intellectual Capital  Produced Capital	 Financial Capital  Intellectual Capital  Social-Relational Capital

Our Stakeholders

İşbank communicates effectively with stakeholders through many channels to understand stakeholder expectations and guide its activities.

İşbank supports and participates in numerous local and global initiatives. Thus, the Bank aims to be a learning organization and to be one of the players involved in the development of solutions to social and environmental issues. For the Bank's corporate memberships, please visit the "Corporate Memberships" list.

İşbank also actively uses social mediato give up-to-date information and analyze stakeholder perspectives. In 2023, the İşbank and its brands had around 2.8 million followers across LinkedIn, Youtube, Twitter, Facebook, and Instagram.

[Details of the Bank's social media accounts](#) can be found in the 📱 "Social Media Followers" list.

Our Key Stakeholders:
Customers, Employees, Shareholders and Investors

How Do We Respond to Stakeholder Expectations?

According to the 2023 stakeholder expectations survey, the most important expectation communicated to the Bank by employees was the dissemination of next-generation working models. İşbank's Next-Generation Working Model aims to provide employees more flexible and agile working conditions with a focus on employee satisfaction and productivity. Implemented in 2022, the working model offers several working models depending on the nature of the work performed, as well as extra periodic flexibilities such as working from a different city over the summer. In 2024, efforts are underway to make the working model permanent; in this context, the Next-Generation Working Model Panel was held with the participation of 20 employees with various titles and positions to listen to employees' demands and expectations regarding remote and flexible working and to generate insights. In parallel with the insights gained during the panel and employee assessments, it is aimed to redesign the current model in a way that supports efficiency and employee experience , with the goal to make it permanent in 2024. In this context, the number of regional offices known as MaxiOfis, which were introduced in 2023 as part of the "My IS is everywhere" vision, increased to 12. Within the scope of opportunity, Branch employees were given the same flexibility in terms of working hours and location as Head Office employees

[For details of the activities carried out within the scope of new working models at İşbank](#)

Please visit the 📰 "The Future of Business and New Working Models"

Materiality Analysis at İşbank

İşbank uses a dynamic process and a multiple-stakeholder engagement approach to identify and manage its corporate priorities.

İşbank conducts an annual materiality analysis to review current material topics. The dynamic process of materiality analysis benefits from the opinions of numerous stakeholders, changing regulations and standards, corporate strategies, and significant changes on the global agenda. The materiality analysis considers, performance indicators associated with strategic issues, present and future risks and opportunities related to the topics, as well as the expectations of relevant stakeholders.

The Bank used the European Sustainability Reporting Standards (ESRS) of the European Financial Reporting Advisory Group (EFRAG), IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) published by the International Sustainability Standards Board (ISSB), which is part of the International Financial Reporting Standards (IFRS) organization, and Global Reporting Initiative Standards (GRI)to determine material topics.

In 2023, İşbank reviewed its material topics using a "double materiality" approach. İşbank uses the double materiality approach to assess the topic's impact on business strategies, including both financial and non-financial impacts, when setting its material topics. The financial and reputational risk that each topic in the materiality analysis poses to the Bank, the amount of impact the topic will have on the relevant stakeholders, and the Bank's ability to influence the topic are all examined simultaneously. İşbank adopts a long-term impact approach.

Therefore, even if a topic has a short-term financial and social impact of, medium and long-term social and financial impacts are also considered along with the level of stakeholder expectations and the Bank's ability to influence the topic.

İşbank analyzes risks and opportunities for all topics in the impact matrix. Financial, operational, environmental, and reputational risks of the topics are all examined and managed simultaneously.

While creating the 2023 impact matrix, the topic's financial impacts on İşbank were examined on the "X" axis. The data used here was came from the questions posed to the Board of Directors, Executive Board, and Bank executives, as well as the sustainability teams' assessment. The "Y" axis represents İşbank's impact level on the topic. More than 2,500 stakeholders and Bank executives were polled for their feedback while this data was being compiled. All topics in the impact matrix were also analyzed and weighted based on the risk and opportunity potential that they pose to the Bank. The Bank's Board of Directors, Executive Board, and executives conducted independent risk-opportunity assessments, which were then consolidated after consultations.

The material topics reviewed in 2023 were divided into 3 groups. The Integrated Annual Report contains detailed information about our performance and targets on topics identified as "highly important". The Report offers exemplary projects and performance indicators for the "important" topics group. İşbank closely monitors "less important" topics, however the report does not provide detailed performance data.

Double Materiality Steps

Step 1: Topic List

A list of topics with the potential to affect İşbank and vice versa was prepared. The process to into account, corporate strategies, changing legislation and standards, sectoral practices, corporate engagements, global trends, and stakeholder expectations.

Step 2: Evaluation of topics

2.1. Evaluation of stakeholder expectations: In 2023, a stakeholder survey was conducted with the participation of approximately 2,500 stakeholders. A review of the results of expectation and satisfaction research conducted for various stakeholder groups and media led to the determination of the expectations of key stakeholders from İşbank regarding sustainability.

2.2. Financial impact: The significance level of the financial impacts of the topics mentioned in the list of topics on the Bank was examined through extensive management meetings, corporate strategy and engagement requirements, benchmarking study results, and global trends.

2.3. İşbank's impact on the topic: All topics were assessed and explored in terms of the Bank's positive and negative social, economic, and environmental impacts on the topic, as well as the risks and opportunities the topic poses to the Bank and its stakeholders.

Step 3: Selection of material topics:

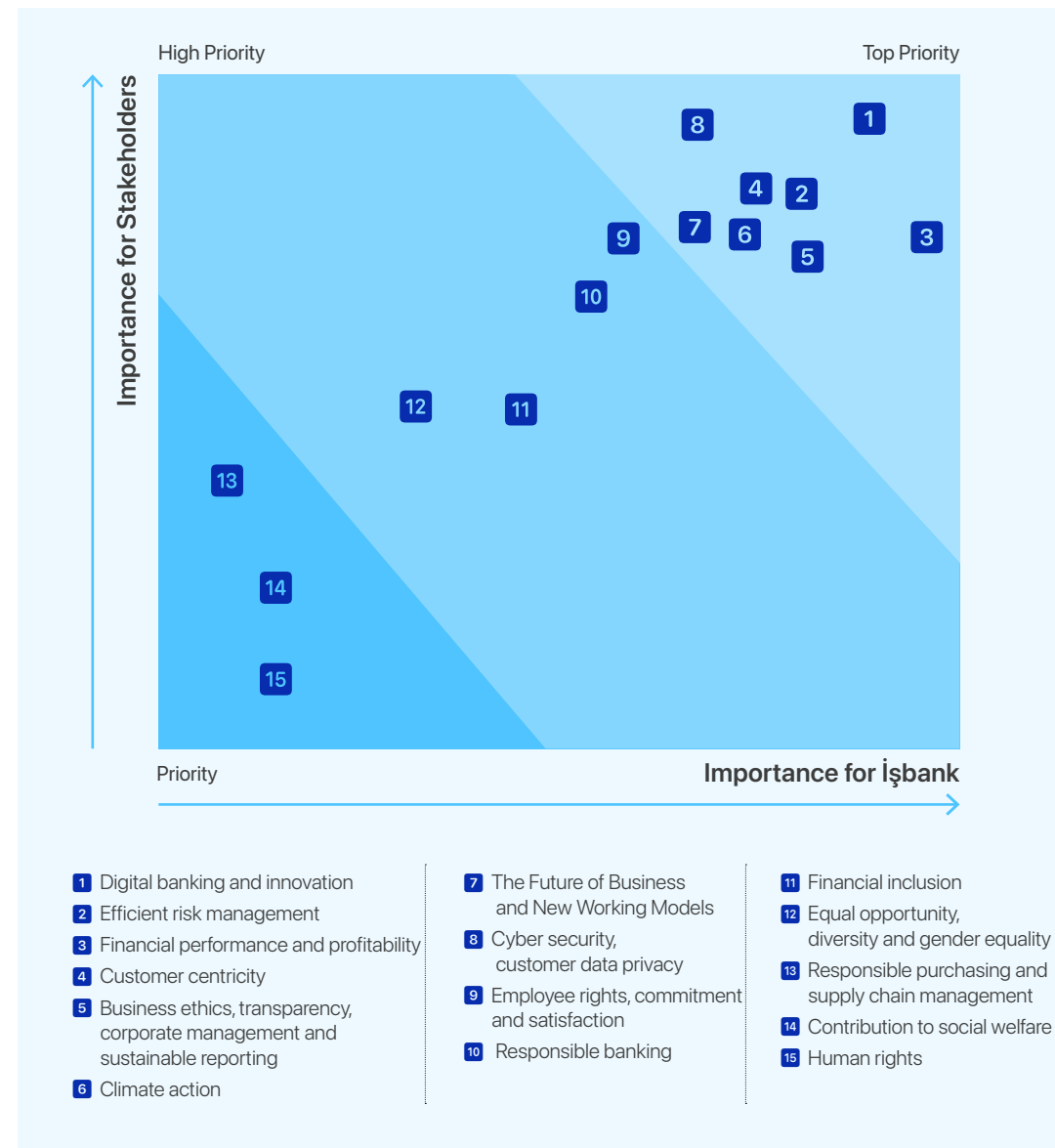
The assessed topics were added to the impact matrix.

Step 4: Validation meetings:

İşbank executives reviewed and approved the prepared matrix.

Sustainability Focus Areas

Impact Matrix



Changes in Material Topics

- The topics "Combating climate change", "Responsible financing and investments considering ESG criteria", and "The Bank's environmental footprint" were combined as "Climate action".
- Human rights were included in the impact analysis.

İşbank prioritizes sustainability under 3 focus areas aligned with its role in society and economic life. All topics in the Bank's impact matrix are organized under these 3 main focus areas.

Reliable Financial Actor refers to İşbank's activities as a financial institution with a strong brand reputation.

Responsible Operations focuses on the impacts that İşbank considers when managing its extensive network of operations. Under this heading, the Bank reports on the practices it has implemented to be a responsible employer and business partner, as well as to manage the environmental impact of its operations.

Good Corporate Citizen focus area addresses the Bank's corporate governance practices and social responsibility activities



Topics	Environmental and Social Impacts	Financial Impacts
Climate Action	Climate change is the most important issue facing the planet. Changing climate conditions are fundamentally altering the way of doing business in many sectors. Those at the bottom of the income pyramid are the most adversely affected by this rapid transformation. The transition to a “Green Economy” is among the most important agenda items of the global economy.	Business models that do not consider environmental risks show that companies will face resource issues in the medium and long term, and this, in turn, will create multidimensional risks for financial institutions.
Financial Performance and Profitability	An innovative, environmentally sensitive economy where all segments of society are represented is among the most important enablers of social peace.	The turbulent global economy, rapidly changing risk matrices, and a changing and differentiating competitive environment are factors that make sustainable profitability difficult. Companies without stable financial performance have difficulty surviving in this conjuncture.
Digital Banking and Innovation	Increasing digitalization in the financial sector increases the accessibility of financial products, but also brings cyber security issues.	Banking and finance are among the sectors most affected by increasing digitalization and resulting changes in customer preferences. Institutions that cannot keep up with these changes are pushed out of the competition.
Employee Rights, Commitment and Satisfaction	The consequences of inequalities in access to education all over the world are also felt in the labor market. Providing employees with the necessary skills to ensure a fair and participatory economic order is both a responsibility and an important competitive advantage for institutions.	High employee turnover and loss of talent are among the major operational risks affecting all sectors. A well-equipped workforce with digital competencies provides a significant competitive advantage for all institutions.
Equal Opportunity, Diversity, and Gender Equality	The participation ratio of women and girls in social and economic life is one of the most important indicators of social welfare.	Economic development is only possible if all segments of society participate in the economy on equal terms. In countries where women's participation in the economy is low, statistics on innovation and the distribution of national wealth also lag behind.
Cyber Security and Customer Privacy	An important consequence of global geopolitical tensions is the increase in cyber-attacks. Cyber-attacks cause significant data loss as well as a decrease in trust in systems.	The loss or theft of important information poses serious threats to all individuals and organizations. It may result in data loss, security threats, business interruptions, and financial losses.
Responsible Banking	Banking and finance are among the sectors most affected by changing customer preferences due to the impact of sustainability. Banks that have difficulty understanding new trends and fail to offer inclusive products and services that positively impact the environment and society are pushed out of the market and lose their competitive advantage.	Developing products and services that are inclusive of all segments of society and the economy is a key component of sustainable financial performance.

Relevant Stakeholders	Related Corporate Policy/Document	SDG Connection	How do We Manage?
Customers, Financial Institutions, Society	Climate Change Risk Policy, Sustainability Policy, Environmental and Social Impacts Policy	<div>7 AFFORDABLE AND CLEAN ENERGY</div> <div>13 CLIMATE ACTION</div>	<div>Please visit the "Climate Action", "Environmental Impact", and "Social and Environmental Risk Management in Loans" sections for our management approach, performance, and goals in this area.</div>
Shareholders, Investors, Employees, Subsidiaries	Sustainability Policy, Environmental and Social Impacts Policy, Ethical Principles and Operational Rules, Customer Satisfaction Policy, Climate Change Risk Policy,	<div>8 DECENT WORK AND ECONOMIC GROWTH</div> <div>10 REDUCED INEQUALITIES</div>	<div>Please visit the “Financial Performance and Profitability” section for our performance in this area.</div>
Customers, Financial Institutions, Society, Sectoral Stakeholders	Personal Data Protection Policy, Privacy Policy, Disclosure Policy, Customer Satisfaction Policy	<div>8 DECENT WORK AND ECONOMIC GROWTH</div> <div>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</div>	<div>Please visit the “Innovative Bank for 100 Years” section for our performance in this area.</div>
Employees	Human Rights and Human Resources Policy, Ethical Principles and Operational Rules, Remuneration Policy, Gender Equality Policy Occupational Health and Safety Policy	<div>4 QUALITY EDUCATION</div> <div>5 GENDER EQUALITY</div> <div>8 DECENT WORK AND ECONOMIC GROWTH</div> <div>10 REDUCED INEQUALITIES</div>	<div>Please visit the “Decent Work” section for our performance in this area.</div>
Customers, Employees NGOs Society	Human Rights and Human Resources Policy, Ethical Principles, and Operational Rules Remuneration Policy Gender Equality Policy Occupational Health and Safety Policy	<div>5 GENDER EQUALITY</div> <div>10 REDUCED INEQUALITIES</div>	<div>Please visit the “Decent Work” section for our management approach, performance, and goals in this area.</div>
Customers, Industry Stakeholders	Personal Data Protection Policy, Privacy Policy, Disclosure Policy	<div>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</div>	<div>Please visit the “Information Security.” section for our management approach, performance, and goals in this area.</div>
Customers, Public Institutions	Disclosure Policy, Customer Satisfaction Policy ISO 9001 Quality Policy	<div>5 GENDER EQUALITY</div> <div>8 DECENT WORK AND ECONOMIC GROWTH</div> <div>10 REDUCED INEQUALITIES</div>	<div>Please visit the “Responsible Banking” section for our management approach, performance, and goals in this area.</div>

Topics	Environmental and Social Impacts	Financial Impacts
Efficient Risk Management	It is crucial for institutions to consider their environmental and social impacts and integrate them into their financial processes in order to solve many global issues, especially climate action.	In the new global economy, the management of non-financial risks is as important as financial risks. Many social and environmental risks such as compliance with regulations, risks arising from climate change, human resources risks, and reputational risks affect the sustainability of organizations.
Business Ethics, Transparency, Corporate Management	Regulations in the banking and finance sector are diversifying every year. The reporting, compliance with ethical principles, and transparency obligations of institutions are increasing at the same rate. The risk of non-compliance is one of the leading risks that threaten all institutions.	Failure to comply with new regulations and reporting requirements entails significant financial and non-financial risks.
Customer Centricity	One of the most important ESG impacts of the financial sector is to provide inclusive products and services that enable disadvantaged segments of society to participate in the economy.	Rapidly changing customer preferences due to the impact of sustainability, increasing access to financial services, and fintechs becoming competitors to traditional banks are developments that increase the importance of understanding changing customer expectations. Corporations that do not invest in this area may lose their competitive advantage in the market.
Financial Inclusion	Increasing access to financial products and enabling everyone to contribute to the economy are among the sustainable development goals and among the most important responsibilities of the banking and finance sector.	Offering products and services that address the needs of all segments of society contributes positively to the market share of financial institutions.
Contribution to Social Welfare	Equal opportunity in education and ecological awareness are the building blocks of innovative thinking and economic development.	Brands that show sensitivity to social issues and establish a relationship with society, not only with their products but also with their values, gain a competitive advantage. They increase their legitimacy, brand value, and reputation in the eyes of society.
The Future of Business and New Working Models	Alternative working models that increased with the pandemic have become permanent in many sectors. Remote working, hybrid working, and project-based business models are increasingly finding a place in traditional working life and are preferred by employees.	The adoption of remote working and hybrid working models stands out as practices that increase employee satisfaction. The financial performance of institutions with high employee loyalty and satisfaction also increases.
Responsible Purchasing and Supply Chain	Supply chain disruptions and incidents of non-compliance threaten operational sustainability in many sectors, and institutions are becoming increasingly responsible for the performance of their supply chains.	Non-compliance in the supply chain can result in significant financial and non-financial sanctions.
Human Rights	With its leverage, the banking and finance sector plays an important role in ensuring that finance is directed towards investments that respect human rights.	Human rights violations have many negative consequences, both moral and economic. Institutions that consider their impacts on human rights in their products and processes have more effective risk management.

Relevant Stakeholders	Related Corporate Policy/Document	SDG Connection	How do We Manage?
Public Institutions, Shareholders, and Investors	Climate Change Risk Policy, Reputational Risk Policy Consolidated Risk Policies Information Systems Risk Management Policy Model Risk Management Policy Compliance Risk Management Policy Anti-Bribery and Anti-Corruption Policy Risk Policies Implementation Instruction		Please visit the “Efficient Risk Management” section for our management approach, performance, and goals in this area.
Public Institutions, Shareholders, and Investors	Ethical Principles and Operational Rules, Disclosure Policy Anti-Bribery and Anti-Corruption Policy Gifts and Hospitality Policy		Please visit the “Transparent and Ethical Management” section for our management approach, performance, and goals in this area.
Customers	Customer Satisfaction Policy, Disclosure Policy		Please visit the “Customer Centricity” section for our management approach, performance, and goals in this area.
Customers, Society	Sustainability Policy		Please visit the “Financial Inclusion” section for our management approach, performance, and goals in this area.
Society	Sustainability Policy, Environmental and Social Impacts Policy Gender Equality Policy		Please visit the “Contribution to Social Welfare” section for our management approach, performance, and goals in this area.
Employees	Human Rights and Human Resources Policy, Gender Equality Policy		Please visit the “Decent Work” section for our management approach, performance, and goals in this area.
Suppliers, Business Partners	Supplier Management Principles		Please visit the “Responsible Supply Chain Management” section for our management approach, performance, and goals in this area.
Suppliers, Business Partners, Customers, Employees	Ethical Principles and Operational Rules, Human Rights Policy		Please visit the “Transparent and Ethical Management” section for our management approach, performance, and goals in this area.

Priorities by Stakeholder Groups

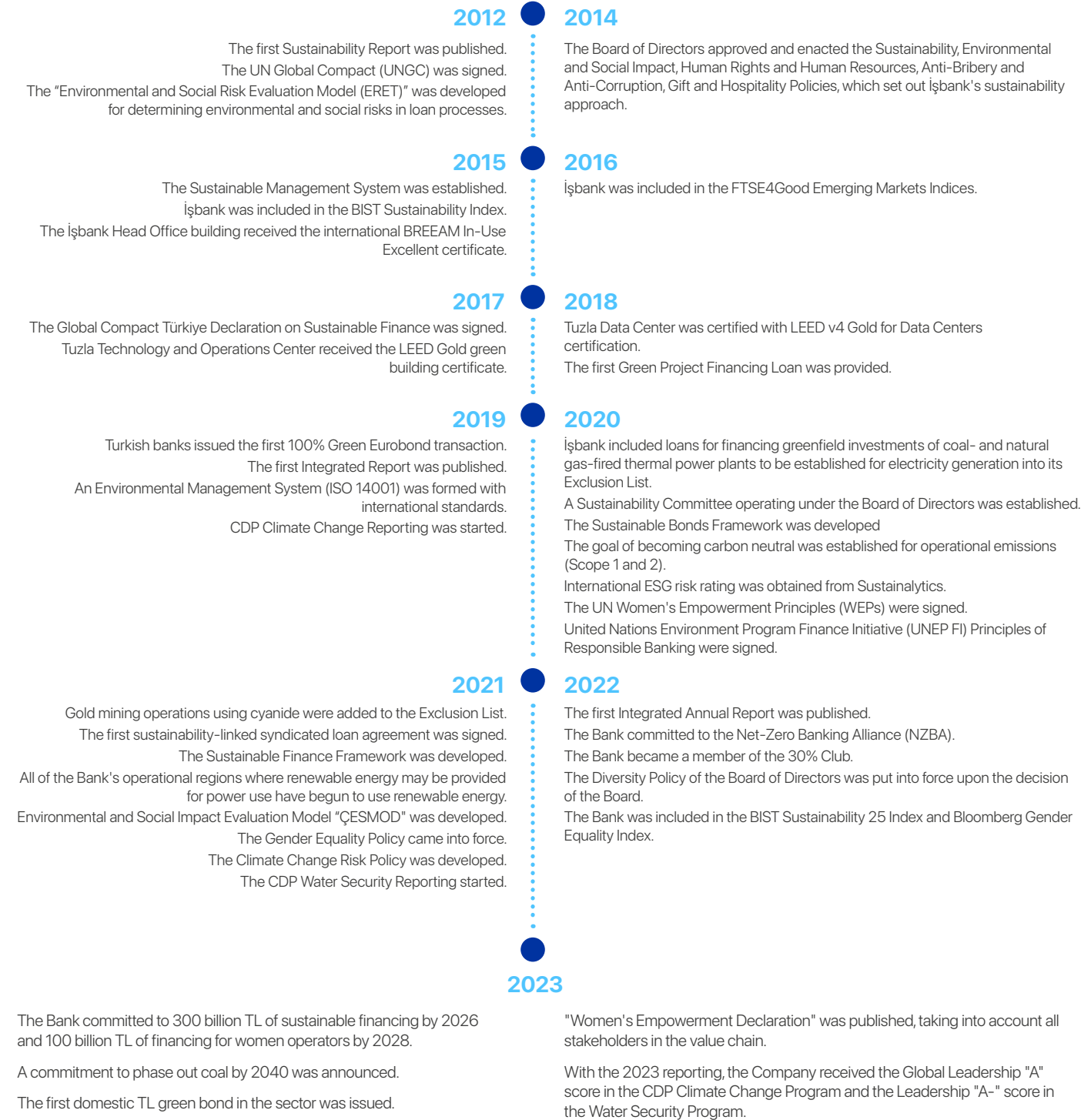
	Shareholders	NGO	University	Public	International Institutions	Trade Union	Analysts	Business Partners	Suppliers	Subsidiaries	Financial Institutions	Customers
Employee rights, commitment and satisfaction												
Digital banking and innovation												
Efficient risk management												
Equal opportunity, diversity, and gender equality												
Financial inclusion												
Financial performance and profitability												
Climate action												
Human rights												
Business ethics, transparency, corporate management												
The future of business and new working models												
Customer centricity												
Cyber security, customer and data privacy												
Responsible banking												
Responsible purchasing and supply chain management												
Contribution to social welfare												

Material Topics and Reporting Frameworks

Topic	Reporting Frameworks						Impact on Business Strategy	Stakeholder Expectations
	GRI	SASB	TCFD	SDG	UN WEPs	UNGC		
Employee rights, commitment and satisfaction	202-1, 401-1,401-2, 401-3, 402-1			<div><div>4</div><div>QUALITY EDUCATION</div></div> <div><div>8</div><div>DECENT WORK AND ECONOMIC GROWTH</div></div> <div><div>10</div><div>REDUCED INEQUALITIES</div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>
Digital banking		<div><div></div></div>		<div><div>8</div><div>INDUSTRIALIZATION, INNOVATION AND INFRASTRUCTURE</div></div> <div><div>9</div><div>INDUSTRIALIZATION, INNOVATION AND INFRASTRUCTURE</div></div> <div><div>10</div><div>REDUCED INEQUALITIES</div></div>	<div><div></div></div>		<div><div></div></div>	<div><div></div></div>
Equal opportunity, diversity, and gender equality	201-3, 405-1, 405-2, 406-1			<div><div>8</div><div>DECENT WORK AND ECONOMIC GROWTH</div></div> <div><div>1</div><div>NO POVERTY</div></div>			<div><div></div></div>	<div><div></div></div>
Financial inclusion		<div><div></div></div>		<div><div>8</div><div>DECENT WORK AND ECONOMIC GROWTH</div></div> <div><div>9</div><div>INDUSTRIALIZATION AND INFRASTRUCTURE</div></div> <div><div>10</div><div>REDUCED INEQUALITIES</div></div>			<div><div></div></div>	<div><div></div></div>
Financial performance and profitability	201-1, 201-4			<div><div>8</div><div>DECENT WORK AND ECONOMIC GROWTH</div></div> <div><div>1</div><div>NO POVERTY</div></div>			<div><div></div></div>	<div><div></div></div>
Climate action	302-1, 302-2, 302-3, 302-4, 302-5, 303-3, 303-5, 305-1, 305-2, 305-3, 305-4, 305-5, 306-2, 306-3, 306-5, 304-2, 412-3, 413-2	<div><div></div></div>	<div><div></div></div>	<div><div>8</div><div>DECENT WORK AND ECONOMIC GROWTH</div></div> <div><div>9</div><div>INDUSTRIALIZATION AND INFRASTRUCTURE</div></div> <div><div>13</div><div>CLIMATE ACTION</div></div>		<div><div></div></div>	<div><div></div></div>	<div><div></div></div>
Business ethics, transparency, corporate management	205-1, 205-2, 205-3, 408-1, 409-1, 410-1, 412-2, 415-1		<div><div></div></div>	<div><div>8</div><div>DECENT WORK AND ECONOMIC GROWTH</div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>
Contribution to social welfare	203-1, 203-2, 413-1			<div><div>4</div><div>QUALITY EDUCATION</div></div> <div><div>8</div><div>DECENT WORK AND ECONOMIC GROWTH</div></div> <div><div>10</div><div>REDUCED INEQUALITIES</div></div>			<div><div></div></div>	<div><div></div></div>
Customer centricity	417-1, 417-2, 417-3			<div><div>8</div><div>DECENT WORK AND ECONOMIC GROWTH</div></div> <div><div>9</div><div>INDUSTRIALIZATION AND INFRASTRUCTURE</div></div>			<div><div></div></div>	<div><div></div></div>
Efficient risk management	201-2			<div><div>8</div><div>DECENT WORK AND ECONOMIC GROWTH</div></div>			<div><div></div></div>	<div><div></div></div>
Cyber security and customer privacy	418-1			<div><div>8</div><div>DECENT WORK AND ECONOMIC GROWTH</div></div> <div><div>9</div><div>INDUSTRIALIZATION AND INFRASTRUCTURE</div></div>			<div><div></div></div>	<div><div></div></div>
Responsible procurement and purchasing	204-1, 308-1, 308-2, 414-1, 414-2			<div><div>8</div><div>DECENT WORK AND ECONOMIC GROWTH</div></div>		<div><div></div></div>	<div><div></div></div>	<div><div></div></div>
Responsible products and services		<div><div></div></div>		<div><div>8</div><div>DECENT WORK AND ECONOMIC GROWTH</div></div> <div><div>9</div><div>INDUSTRIALIZATION AND INFRASTRUCTURE</div></div> <div><div>10</div><div>REDUCED INEQUALITIES</div></div> <div><div>13</div><div>CLIMATE ACTION</div></div>			<div><div></div></div>	<div><div></div></div>
Human rights	2--22, 2-23, 2-24, 410-1, 411-1			<div><div>8</div><div>DECENT WORK AND ECONOMIC GROWTH</div></div> <div><div>10</div><div>REDUCED INEQUALITIES</div></div>		<div><div></div></div>	<div><div></div></div>	<div><div></div></div>
The future of business and new working models				<div><div>8</div><div>DECENT WORK AND ECONOMIC GROWTH</div></div>	<div><div></div></div>		<div><div></div></div>	<div><div></div></div>

Low Medium High

İşBank's Sustainability Journey



İşbank's ESG Ratings

İşbank aims to secure green/sustainable funds from international markets and become an significant actor in sustainable and inclusive economic growth utilizing rating results that evaluate its sustainability performance in all aspects.

REFINITIV



Refinitiv

Refinitiv Information Limited (Refinitiv) is an international rating agency that measures the environmental, social and governance performance of organizations.

As of the end of 2023, İşbank ranked 18th among 1,119 global banks with a score of 86 out of 100 in Refinitiv's assessment.



Sustainalytics

Sustainalytics is an internationally recognized research and rating agency in the field of sustainability that evaluates the performance of organizations on their environmental, social and governance activities. İşbank received a rating of "18.1" in 2023 and ranked at the "low risk" level.



FTSE4Good Developing Markets Index

The "FTSE4Good Developing Markets Index", launched by global index and data provider FTSE Russell under the ownership of the London Stock Exchange, is one of the world's most important index series that institutions with value responsible investing refer to as a source.

İşbank has been included in the "FTSE4Good Developing Markets Index" since 2016. The Bank aims to be included in the Dow Jones Sustainability Index in the future.



BIST Sustainability Index

The BIST Sustainability Index includes companies traded on Borsa İstanbul having a high corporate sustainability performance level.

İşbank has been included in the "BIST Sustainability Index" since 2015. With its successful performance in environmental, social and governance areas, the Bank was also included in the BIST Sustainability 25 Index in 2023.

Initiatives Supported in the Field of Sustainability



The UN Global Compact and the Declaration on Sustainable Finance

The United Nations Global Compact (UNGC) is a multi-stakeholder organization that encourages companies to develop practices that align with their sustainability and social responsibilities to spread a culture of sustainable, common global development culture across the world.

İşbank is committed to following the Global Compact principles in all its activities. İşbank is a member of the Global Compact Türkiye Sustainable Finance Working Group. The Group's aim is to raise sustainability awareness in the real sector, particularly in the Turkish finance sector, and to mobilize the private sector to provide the financial resources required to achieve the Sustainable Development Goals.

İşbank has signed the Global Compact Türkiye Sustainable Finance Declaration, published by the Global Compact Türkiye Sustainable Banking and Finance Working Group. The Declaration commits, signatory banks to including environmental and social risks in their assessment processes for investments of USD 10 million or more. With this support, İşbank has declared that it will be a pioneer in promoting various lending and sustainability-based banking products and practices for the development of this market.



United Nations Sustainable Development Goals

The Sustainable Development Goals are a call to action that includes the United Nations member states' goal for 2030. The goals are divided into 17 main headings and focus on solving social, cultural and ecological issues. İşbank supports the United Nations Sustainable Development Goals and reports both its direct and indirect contributions to them.



United Nations Environment Program Finance Initiative (UNEP FI) Principles of Responsible Banking (PRB)

In 2020, İşbank signed the Principles for Responsible Banking announced by UNEP FI in 2019, which aims to align the banking sector with the United Nations Sustainable Development Goals and the Paris Climate Agreement. These principles outline the role of banking in the new economy and seek to maximize the banking sector's impact in achieving an equitable and prosperous future. As a signatory of the UNEP FI Principles for Responsible Banking and a member of UNEP FI, İşbank completed its portfolio impact analysis studies in 2022 and disclosed its compliance with the principles in the Principles for Responsible Banking Reports for 2022 and 2023.



Net-Zero Banking Alliance (NZBA)

İşbank joined the Net-Zero Banking Alliance, which was founded by the UN to make sure that member banks align their portfolios with net-zero emission targets in line with the Paris Climate Agreement by 2050, by pledging to support the global transition to a carbon-free economy. Within the scope of this membership, which is critical in mobilizing the finance sector for the climate, the Bank has committed to support its customers' transition to a net-zero economy by focusing its 2030 targets on carbon-intensive sectors, as well as reporting and publishing its progress toward its emission targets on an annual basis.



The UN Women's Empowerment Principles (WEPs)

The WEPs are guiding principles designed to strengthen women's roles in business and society. These principles seek to ensure women's participation and empowerment all stages of work by emphasizing the importance companies place on equal opportunities and their gender equality practices. İşbank demonstrates its commitment to gender equality by joining the WEPs signatories.



Carbon Disclosure Project (CDP)

CDP is a global organization that helps publicly traded companies disclose to investors how they use natural resources and how they manage their risks in this area. Since 2019, İşbank has been transparently sharing its environmental targets and performance with its stakeholders under the CDP Climate Change Program. In 2023, the Bank raised its CDP Climate Change Program score to "A" Global Leadership level. İşbank began reporting under the CDP Water Security Program in 2021 to share its actions regarding water use and management of its impact on water resources. In 2023, its score in this area was at the "A" Leadership level.



Bloomberg Gender Equality Index

The Bloomberg Gender Equality Index, one of the world's most comprehensive studies to measure the performance of companies committed to gender equality, is a capitalization-weighted variable market index that tracks the performance of publicly traded companies. İşbank joined GEI in 2022.



30% Club

The 30% Club is a collaboration of chairperson and CEOs aiming to improve gender balance at all levels of their organizations. İşbank joined the 30% Club aiming to achieve and maintain at least 30% female representation on boards of directors by 2022.



Science-Based Targets Initiative (SBTi)

The Science Based Targets Initiative guides the private sector's climate action by enabling companies to set science-based emission reduction targets in order to keep the global temperature increase below 2°C and meet the targets set in the Paris Agreement. In 2020, İşbank agreed to reporting its Scope 1 and Scope 2 emission targets based on Science Based objectives, addressing its direct impact on climate change.



Global Reporting Initiative (GRI)

GRI Standards enable all organizations to measure and report on their impact on the economy, environment and people. Since 2012, İşbank has been reporting its sustainability performance in accordance with GRI Standards.



Integrated Reporting Türkiye (ERTA)

ERTA efforts seek to raise national awareness on integrated reporting and integrated thinking, build organizational capacity, and share best practices. İşbank is a member of ERTA.



Business Council for Sustainable Development (BCSD Türkiye)

Business Council for Sustainable Development (BCSD Türkiye) is a business association founded in 2004 by 13 private sector representatives that solely accepts corporate membership. BCSD Türkiye seeks to ensure that the fundamental elements and principles of sustainable development are better understood, adopted and implemented in the business world. İşbank joined of BCSD Türkiye in 2023.




Contribution to Sustainable Development Goals




The Sustainable Development Goals are the most comprehensive global collaboration to address the most pressing challenges facing the world. İşbank considers the UN Sustainable Development Goals (SDGs) as an important component of its sustainability strategy and monitors and reports its performance against these goals.

The transformative power and leverage effect of the banking and finance sector on the economy mean that it is well-equipped to

make significant contributions to the Sustainable Development Goals.

İşbank indirectly contributes to these goals by providing the necessary funding for solutions that have the potential to help solve the issues associated with the 17 development goals. İşbank directly contributes to 9 goals that fall into its field of activity.

Contributed SDG's	İşbank's Approach	Targets to which the Bank Contributes	Material Topic	Strategic Area
<div>4</div> <div>QUALITY EDUCATION</div> <div></div>	İşbank believes that easily accessible and quality education is essential for sustainable development. Therefore, the Bank not only invests in the development of its employees, but also contributes to the education quality of Türkiye through programs led as part of its long-term social responsibility projects.	4.1 Ensuring that all girls and boys complete primary and secondary education 4.2 Ensuring that all girls and boys have access to quality preschool education 4.3 Increasing access to technical and vocational education 4.4 Improving technical and vocational skills and entrepreneurship 4.5 Eliminating gender disparities in education 4.7 Achieving literacy and numeracy in the field of sustainable development 4.a Providing inclusive learning environments for all	Employee Rights, Commitment, and Satisfaction, Contribution to Social Welfare	Decent Work, Contribution to Social Welfare
<div>5</div> <div>GENDER EQUALITY</div> <div></div>	İşbank believes that the participation of women and girls in economic and social life is one of the most important components of sustainable development. Within the scope of the Gender Equality Program, the Bank implements projects that encompass the entire value chain, including its employees, customers, business partners, suppliers, and society at large.	5.1. Ending all forms of discrimination against women and girls everywhere 5.2. Eliminating all forms of violence against all women and girls in public and private spheres, including trafficking, sexual, and other types of exploitation 5.5. Ensuring women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic, and public life 5.a. Undertaking reforms to give women equal rights to economic resources, as well as access to ownership and control over land and other forms of property, financial services, inheritance, and natural resources, in accordance with national laws 5.b. Enhancing the use of enabling technology, in particular information and communications technology, to promote the empowerment of women 5.c. Adopting and strengthening sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels	Equal Opportunity and Diversity, Responsible Products and Services, Financial Inclusion	Decent Work, Responsible Banking
<div>7</div> <div>AFFORDABLE AND CLEAN ENERGY</div> <div></div>	İşbank supports the transition to a low-carbon economy and offers financing for renewable energy investments to ensure energy transformation. The Bank creates resources for the renewable energy sector by committing itself to utilizing renewable resources in its operations.	7.2 Increasing investments in renewable energy 7.3 Increasing energy efficiency	Climate Action	Climate Action, Operational Impact Management

SDGs to which the Bank Contributes	İşbank's Approach	Targets to which the Bank Contributes	Material Topic	Strategic Area
<div>8</div> <div>DECENT WORK AND ECONOMIC GROWTH</div> <div></div>	Besides its widespread network of branches and digital banking applications, İşbank also supports access to financial services and contributes to social welfare through products and services developed for disadvantaged customer groups. By making its unbiased and comprehensive economic reports electronically accessible to all, the Bank wishes to allow stakeholders from different backgrounds to benefit from its intellectual knowledge. İşbank also creates value by offering its employees a fair and decent work environment.	8.2: Increasing the economic added value created 8.3: Creating more decent jobs 8.4: Decoupling economic growth from environmental degradation 8.5: Achieving full employment and decent work for all women and men 8.6: Increasing youth employment 8.7: Eradicating forced labor and ending modern slavery 8.8: Protecting labor rights	Responsible Products and Services, Climate Action, Employee Rights, Commitment and Satisfaction	An Inclusive and Robust Economy, Decent Work
<div>9</div> <div>INDUSTRY, INNOVATION AND INFRASTRUCTURE</div> <div></div>	Supporting sustainable industries and investing in scientific research and innovation are essential to making sustainable development possible. İşbank supports the transition to the new economy by focusing on digital banking solutions, financing infrastructure investments, performing innovative development projects, and supporting startups.	9.2: Promoting inclusive and sustainable industrialization 9.4: Supporting clean and environmentally friendly technologies 9.5: Increasing the budget for Research & Development activities	Responsible Products and Services, Climate Action	An Inclusive and Robust Economy, Next-Generation Banking
<div>10</div> <div>REDUCED INEQUALITIES</div> <div></div>	The banking sector has an important role and responsibility to provide financial resources so that economic inequalities can be eliminated. İşbank is against all kinds of discrimination. The Bank strives to create sustainable value for all stakeholders by providing a fair work environment, increasing access of disadvantaged groups to financial services, and supporting long-term social responsibility programs.	10.2: Promoting inclusive economic growth for all 10.3: Eliminating discrimination 10.4: Adopting policies that can prevent inequality	Responsible Products and Services, Employee Rights, Commitment and Satisfaction	An Inclusive and Robust Economy, Decent Work
<div>13</div> <div>CLIMATE ACTION</div> <div></div>	Supporting the transition to a low-carbon economy, İşbank takes environmental impacts into consideration when offering products and services. The environmental and social impacts of the projects financed are rigorously reviewed to ensure that appropriate actions are taken to minimize/eliminate potential risks that may arise from the projects.	13.1 Strengthening resilience to climate-related hazards and natural disasters 13.3 Improving awareness on climate change and adaptation	Climate Action	Climate Action, Operational Impact anagement
<div>16</div> <div>PEACE, JUSTICE AND STRONG</div> <div></div>	İşbank oversees its ethical principles in both its own operations and lending processes to build peaceful and inclusive societies and to create effective, accountable, and inclusive institutions at all levels.	16.5: Significantly reducing all forms of corruption and bribery 16.6: Developing effective, accountable, and transparent institutions at all levels 16.7: Ensuring responsive, inclusive, participatory, and representative decision-making at all levels	Responsible Products and Services, Business Ethics, Transparency, Corporate Governance	Good Corporate Citizen
<div>17</div> <div>PARTNERSHIPS FOR THE GOALS</div> <div></div>	İşbank commits to numerous voluntary initiatives and develops partnerships to utilize its capabilities and know-how to achieve the Sustainable Development Goals.	17.7 Promoting development, transfer, dissemination, and diffusion of environmentally sound technologies to developing countries on favorable terms 17.9 Enhancing international support for implementing effective and targeted capacity building in developing countries to support national plans to implement all sustainable development goals 17.16 Enhancing Global Partnership for Sustainable Development complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technologies, and financial resources to support the achievement of sustainable development goals	Climate Action, Business Ethics, Transparency, Corporate Management	Good Corporate Citizen

Reliable Financial Actor

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Inclusive and Robust
Economy

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Climate Action

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Innovative Bank for 100 Years

2022

Inclusive and Robust Economy

Social welfare is possible through a model in which economic development is reflected in all segments of society. İşbank, the longest-established institution in the financial sector, strives to create an economic model that encompasses all segments of society and creates equal opportunities for all and to communicate this model to the public in the clearest way possible.

Risks

- Volatility caused by high inflation, falling purchasing power, and potential job losses
- Increasing geopolitical tensions making long-term planning difficult
- Reduced customer loyalty as a result of less customer contact due to differentiating banking channels and growing digitalization
- Losing touch with developments such as platform business models and sharing economy, which are essential components of the new economy
- Inadequate product and service development by failing to analyze changing customer expectations well
- Penalties and sanctions that may be incurred due to rapidly changing regulations and non-compliance with laws
- Uncertainties that may arise as a result of the rapid development of artificial intelligence technology
- Human and economic losses caused by a potential Istanbul earthquake
- Diminished trust in the sector due to complex and non-transparent financial transactions and processes
- The financial impacts of global and national actions expected to be taken to combat climate change
- Extreme weather events and loss of biodiversity as a result of the failure of actions to address climate change

Opportunities

- İşbank's robust financial structure, its ability to quickly make use of emerging opportunities thanks to its dynamic and proactive business strategy
- Access to new business opportunities through synergies created with subsidiaries
- Increasing the Bank's penetration through products specifically developed for disadvantaged segments
- Contributing to the global fight against climate change by offering products and services that support customers' transition to a carbon-neutral economy
- Expanding the customer base by developing products and services that cover all segments of society
- Increasing customer satisfaction and compliance level by providing customers with accurate and timely information about products and services
- Increasing customer satisfaction by developing products and services according to their expectations and needs thanks to regular customer communication with experienced İşbank personnel serving customers in addition to digital channels
- Making decision-making processes efficient and easy by expanding the use of artificial intelligence applications

Relevant Stakeholders

- ▶ Customers
- ▶ Public institutions and regulatory authorities
- ▶ Sectoral stakeholders
- ▶ Investors and shareholders

Material Topics

- ▶ Financial Performance and Profitability
- ▶ Financial Inclusion
- ▶ Customer Centricity
- ▶ Responsible Banking

Contributed SDG's



Related Capital Elements



Key Performance Indicators

	2021	2022	2023
Total Cash Loan Growth (%)	42.9	53.9	51.1
Non-performing Loan Ratio (%)	4.1	3.0	2.1
Swap-adjusted Net Interest Margin (%)	3.14	6.85	3.50
Net Fees and Commissions Growth (%)	35.6	111.9	162.8
OPEX Growth (%)	34.9	113.9	112.3
Cost/Income Ratio (%)**	30.8	25.8	38.2
Return on Average Tangible Equity (%)	18.4	46.8	33.3
Return on Average Assets (%)	1.92	5.32	3.82
Capital Adequacy Ratio (%)	20.36 (16.53)*	24.36 (21.49)*	21.60 (18.41)*
Tier 1 Ratio (%)	15.78 (12.49)*	20.51 (17.91)*	18.04 (15.18)*
Leverage (%)	6.75	9.19	7.11
Number of Customers (million)	20.7	22.8	24.3
Individual Net Promoter Score	72.4	37	50
Individual Net Promoter Score Ranking (among private banks)	1	1	1
Commercial Net Promoter Score	79.1	36	46
Commercial Net Promoter Score Ranking (among private banks)	1	4	1
Customer satisfaction score (%)	90	N/A***	N/A***
Number of people reached through Farmer Meetings	1,861	7,000	3,676
Number of disabled-friendly Bankamatik ATMs	5,113	5,731	6,270
Number of disabled-friendly branches	Visually Impaired 471 Orthopedic Disabled 823	Visually Impaired 511 Orthopedic Disabled 791	Visually and Orthopedically Disabled 1,066
Number of female entrepreneurs who participated in events to support female entrepreneurs	267	2,328****	3,304
Satisfaction Score of Startups Participating in our Entrepreneurship Programs	-	-	87.5
Improving financial literacy and savings awareness	Museum workshops could not be held due to the COVID-19 measures put in place.	11,910 students participated in the workshops held at İşbank Museums.	The events organized at İşbank Museums 8,683 students in workshops participated.
Number of feedback responses communicated to the Customer Relations Program	656,000	693,162	746,291

*Excluding the impact of BRSA measures. **Adjusted rates included investor presentations.

***As of 2022, Retail and Commercial NTS are tracked instead of the overall customer satisfaction score.

****Calculated by including WeLead (Leading Women Entrepreneurship for Accelerating Development) and Arya Women Investment Platform studies.

Targets

	Targets for 2023	Realization in 2023	Targets for 2024
TL Loan Growth	> 40%	56.3%	~ 50%
Net Interest Margin (adjusted for swap cost)	~5% ⁽¹⁾	3.5%	~ 4.0%
Increase in Net Fees and Commissions Revenue	~100% ⁽¹⁾	162.8%	> 100%
OPEX Growth	~100% ⁽¹⁾	112.3%	~ avg. Inflation
NPL Ratio	< 3%	2.1%	~ 2%
Net Cost of Risk	~150 bp	96 bp	~150 bp
Capital Adequacy Ratio (excluding the impact of BRSA measures)	> 15%	18.4%	> 15%
Return on Average Tangible Equity	~30%	33.3%	> 35%

(1) August 7, 2023 revised expectation

Financial Performance and Profitability

İşbank's sustainable profitability is driven by its strong financial structure and proactive business strategy, which allows it to seize on new possibilities swiftly.

Financial Performance and Profitability

İşbank increased its total asset size to TL 2,453.8 billion and retained its status as the "largest private bank in Türkiye" in 2023 as well. Exceeding its targets, İşbank remained the leading private bank in terms of the size of total loans, deposits, and equities.

İşbank is the private bank that makes the most significant contribution to the national economy with a total size of cash loans reaching TL 1,147.4 billion by the end of 2023. Loans in TL grew by 56.3 %, while loans in foreign currencies fell by 9.7% compared to the end of the previous year, excluding currency impact.

The Bank provided the economy with resources of TL 427.4 billion in noncash loans of the end of 2023. At the end of the year, loans accounted for 46.8% of the Bank's total assets, with its securities portfolio accounting for 19.3%. Thanks to its stable growth policy and effective risk management practices in loan allocation processes, İşbank achieved an NPL ratio of 2.1%.

Extensive Customer and Shareholder Base

İşbank has a broad shareholder base of nearly 240 thousand individual and corporate investors. The İşbank Members' Supplementary Pension Fund, with a membership base of approximately 50 thousand employees and retirees, controlled 38.2% of the capital İşbank had 24.3 million customers as of the end of 2023.

Widespread Deposit Base

İşbank remained savers' first option thanks to its extensive service network, customer satisfaction, and various digital channels. In addition to the ongoing efforts since 2022 to use savings in exchange rate-protected TL time deposit products to support Turkish Lira deposits, the 3-Month TL Time Deposit Account Converted at the Special Exchange Rate, which can only be opened at branches, was introduced to customers in the second half of 2023 for foreign currency depositors seeking a variety of returns.

İşbank remained the bank with the largest deposit base among private banks in terms of the financial results of 2023. Total İşbank deposits grew by 78.5% in the 2023, reaching TL 1,662.2 billion.

Diversified Funding Base

İşbank's main source of funding remained to be deposits, which by the end of 2023 made up 67.7% of all liabilities. To broaden the maturity structure of its liabilities and diversify its funding sources, İşbank continued utilizing non-deposit funding sources in both domestic and foreign markets. İşbank's non-deposit sources, which consisted of repo transactions, funds borrowed, securities issued in domestic and foreign markets, and subordinated debts, made up 14.4% of its total liabilities. at the end of 2023.

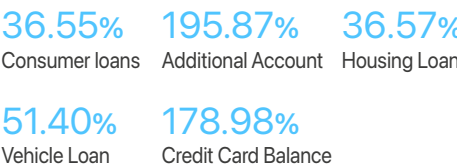
Strong and Robust Financial Structure

İşbank's shareholders' equity increased by 39.9% compared to the end of the previous year and reached TL 267.8 billion as of year-end 2023. İşbank's capital adequacy ratio stood at 21.6% as of year-end.

The Bank achieved a net profit of TL 72.3 billion in 2023 with a return on average equity of 33.3 % and a return on average assets of 3.8%.

According to the weekly data released by BRSA on 29.12.2023, İşbank's deposit market share increased to 10.63% from 10.05% in 2022. Total savings deposit market share increased from 11.97% to 12.09% in the same period. The balance of FX-protected deposit (FXPD) products, which was TL 126,974 million at the end of 2022, increased to TL 266,069 million as of December 29, 2023. In 2024, the expectation is that the CBRT will support the transition from foreign currency deposits and FX deposits to standard TL deposits within the scope of the Monetization strategy.

Despite laws and competition, İşbank's retail loan balance increased by 89.27% in 2023. Product breakdown growth rates compared to the last quarter of 2022 were as follows:



The share price of ISCTR, İşbank's stock traded on Borsa Istanbul, increased by 97% overall in 2023. Within this framework, the Bank's Group C share price remained above the performance of the BIST 100 Index in the same period.

İşbank and its Activities in 2023

Composition of Assets (%)	2023	2022
Cash Values and Banks	23.1	15.8
Securities	19.3	19.8
Loans	46.8	53.9
Subsidiaries and Affiliates	5.9	5.7
Other	5.0	4.9
Total	100	100

Composition of Liabilities (%)	2023	2022
Deposits	67.7	66.1
Funds Borrowed and Money Markets ⁽¹⁾	14.4	12.3
Other Liabilities	7.0	8.0
Shareholders' Equity	10.9	13.6
Total	100	100

¹ Includes Turkish Lira and foreign currency debt instruments issued and subordinated debts

Key Financial Items (TL Million)	2023	2022	Change (%)	Ranking Among Private Banks
Total Assets	2,453,783	1,408,323	74.2	1
Loans	1,147,371	759,289	51.1	1
Deposits	1,662,179	931,077	78.5	1
Shareholders' Equity	267,797	191,376	39.9	1

Key Financial Ratios (%)	2023	2022
Interest-Earning Assets ⁽¹⁾ / Total Assets	87.7	88.2
Loans / Total Assets	46.8	53.9
Loans / Deposits	69.0	81.5
NPL Loans / Total Loans	2.1	3.0
NPL Coverage Ratio	75.6	74.4
Demand Deposits / Total Deposits	38.5	45.5
Shareholders' Equity / Total Liabilities	10.9	13.6
Capital Adequacy Ratio	21.6	24.4
Return on Average Equity ⁽²⁾	33.3	46.8

¹Interest-earning assets include Turkish Lira and foreign currency required reserves.

²Averages calculated based on quarterly balances.

Corporate Banking

İşbank provides customized services and financing solutions in corporate banking.

Products and Services:

- Project Financing
- Risk Management Solutions (Hedging)
- Digital Solutions
- Cash Flow Products

In 2023, İşbank focused on sustainable profitability to meet customer needs by considering ecosystem profitability. By deepening the ecosystem networks of legal entity customer groups, product and service infrastructures that digitalize cash flows, especially through next-generation digital banking and digital platforms, were effectively made more accessible to customers. Innovative models were designed, and penetration was accomplished in a large customer base, especially for regaining customers whose numbers had previously declined. As a result of all these activities, TL commercial deposits and commission income items improved significantly in 2023 compared to 2022. Despite global and national volatility, in the business unit where TL/FX cash loan placements were effectively managed, loan demands were met with a holistic profitability approach by considering the right priorities and keeping the asset quality in mind in a way to observe the sustainability of our current loan portfolio and Bank customers. In the funding approach, which prioritizes TL/FX export loans which provide strong support to the portfolio and asset quality with their deepening and side income/ earnings impact on the Bank's customers, their high correlation with our country's economic growth activity, and their relatively short-term structure compared to other loans, an optimum management approach was demonstrated regarding loan maturity structures and durations. In non-cash loans, the Bank generally concentrated on balance gains in TL letters of guarantee and foreign trade-related letters.

In 2023, the focus was intensified in response to changing client requirements, especially in the expansion of digital cash management products. By satisfying clients' immediate cash flow financing needs, the Bank concentrated on expanding products such as supplier financing, DBS discounting, POS discounting, etc., all of which are based on account receivable discounts. In these products and services, which contribute significantly to the ecosystem, a general depth strategy was implemented in both the supplier and dealer base. İşbank introduced new digital cash flow products to satisfy customers' cash flow requirements at their convenience. The

Digital Invoice Discounting product was launched in 2023 under the name of "Kolay Finansman" through both the Bank's own digital channels and third-party business partners. With the activation of these infrastructures, customers were able to meet their financing needs by discounting their invoices in line with their creditworthiness, regardless of the the buyer's limits. In addition to financing solutions based on invoice discounting, the first step towards sustainable supplier financing solutions in the agricultural sector was product development based on the current year's producer receipt discounting.

Again in the current year, İşbank launched the Digital Letter of Guarantee product for the first time, which got an international award. Customers can use this product to quickly satisfy their needs for temporary letters of guarantee under the Public Procurement Law and letters of guarantee of some private Counterparty companies via interactive channels. The Beneficiary Company can create the letter of guarantee in an end-to-end digital environment and deliver it to the Counterparty company within minutes. In addition, customers can also use cash flow products on the platforms of the financial technology companies they work with, rather than the Bank's. In 2023, with the integrations realized through APIs, the Bank's cash flow products will be available on 3rd party platforms.

International Banking

İşbank collaborates with correspondent banks in processing foreign trade transactions and payments for its customers. The Bank effectively manages correspondent bank relations according to the principle of reciprocity, aims to increase its share in the foreign trade market, and seeks funding from international sources. In addition to foreign trade transactions, issuance of letters of guarantee, wire transfer services, and TL account transactions to be processed in Türkiye on demand by customers of correspondent banks, İşbank also fulfills additional service demands in accordance with the applicable law. Ensuring uninterrupted supply processes by facilitating it customers access to appropriate financing solutions and products tailored to their needs, İşbank maintains its efficient and sustainable collaborations with export insurance, credit agencies, and other financial organizations.

Developments in 2023: As of year-end 2023, the Bank has been working with 993 correspondents in 119 countries.


Effective management of relationships with correspondent banks, export insurance and credit agencies, and other financial institutions remains crucial in providing resources for energy efficiency projects undertaken by İşbank customers, especially in light of persistently high global inflation, interest rates, and economic downturn.

The Bank secured a sustainability-related syndicated loan amounting to USD 224,000,000 and EUR 388,250,000 in June 2023 and another one amounting to USD 465,000,000 and EUR 411,000,000 in November.

In August 2023, a USD 109 million loan agreement was signed with the European Bank for Reconstruction and Development (EBRD) to meet the financing needs of individuals and companies in 11 provinces affected by the earthquakes in February 2023. In November, a total of USD 250 million was raised through a securitization transaction based on remittance flows with the EBRD and 3 different investors. In addition, on December 14, 2023, loan agreements totaling USD 67 million and EUR 75 million were signed with IFC, PROPARCO, and Green for Growth Fund (GGF) as part of the Türkiye earthquake support package established by IFC to contribute to the financing of individuals, farmers, micro and small enterprises directly affected by the earthquakes in our country in February 2023. The GGF loan will be used to finance renewable energy, resource efficiency, and energy efficiency in Türkiye.

In 2023, 16 sustainable eurobonds were issued under the Global Medium Term Note (GMTN) Program for a total amount of USD 402 million.

İşbank keeps a close eye on developments in the field of sustainable finance, evaluates the new financing needs of its customers and continues to provide resources to projects that are feasible and meet lending guidelines as well as environmental and social standards. It also supports the economy by increasing awareness and efficiency in resource use through technical consultancy and training from financial institutions.

 You can find the list of funds obtained by İşbank from international financial institutions and that were outstanding as of year-end 2023 in the "Annexes" section of the report.

Capital Markets Transactions

İşbank's capital markets subsidiaries provide brokerage services in capital market instruments such as equity markets, precious metals, debt instruments, derivatives, and investment funds and offers custody and fund valuation services. As a customer-oriented bank, it also continues its product development and infrastructure projects to better fulfill the needs of its customers.

Developments in 2023: İşbank continued to issue debt instruments of different types and maturities to provide long-term funding, diversify the existing funding structure, eliminate the maturity mismatch between asset-liability balance sheet items, and prevent interest rate risk due to short maturity in 2023 as well. By the end of 2023, İşbank had issued domestic debt instruments with a nominal value of TL 7.2 billion through sales to qualified investors and TL 2 billion through public offerings, contributing to the diversity of TL-denominated products offered to customers.

İşbank continued to issue different types of bonds in 2023, breaking new ground in the industry and becoming the first bank to issue green debt instruments in Türkiye. Due to the demand of both private and institutional investors, the amount of the two-year-old bond that was issued through sales to qualified investors in Türkiye was realized at TL 500 million. The issuance, which will contribute to the financing of loans for green projects, was a pioneering step towards İşbank's strategic goal of promoting green transformation and sustainability.

İşbank, together with its subsidiary İş Yatırım, generated 10.26% of the trading volume on Borsa İstanbul Equity Market as of year-end 2023 and maintained its leadership in the brokerage sector with a trade volume of TL 1,052 billion in the Borsa İstanbul Debt Securities Market as of year-end 2023.

As of December 31, 2023, İşbank's custody portfolio size reached TL 600 billion. Since 2015, when the custody license was obtained, individual/collective portfolio custody services have been provided to 25 Portfolio Management Companies (PMCs) and one Investment Trust, with variations depending on the company.

In 2023, İşbank customers seeking real returns turned to mutual funds dominated by equity and thematic umbrella funds, while İşbank investors seeking to hedge their FX position and seek returns on FX deposits turned to hedge funds. İşbank's retail funds market share was 14.48%. İşbank's gold balance market share, which stood at 13.49% at the end of 2022, was 12.89% according to end-November data, as a result of the interest in FX Protected Deposits and the policy of directing investors to TL deposits.

Investors' search for real returns continued as the inflationary environment persisted in 2023 and Borsa İstanbul, which has become an important alternative for investors, maintained its appeal. During the year, the number of investors participating in public offerings reached record levels due to investors' interest in new share public offerings.

In the first 9 months of 2023, investors maintained their positions in FX denominated investment products, and the rise in exchange rates after the elections played a role in the approximately 50% increase in the TL balance of these products.

The investment fund balance, which stood at TL 49.6 billion at year-end 2022, increased by 109% to TL 103.9 billion as of 31.12.2023 due to the intense demand of customers seeking returns. This investor interest is expected to continue in 2024 as well.

Thanks to the valuation effect in investment products as well as the increase in investor interest, the total balance of İşbank investment accounts grew by 60.6% at year-end 2023 compared to the previous year.

Commercial Banking

As part of its founding mission, İşbank supports industrial organizations, tradespeople, SMEs, and other miscellaneous businesses. Being present at all points of commerce, İşbank's extensive branch network provides value-added goods and services to consumers across Turkey.

Products and Services:

- | | |
|-------------------------------|------------------------------|
| - Business Credit Card | - İmece Card |
| - Maximum İşyerim, | - İşim Card, Tarsim |
| - POS, ÇekCepte | - Dijikolay |
| - Instant POS | - Denizleri Korumalım (Let's |
| - Instant Commercial Loan | Protect the Seas) Loan |
| - Instant Commercial Products | - Digital Supplier Finance |
| - Digital Overdraft Current | System |
| Account | - Project Financing |
| - Maximiles TIM Exporter Card | - Risk Management Solutions |
| - Instant Agriculture Loan, | (Hedging) |
| - SME Loans | - Digital Solutions |


Private Banking:

İşbank offers customized investment products and financial solutions based on customer needs and preferences through its asset management-oriented business model structured in cooperation with its strong financial subsidiaries İş Portföy, İş Yatırım, Anadolu Hayat Emeklilik, and Anadolu Sigorta.

Products and Services:

- | | |
|-------------------------------|---------------------------|
| - Asset Management | - Privia Consumer Loans |
| - Family Funds | - Privia Pension Plan |
| - Private Banking Structuring | - Privia Motor Insurance |
| in Commercial Branches | - Privia Home Insurance |
| - Privia Black Credit Card | - Financial Status Report |
| - Privia Investment Fund | - Privia Line |

Developments in 2023: The Privia Black credit card, which was introduced for the first time in 2022 and is intended to be issued solely to Private Banking customers, provides privileged advantages in luxury brands and companies in accordance with consumer expectations and was publicized through campaigns throughout the year. As a result of these efforts, as of year-end 2023, the number of Privia Black credit card customers increased by 45%, and the average monthly shopping volume per Private Banking customer increased by 111% compared to the same period of the previous year.

The "Being a Privia Customer" application was launched on the revamped  privia.com.tr website. İşCep Privia Mode, which includes visual differentiation of İşCep for private banking customers, was launched.

"Philanthropy" and "Inheritance and Tax Consultancy" services started to be intermediated. Concierge services for Private Banking customers were enriched and reintroduced in July 2023. Customers began receiving the monthly Privia Culture and Arts Bulletin, which is designed to keep them up to date on cultural and artistic events and developments.

In 2023, the Bodrum Private Banking Branch was opened and a private banking "corner" was established at the Kyrenia/TRNC Branch. Within the scope of the "Private Banking Academy" program, Investment Products, Derivatives and Structured Products Training and Personal Branding and Influence Creation Training were organized. Market briefings for branch employees were organized in cooperation with IS Investment.

Within the scope of the Private Banking structuring (Co-Private) in Commercial Specialized branches, the project started with 4 branches in 2022 and 5 more branches were added in 2023. In 2024, the expansion will continue with an additional 6 branches. At 9 Commercial Specialized Branches, the asset size of customers offered Private Banking services increased by 133% as of 2023 year-end compared to the previous year-end. The size of customers' mutual funds increased by 15 times as asset acquisition and product diversity improved.

The Private Banking Portfolio Management Branch Information Panel provided data on base amounts, target indicators, insurance, pension, credit card usage, and the number of visits to private banking.

Payment Systems

In widely used products and services, designs that can are simple to use in daily life by customers with an average level of financial literacy are implemented. İşbank carries out its activities in the field of payment systems with the goal of "integrating advanced technologies into its products and services, meeting customers' everyday needs and providing a flawless customer experience throughout their lives".

Products and Services:

- Personal and Commercial Credit Card Programs (Maximum, Maximiles, Privia, Maximum Genç),
- Personal and Commercial Bank Card Products (Debit Card)
- Prepaid Card and Digital Wallet Applications Loyalty Programs (MaxiPoints, MaxiMiles, Cashback/Instant Discount, Additional Installments, Transaction Postponement, Post Installment privileges)
- Digital Card Service
- Contactless and Mobile Payment (making and receiving payments)

Developments in 2023: While the number of credit cards at the end of 2022 was 12.6 million with a market share of 12.64%, the number of credit cards at the end of December 2023 reached 15 million with a market share of 12.73%.

On the card acceptance side, the number of POS, which was 611,429 at the end of 2022, reached 660,375 in 2023, increasing from 7.60% to 8.12% market share.

İşbank aims to be the "Bank of the Future" by providing innovative goods and services through designing new technologies with a human focus to make life easier for its customers. In this sense, the Digital Card experience launched by İşbank in 2023 with the promise of "Your mobile phone is also your credit card" was also a first in the sector. Thanks to this new experience, İşbank customers may now shop and withdraw money from ATMs using their cell phones, eliminating the need to carry real cards. By enabling the card to be pocketed at the time of card application, now offers contactless payment by mobile phone or TR QR Code technology, bringing the physical card experience in line with the digital payment experience. The contactless payment method, which was previously exclusively available for cash transactions in the sector, may now be used to pay for shopping in installments or with points. With our vision of becoming the bank of the future that creates sustainable value, customers using the digital card experience reduced their use of plastic, paper, and couriers, saving 11.25 tons of Carbon (Co₂) emissions. This value means that approximately 75,000 KM of vehicle travel was saved, or 375 thousand plastic bags were not consumed.

Digitizing the card payment experience from end to end, İşbank started to offer the "Link Collection" service through İşCep. This service eliminates the need for merchants to use physical POS equipment for payment collection. The İşCep Link Collection service enables small and medium-sized business to accept payments by delivering a link to cardholders via the İşCep app, eliminating the need for a separate POS device for physical stores or e-commerce transactions. This simple and less low-cost solution allows the

merchant to accept payment without the need for a POS or a website, and the buyer to make payment without having to carry a card or enter card information on a website.

Aiming to increase the coverage of payment systems services through digital collaborations, İşbank collaborated with MOKA, a subsidiary of the payment institution, to offer the prepaid card infrastructure of S-Wallet, a mobile wallet application launched exclusively for Samsung users in Turkey. Thanks to the structure established by integrating İşbank prepaid card APIs into MOKA, Samsung digital wallet users can make contactless payments via their smartwatches and smartphones; they can load as much money as they wish into their mobile wallets and spend easily and securely, whether online shopping or in stores, domestically or abroad.

With MOKA Super Physical POS, another innovative product launched with MOKA, a subsidiary of the payment institution MOKA, for the first time in the sector, installments can be made to different bank cards through a bank POS.

Adopting the principle of extending its value chains and products and services beyond its own channels, İşbank added new ones to its business partnerships with non-bank players in the sector such as payment institutions and e-money institutions. Offering card acceptance services for online shopping through virtual POS services to payment institutions, the Bank launched a service integrating physical POS services into payment institutions through APIs.

With the goal of integrating payment systems into its clients' everyday life, İşbank is constantly improving its loyalty programs and adding new features that will make a difference in the sector. Offering credit cards the advantage of instant discounts on certain expenditures, the Bank has extended this feature to debit cards. In order to facilitate the collective tracking of MaxiPoints, MaxiMiles and Cashback privileges for each customer, a new service area called "My Earnings" was added to the İşCep application.

With digitalization, it is becoming more difficult to keep track of subscriptions to digital platforms, whose usage is continually expanding in individual consumption.. İşbank launched the Visa Token Service application for digital platform subscription payments and added a separate menu to İşCep to enable customers to view their subscriptions in one place.

An important experience of daily life is the use of public transportation. Offering contactless access to public transportation with its cards, İşbank has expanded this service to 25 cities and is now working on adding Istanbul to the network.

In order to facilitate its customers' access to card payment services and increase financial inclusion, İşbank proactively started to offer ready-made credit card offers via İşCep for customers who do not own a credit card.

Within the scope of agricultural banking activities, İşbank made it easier for its agricultural customers to access İmece Card privileges by opening the application for İmece Card product, which plays an important role in financing agriculture, to İşCep application.

Cross-Border Banking

İşbank Group carries out its cross-border banking operations through its branches, subsidiary banks, and agencies abroad and operates in 11 different countries. 9 of a total of 34 branches belong to Frankfurt-based (Germany) İşbank AG, whereas Moscow-based (Russia) JSC İşbank has 1 and Tbilisi-based (Georgia) JSC İşbank Georgia has 2 branches. In addition, there are 2 representative offices in Kazan and St. Petersburg, which are affiliated with JSC İşbank. In addition to the aforementioned, İşbank has 2 branches in Iraq, 2 in Kosovo, 2 in the UK, 1 in Bahrain and 15 in the Turkish Republic of Northern Cyprus (TRNC). The Bank has 2 representative offices, one in Shanghai (China) and the other in Cairo (Egypt).

Developments in 2023: İşbank offers its customers abroad basic banking services such as loans, deposit accounts, domestic and international money transfers, foreign trade intermediation, letters of credit, and letters of guarantee. The delivery of products and services is dynamically revised in line with changing needs. Services are provided to foreign branch customers through digital channels via internet branch and mobile banking applications.

In 2023, a mobile banking product was launched for customers in the UK, Kosovo, and Iraq considering the country-specific practices. In Iraq, the Bank intermediates a significant portion of the trade between Türkiye and Iraq through its Baghdad and Erbil branches and also provides resources through loans to projects that create added value for the region. Within this scope, the Bank started to mediate auction transactions that contribute to the foreign trade volume between Türkiye and Iraq. Letter of guarantee transactions addressed to counterpart institutions and organizations in the country also maintained their importance.

In 2023, İşbank concentrated on expanding its customer base and collecting deposits in Kosovo.. The positive relations established with the Gulf Region countries through the Bahrain Branch contributed to İşbank's efforts to diversify its funding sources. The level of relations with London-based companies was raised, and significant increases were achieved in contracted merchant transaction volumes. With the launch of the mobile banking product, the number and volume of transactions conducted through non-branch channels increased.

As of year-end 2023, the size of the total assets of İşbank's organizations based in foreign countries was USD 6.8 billion. The Bank's foreign subsidiaries and foreign branches, make up 42.4% and 57.6% of this total, respectively.

Digital Banking

With the vision of being the "Bank of the Future",İşbank wants to be more than just a bank that takes care of its customers' financial requirements; it wants to support them with innovative products and services that improve or simplify their everyday life.

Developments in 2023: Nays entered the application markets on June 21, 2022 and reached 3 million users by 2023, with 62% of Nays users being individuals who had contacted İşbank for the

first time. The number of individual users carrying out their financial transactions using Nays was 1.1 million, while the shopping volume created with Nays-branded digital prepaid cards amounted to TL 1.143 billion.

Within the scope of Open Banking, approximately 155 thousand customers added their other bank accounts to İşbank channels. İşbank channels are the most preferred primary channel in the open banking ecosystem for commercial customers. The number of payments initiated using other bank accounts through İşbank channels reached 64 thousand.

Visited 18 million times by 5 million people every day, İşCep enables both personal and commercial users to easily manage their needs with its rich transaction set consisting of more than 700 functions. In 2023, the time spent per session on İşCep increased by 25% compared to the previous year. The share of non-branch channels in transactions was 97.1% and digital channels in sales was 74.8%, respectively.

In September 2023, the remote bank customer service via **İşCep** was launched for commercial companies. With the "I Want to Become a Customer" feature on İşCep, Limited Liability Companies with a single partner can become customers without submitting any paperwork or wet-signed documents to the bank.

In 2023, within the scope of our strategy to make **İşCep** a super app, we aimed to enable customers to access value-added products and services that they require for both their financial needs and various phases of life through İşCep. Within this scope, My Home, My Family, and My Travel life areas were offered to customers under the **"My Life with İşCep"** umbrella.

Innovative Banking

The differentiation of communication methods in a digitalizing world, as well as the widespread use of applications that can be accessed via smart phones and provide messaging and call opportunities, have necessitated changes in the way businesses do business and in people's lives. In this context, with the "Dialogue" application, which our branch employees can access through the NAR platform, a solution that enables direct messaging, voice and video calls with our Bank's individual and commercial customers has been launched. The "Dialogue" application is designed to keep in touch with our customers who wish to conduct financial transactions at a distance in an efficient and risk-free manner, and the messaging, voice and video calls made through the application are recorded. In addition, the application allows to send files, which our employees may quickly add to the Customer Documents screen by our employees.

İşbank's Subsidiaries

Treasury Management

İşbank's main objective is to optimize the risk-return balance by focusing on effective capital utilization in credit and investment portfolios, dynamic management of foreign exchange and liquidity positions as well as cost control, and to further strengthen its balance sheet structure through a sustainable profitable growth strategy.

Developments in 2023: In 2023, central banks of developed countries, struggling with global inflationary pressures, gradually raised policy rates while closely monitoring geopolitical risks. On the domestic side, in the first half of the year, the CBRT continued to take steps to enhance the effectiveness of the liraization process, with the main agenda items being the increase in establishment liabilities for securities and the tightening of pricing and growth constraints on commercial and retail loans. The CBRT's simplification decisions aimed at improving the functionality of market mechanisms and strengthening macro-financial stability began to be implemented in the second half of the year, with the main issues being arrangements prioritizing Turkish lira deposits and the transition from securities establishment practice to the of charging commission on required reserves.

In addition to monetary policy decisions, loan, collateral, and liquidity policy steps focused on strengthening the effectiveness of the transmission mechanism continued to have an impact on banks' decisions to manage their total interest-earning assets, particularly their securities portfolios. For the banking sector, managing balance sheets shaped by macroprudential policies by taking into account liquidity, interest rate, and exchange rate risks has been a priority, and adapting to rapidly changing legislative regulations as well as effectively managing customer preferences gained importance.

Personal Banking

İşbank's activities in the field of personal banking are shaped around the principal target of "becoming the customers' financial solution partner of choice in every stage of their lives". Business processes and customer journey experiences are continuously improved through design-oriented thinking methodology. Critical customer journeys are being reviewed and redesigned to provide a better experience in order to understand and fulfill customers' changing needs and expectations in the new period.

Products and Services: Remote Customer Acquisition, Private Pension for My Child, Exchange Rate-Protected Deposits, Artificial Intelligence- and RPA-assisted applications, real-time analytic application development, Remote Customer Management, Forest for the Future

Developments in 2023: As per the liraization policy driven by market developments, the Bank, in cooperation with the Capital Markets Division, continued to offer a variety of special FX-protected deposit products to meet customer return expectations throughout the year. The TL weight in total deposits was increased from 35% at the beginning of the year to 61% as of November 22, 2023. In addition to deposits, alternative investment products such as forward exchange funds, personalized hedge funds, and family funds that provide intergenerational wealth transfer in a return-oriented manner were offered to customers extensively. Within this framework, as of November 22, 2023, total assets under management increased by 83% compared to the end of 2022.

İşbank, an integrated group company, has acquired various companies to support Türkiye's industrial and economic development.

At the meeting of the Bank's Board of Directors held on August 25, 2023, it was decided, subject to the approval of the General Assembly, that the Bank will be partially demerged in a simplified manner through the subsidiary model to manage the subsidiary portfolio more effectively and efficiently, and that the capital shares in 15 affiliates and 1 subsidiary owned by the Bank will therefore be transferred to a new umbrella company to be established with 100% shareholding of the Bank. With the new structure, it is planned to adopt a more focused and strategic management approach, as well as to increase synergy among the subsidiaries and to demonstrate competitive performance that increases value and maximizes profit in the subsidiary portfolio while increasing efficiency.. Work on the establishment of the umbrella company is ongoing, including the legal authorization processes before domestic and foreign regulatory authorities.

İşbank's Subsidiary Policy involves :

- Strengthening the strategic perspective on the activities of current subsidiaries on a corporate level by taking risk/return balance and market conditions into consideration,
- Pursuing growth for all subsidiaries, from those newly incorporated to mature ones, through organic and inorganic methods, and
- Ensuring that our companies are among the pioneering and leading companies in their respective sectors and increasing their market value.

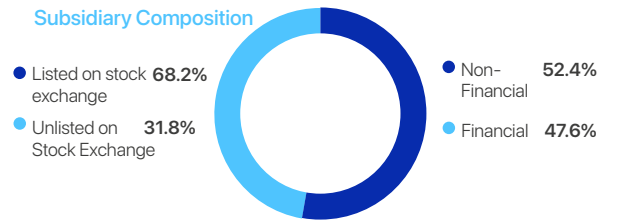
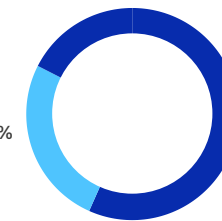
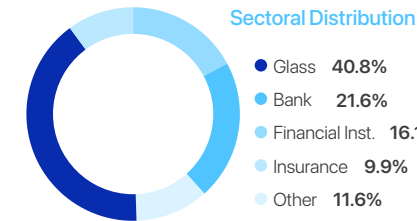
As of year-end 2023, the Bank directly and indirectly holds shares in 154 companies, 119 of which are controlled by the Bank. The Bank directly holds shares in 30 companies.

These companies accounted for TL 152 billion of the Bank's total assets as of the end of December. Türkiye Sınai Kalkınma Bankası A.Ş., Anadolu Hayat Emeklilik A.Ş., İş Finansal Kiralama A.Ş., İş Gayrimenkul Yatırım Ortaklığı A.Ş., İş Yatırım Menkul Değerler A.Ş., and Türkiye Şişe ve Cam Fabrikaları A.Ş. represent 67% of this subgroup of the Bank's assets and are publicly traded on Borsa İstanbul. Anadolu Anonim Türk Sigorta Şirketi, İş Girişim Sermayesi Yatırım Ortaklığı A.Ş., TSKB Gayrimenkul Yatırım Ortaklığı A.Ş., and İş Yatırım Ortaklığı A.Ş. are the other publicly-held Group companies controlled by İşbank through indirect shareholding.

As of year-end 2023, the portfolio accounts for 6% of İşbank's assets. İşbank's subsidiaries operate in the USA, Germany, United Arab Emirates, Bosnia and Herzegovina, Bulgaria, China, Georgia, India, Netherlands, England, Spain, Italy, Hungary, Egypt, Romania, Russia, Slovakia, Ukraine, Singapore and TRNC.

For the 2023 performance of our subsidiaries

Please visit "İşbank's Subsidiaries" section



Significant developments in 2023 regarding Subsidiaries:

- İş Enerji Yatırımları A.Ş., which operates to create an integrated renewable energy portfolio, established İş Yenilenebilir Enerji Proje Yönetimi Danışmanlık A.Ş., Is Energy Investments BV based in the Netherlands and Is Energy Romania S.R.L. based in Romania. Through İş Yenilenebilir Enerji Proje Yön. Dan A.Ş., joint control of 38 energy companies operating solar power plants became a 50% partner in Soli SPP with a total installed capacity of 77 MW.
- İş Enerji Yatırımları A.Ş. acquired 50% of the shares of Polat Enerji Yatırımları A.Ş. owned by Maxis Clean Energy Venture Capital Investment Fund and became a partner in 754 MW portfolio of SPPs and WPPs.
- Maksmarket Danışmanlık Elektronik Hizmetler Tic. A.Ş., which was established in 2022 to be a reliable marketplace for commodity trade and to pioneer the digitalization of these sectors, launched its digital marketplace platform Proemia in April 2023, starting with iron and steel products.
- İmecemobil Tarım Platformu Elektronik Hizmetler Tic. A.Ş. "İmeceMobil", a company that operates to provide digital agricultural technology services to small and medium-sized farmers, was established with the aim of appropriately using technologies in the field of digital agriculture and sharing them with the public. İmeceMobil has started its activities with the vision of becoming an inclusive, global agricultural technology company that creates sustainable value together with all stakeholders in a multi-dimensional and long-term manner by bringing together

agriculture, finance, and technology.

- İmecemobil Tarım Platformu Elektronik Hizmetler Tic. A.Ş., our indirect subsidiary, acquired an 8.33% stake in İTTM Tarım Teknoloji Girişimleri A.Ş., which will operate as a Technology Center and implement the agricultural entrepreneurship ecosystem. The goal is to support the digital transformation of agriculture and strengthen the participation and integration of the information and communication sector in agriculture to make it sustainable, competitive, and efficient.
- Negotiations were initiated for the merger of Moka Ödeme ve Elektronik Para Kuruluşu A.Ş., an affiliate, with Birleşik Ödeme Hizmetleri ve Elektronik Para A.Ş., an Oyak Group company, in order to utilize synergy and growth opportunities in Türkiye and abroad. In December 2023, the Competition Authority application for the merger was filed.
- Through its affiliate Ödesis Finansal Teknoloji Girişimleri A.Ş., the Bank participated in IS United Payment Systems Limited, which will operate as a payment and electronic money institution in the UK, with a 50% stake.
- Topkapı Danışmanlık Elektronik Hizmetler ve Pazarlama Ticaret A.Ş. (Pazarama), which operates in e-commerce, has participated in Hamurlabs Elektronik Hizmetler Yazılım ve Ticaret A.Ş., which offers warehouse and product management and multi-channel sales integrations on a single platform, with a 20% stake.

		Trakya Yatırım Holding			

Customer Centricity

With its strategy of “being the closest bank to customers”, İşbank focuses on customer experience in all its systems and processes and continues its activities with the goal of being a reliable, easy to work with business partner that its more than 22 million customers can access when needed.

Customer Satisfaction

İşbank’s customer experience vision involves simplifying interactions at all contact points by recognizing customers’ changing needs and expectations of customers, guiding them by providing time-saving and fast solutions, and assisting them when stuck.

İşbank regularly monitors customer satisfaction and NPS (Net Promoter Score) at its branches and digital channels, responding rapidly to feedback.

The Net Promoter Score Measurement, which is conducted through independent research companies, monitors channel satisfaction and critical product satisfaction by comparison to the competition. Channel, product, and segment managers are given the SMART target of ranking first in NPS compared to banks of similar size to İşbank.

With an Individual NPS value of 50 in 2023, İşbank ranks first compared to banks of similar size.

Male İşbank customers have an NPS score of 49 and female İşbank customers have an NPS score of 51.

Continuous evaluations are being carried out using İşCep in-app NPS surveys, end-of-transaction effort/satisfaction surveys, and expectation surveys via e-mail/phone. In addition to digital channels and channels such as e-mail/SMS, satisfaction measurement studies are also conducted through physical media such as in-branch kiosk surveys and photoblocks. In measurement studies, feedback is collected by displaying surveys to customers at the end of their transactions, including customer journeys, and single transactions and workflows which result in an error; this feedback is used is used to develop and present new products/services.

In digital channels, customers’ behavioral data were analyzed, and more than 185 million interactions were created in 2023. While these interactions provided clients with appropriate advice and guidance in times of need, solutions were developed to ensure the smooth completion of transactions in challenging situations. 1.5 million product applications were completed, and customers were provided with guidance to ensure that more than 4 million transactions could be seamlessly performed via digital channels.

In 2023, two different customer satisfaction surveys were conducted for Private Banking customers. The final net recommendation score was **"Excellent"** with 70.8. Score improvement compared to last year was +2%.

User satisfaction score with **İşCep Privia Mode**, which includes the visual differentiation of İşCep for private banking customers, was 88%.

Brand Research

The Advertising and Brand Health research study, which was made to measure the perception of İşbank and Maximum brands and to see the impacts of advertising activities on İşbank customers and other bank customers regarding İşbank’s core banking products and payment systems products, was conducted with Future Bright Group. With this research, the recall, interest creation, and influence performance of communication activities and brand image scores of İşbank and Maximum brands compared to the competition were regularly monitored. The motivators that create brand preference in the banking category were revealed, and input was provided for marketing and communication strategies.

Next-Generation Living Space: İş Mekan

Within the strategy of designing the bank of the future and customer experience, the first İş Mekan, designed to create a physical extension of our digital contact with our customers, was launched on January 17, 2023 at the Nişantaşı Branch building. With this physical contact point, we aim to reach our customers, who we contact digitally, in the physical world as well and offer multiple value propositions with a collective experience by meeting their needs more holistically together with İşbank Group companies, without limiting them to banking processes. The aim is to continuously improve the customer experience while also strenghtening customer belonging and loyalty through contact points that change based on customer profiles and market variables in a variety of venues.

Serving an average of 20,000 visitors per month, Nişantaşı İş Mekan includes T. İş Bankası Kültür Yayınları with its rich variety of books, the first physical sales point of Pazarama, an e-commerce brand with trendy and new technological products, and Coffee Department, the next-generation coffee shop known in the Nişantaşı region, as well as meeting rooms and event spaces managed by İŞMER. Specific to İş Mekan, stakeholders also offer various discounts and advantages to İşbank customers. Together with these stakeholders, 10 of our subsidiaries are directly or indirectly involved in İş Mekan as stakeholders.

The Nişantaşı Branch continues to serve on the upper floor of İş Mekan. Branch working hours continue as they have been: İş Mekan is open to all visitors between 08:00 – 20:00 on weekdays and Saturdays, 6 days a week, and between 12:00 – 19:00 on Sundays. With the newly implemented counter restriction of cash transactions at branches, customers may now make deposits and withdrawals of up to TL 50 thousand from ATMs in the digital banking area, allowing them to complete their transactions without visiting a branch.

Customer Feedback

İşbank collects customer feedback through channels such as its corporate website (<https://www.isbank.com.tr/en>), Internet Branch, İşCep, call center, branches, e-mail, fax, letters, official institutions and organizations, and social media. Applications submitted by the customer to the Bank are evaluated within the Customer Relations Platform (MIP) and efforts are made to find solutions as quickly as possible. Customers’ demands and complaints on social media and other online platforms are also closely monitored.

Complaints, suggestions, wishes and requests, feedback received by İşbank through various channels, project-based customer surveys, and data obtained from customer field surveys are used as input in product development and improvement efforts through agile working and design-oriented methodology, aiming to provide the ideal customer experience.

Changes to Products and Services as a Result of Customer Feedback:

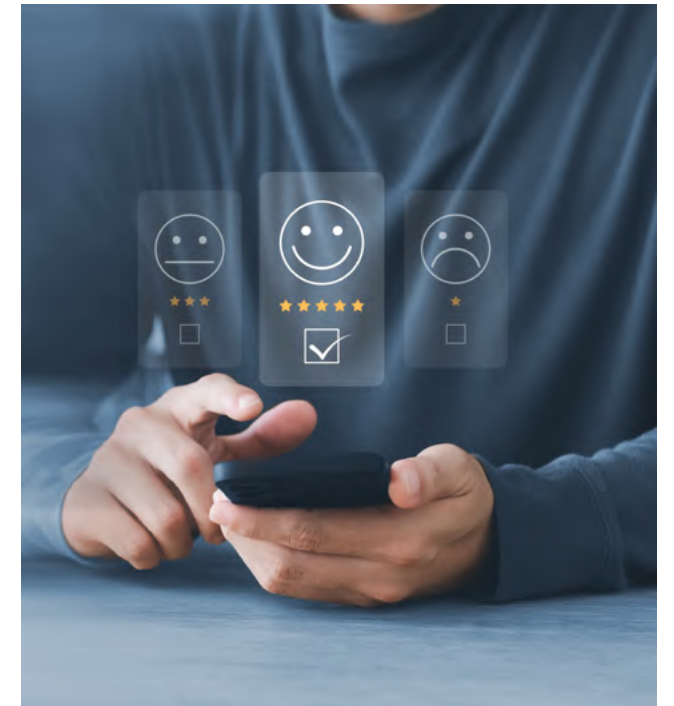
- A customer survey was conducted to identify the daily needs and problems of end-users in the Digital Card experience project. It is instantly available upon application and allows all transactions that can be made with a physical card to be made with a mobile phone.
- In line with market conditions and feedback from customers working with other banks, a liquid investment fund product called "ONS - İş Asset Twelfth Hedge (FX) Fund - US" was launched, which mainly includes reverse repo. The "CKS - İş Asset First Participation Hedge (FX) Fund - USD" and "ILH- İş Asset First Hedge (TL) Fund " investment funds were also offered to customers.
- Based on feedback from surveys conducted after ATM transactions, the cash withdrawal limit for salary contractors and pensioners was increased.
- Following input from İşCep surveys and Funnel analysis, several transactions were made easier to find and complete, resulting in reduced effort. In 2023, the Bank focused particularly on feedback received on investment transactions and planned critical actions.
- In line with the feedback received from users, the Invite and Earn flow of the Nays application was changed and the experience of those invited to earn rewards was improved.

The actions taken by the Head Office departments to improve the customer experience are presented to the Board of Directors quarterly, together with a report on the distribution and course of customer requests and complaints.

As per legislation, the number of applications submitted by financial consumers in the form of objections or complaints that involve issues, grievances or dissatisfaction with the individual products and services, as well as the breakdown of such applications on a per-subject basis and the associated resolution times, are reported to the BRSA quarterly, as well as to the Banks Association of Türkiye (TBB). The data submitted by banks is then consolidated by TBB (Banks Association of Türkiye) and communicated to the member banks quarterly. The cumulative number of complaints received by İşbank for 2023 is 370,458, and the Bank ranks 5th among member banks of TBB (Banks Association of Türkiye).

Statistical data and explanations regarding the content and distribution of customer requests and complaints submitted to the Bank and the responses given to customers are reported to senior management quarterly.

- In 2023, the Customer Relations Program (MIP) received 831,972 applications.
- The İşbank Call Center, which received 22,972,105 calls in 2023, has held the EN ISO 15838 "Call Communication Centers Standard" Certificate since 2011.
- In 2023, the number of complaints received by the Institution regarding breach of customer data privacy and data loss was 487.



Informing Customers

İşbank uses many different channels to provide its customers with accurate and up-to-date information in an open and transparent manner. In line with the responsible banking and customer centricity approach, the Bank's products and services are explained in a way to include all the details the customer needs about the product and service, especially legal requirements. The Bank continues to make investments to develop all its employees skills, ensuring that such information is conveyed directly or indirectly to customers in a complete and accurate manner.

Customer Information Channels

- New products and services to be made available to customers via digital channels are shared with the İşbank Phone Banking teams to be announced to customer representatives so that they can be prepared for potential customer inquiries before such products and services are delivered.
- New products and features to be added to İşCep are explained in the description field in the app store. In addition, videos are posted about the Bank's products, campaigns, and services in the Stories section of İşCep.
- Guidance messages are displayed to customers in digital channels. Regarding the potential errors or problems encountered in digital channels, the customer relations service and the call center are immediately notified to ensure that proper guidance is provided and that the errors and problems are redirected to the related departments.
- Communication campaigns such as mailings, advertisements, and announcements are carried out to inform customers about digital channels. The Bank's corporate website provides detailed information about the digital channels, transaction sets, and security practices.
- Private banking customers are informed in person about products, services, and investment alternatives. Customers can also get detailed information about products and services by visiting privia.com.tr.
- SME and Enterprise Banking customers receive up-to-date information about products and services through customer visits and various channels including İşCep, the corporate website, corporate social media accounts, Maximum İşyerim application, ATMs, e-mail, and SMS.
- QR Codes are included in printed brochures, posters, newspaper and magazine adverts to ensure that customers can access detailed information about the product in question by visiting the corporate website.
- In addition to the application instructions used for providing information to customers at branches, İşbank also publishes all the details needed about its products via its corporate website isbank.com.tr.
- Product information forms are available for special deposit products that are non-standard in personal banking.
- Agricultural Banking customers are kept up-to-date about products/services through digital channels, especially İşCep, the corporate website and Maximum İşyerim application, and e-mail, Bankamatik ATMs, SMS channels, and customer visits.
- Activities that support the customer experience include adding various products and services to digital channels in bancassurance, supporting product sales through campaigns, and informing customers via SMS, e-mail and push notifications. In 2023, drawer offers such as giving automatic renewal orders for Anadolu Sigorta policies and increasing home insurance coverage were offered to customers on İşCep, and if they approved the offer, it was ensured that these transactions could be easily carried out with a single click.

In 2023, the Bank did not incur any penalty due to non-compliance with regulations on customer information requirements.

Responsible Banking

Within its responsible product and service offering approach, İşbank develops products and services that encourage savings awareness, cover all segments of society, and aim to increase financial literacy. İşbank offers products that not only take into account the different life stages, economic needs, and sectoral requirements of its customers, but that are also easy to understand and support savings awareness.

All products and services of İşbank are evaluated within the scope of risk exposure due to products, services or activities defined in the Bank's legislation. All products, services, and activities to be developed can be evaluated in terms of sustainability.

İşbank participates in fairs and conferences on renewable energy and energy efficiency and contributes to the dissemination of its sustainability portfolio. In addition, awareness-raising activities are carried out with technical information received from stakeholders the Company collaborates on sustainability-themed products.


Informative and awareness-raising communication activities are carried out for businesses that are likely be affected by climate change and CBAM (Carbon Border Adjustment Mechanism).

İş Asset Sustainability Equity (TL) Fund (Equity Intensive Fund)

At least 80% of the fund's total value is constantly invested in partnership shares included in the BIST Sustainability Index and in exchange-traded fund units established to track the BIST Sustainability Index.

Responsible Marketing

İşbank's key responsibility is to provide its customers with accurate, transparent, and clear information about its products and services. Information that facilitates customers' decision-making processes and meets their requirements is provided through clear and understandable products and services that always focus on the customer. Communication does not include misleading, complex, and contradictory statements or duplicate information.

 For İşbank's responsibility and working principles, please review "Ethical Principles and Operational Rules".

İş Asset TEV Education Support Hedge Fund

TEV Education Support Hedge Fund aims to provide scholarships to students over the years by transferring half of the fund management fee generated from the TEV Education Support Hedge Fund to the Turkish Education Foundation, which has been contributing to the future of young people for 56 years with its mission of equal opportunity in education.

Products and Services for Increasing Awareness on Savings

Aiming to promote savings awareness in all segments of society, İşbank maintained its position, based on the financial statements recently disclosed to the public, as the bank with the largest deposit base among private banks in terms of 2023 third quarter financial results. Total İşbank deposits grew by 56.8% in the first nine months of 2023, reaching TL 1,460 billion in total.

In 2023, our Bank's total TL deposits increased by TL 480.7 billion (up 125%) and total FX deposits by TL 235.5 billion (up 43%).

In this period, TL savings deposits increased by TL 267 billion, FX savings deposits increased by TL 180.9 billion and TL share in savings deposits increased from 36.5% to 46.5%. The share of Total Savings Deposits in Total Deposits remained at 64%.

Üstü Kalsın (Keep the Change)

Offering customers the opportunity to save money without changing their shopping habits, the Üstü Kalsın (Keep the Change) application transfers the difference of customers with credit cards and investment accounts to round up their credit card debt to a higher amount of their choice, which is then deposited into an investment savings account. As of year-end 2023, there are over 150 thousand customers with open "Üstü Kalsın" orders.

Following the general change made to the "Üstü Kalsın" service on March 9, 2023, the amounts rounded up from the credit card end-of-period debt within the scope of the instruction were used to purchase TTA - İş Portföy Gold Fund shares instead of IBK - İş Portföy Maximum Card Short-Term Debt Instruments Fund shares.

İş Asset Moneybox Account Mixed Special Fund

İş Asset Moneybox Account Mixed Special Fund established in 2001 as the first example in Türkiye of the concept of investing on behalf of children, is a "savings" fund that allows minors to invest in their future today.

İş Asset Moneybox Account Mixed Special Fund, which is not traded on the TEFAŞ Platform and sold only through İşbank distribution channels, had nearly 130 thousand investors and a total investment size of TL 1 billion 140 million as of year-end 2023.

Gold Banking

İşbank offers customers the opportunity to save money with Time or Demand Deposit Gold Account options. Gold Meetings are also held at branches in order to bring the so-called "under the mattress savings" into the banking sector and to secure precious jewelry against the risk of loss and theft. The system is also integrated with the Jewelry Gold Valuation System. Gold or jewelry items brought by customers are deposited into the Demand Gold Account in grams of gold. In 2023, over 2,000 kg of scrap gold was dematerialized in demand deposit gold accounts through these channels.

Robofon

The Robofon Consultancy service, managed by İş Portföy, provides fund consultancy services to customers who wish to save even small amounts. The Investor Profiling Module of the Robofon Consultant, made available at İşCep and the Internet Branch, analyzes the investor's current financial situation and needs and determines their risk perception. At the end of the process, the most suitable fund for the individual is found among the Robofon Family. In 2023, over 83 thousand customers received fund advice, and the number of customers benefiting from the service reached over 280 thousand.

Daily Earning Account

The Daily Earning Account, which can be opened via İşCep or the Internet Branch, offers customers the opportunity to utilize their savings on a daily basis compared to long-term accounts. The total balance of Daily Earning Accounts was nearly TL 15.5 billion at the end of 2023.

Exchange Rate-Protected Deposit Account

At the end of December 2021, as per the "Communique on Encouraging Conversion of FX Deposits to TL Time Deposit and Participation Accounts" published in the Official Gazette, 2 different products, "FX-Protected TL Time Deposit Account for Customers Converting from FX" and "FX-Protected TL Time Deposit Account" were made available to customers to protect their savings against fluctuations in exchange rates and to support financial stability by increasing the share of TL deposits in total deposits in the banking system. In 2022, "FX-Protected TL Time Deposit Account for Customers Converting from Gold" and "Deposit Account for Citizens Residing Abroad" (YUVAM) and FATSi accounts were also introduced in accordance with the additional regulations issued by the Central Bank of the Republic of Türkiye (CBRT). Account types other than FATSi, which can only be opened at branches, can also be opened via İşCep and the Internet Branch. The total balance of FX-Protected Time Deposit Accounts was approximately TL 266 billion at the end of 2023. Excluding bank deposits, savings invested in FX-Protected TL Time Deposit products accounted for 17.2% of the Bank's total deposits in the first twelve months.



Human Rights and Social Impact Evaluations in Investment and Loan Activities

İşbank's investment and loan activities comprise human rights and social impacts in addition to environmental impacts, and practices are requested to eliminate human rights violations and negative social impacts. In the risk assessment model used for human rights and social impacts, there are variables related to issues such as child and forced labor, community and occupational health and safety, working conditions, job conditions, OHS management systems, forced resettlement, loss of livelihoods, stakeholder communication, gender equality, sexual harassment, and discrimination.

Investments financed by the ÇESMOD Model, which İşbank uses to determine investments' E&S risk scores and has updated in 2022, are evaluated by answering the question sets prepared specifically for the subject investment sector following the initial evaluations conducted with specific sets of questions based on the type of investment.

Specific investment types and sectors are evaluated and scored by means of question sets created within the framework company's activities framework on issues whose scope is determined by legislation, laws, and regulations, such as EIA decisions, environmental permits, environmental and/or social impact assessment, occupational health and safety, community health and safety, involuntary resettlement and stakeholder participation.

Based on the answers given, the risk category of the project is determined, e.g. high (A), medium high (B+), medium low (B-) and low (C). Investments that are to be financed by the Bank and assigned the risk score A (high risk) based on the Environmental and Social Risk Evaluation are subject to an impact evaluation, including a human rights impact evaluation, in accordance with the requirements of international standards.

All projects assessed under the Environmental and Social Risk Evaluation Model (ÇESMOD) are subject to the following criteria;

- Conducting a social impact assessment for the project, including gender equality, sexual harassment, discrimination, child labor, and human rights risk assessment,
- Whether there is litigation (ongoing or closed) or strong community opposition against the project,
- Whether the loan to be provided will reduce the company's environmental and social impacts

In projects that undergo ÇESMOD Evaluation, the Bank requests that complaint mechanisms be established and monitored for violations of local people's rights.

Similar E&S questions are also asked to customers when the Bank disburses foreign funds collected from overseas.



Financing Infrastructure Investments

Within the scope of large-scale infrastructure investments financed by our Bank, social impact assessment studies are carried out, taking into account the social benefit of the society, and necessary actions are taken to manage potential negative impacts of the investments.

In addition to limiting negative impacts by allocating corporate social responsibility budgets to cover the construction and operation periods of large infrastructure investments financed by our Bank, positive impacts are increased by developing processes for the benefit of stakeholders in the impact area of the projects.

Within the scope of highway projects, social responsibility projects such as road, school and water line renovations on highway routes, as well as supporting education with certain budgets on an annual basis, have been developed. In 2023, a total of approximately USD 165 million was allocated for electricity distribution, port and highway projects.

Infrastructure – Public Private Partnership / Highway Projects	
Investment Size (USD)	27.3 Billion USD
Total Commitment (USD)	37.5 Million USD
Total Risk (USD)	1.4 Billion USD
Infrastructure Capacity Reached Total	1,889 km

Infrastructure – Public Private Partnership / City Hospital Projects	
Investment Size (USD)	3.5 Billion USD
Total Commitment (USD)	16.1 Million USD
Total Risk (USD)	0.6 Billion USD
Infrastructure Capacity Reached Total	9,978 People

Financial Inclusion

Playing a pioneering role in the use of technology and embracing the mission of increasing financial inclusion in the banking sector, İşbank aims to increase and ensure fair distribution of social welfare by developing products and services for all segments of society.

All İşbank products and services are introduced to customers in one-on-one customer meetings in a way that prioritizes customer needs and expectations, within the framework of openness and transparency principles.



SME Banking

İşbank's growth in SME and Enterprise Banking is achieved through systematic, measurable, and dynamic deepening among existing customers as well as new customer acquisition and customer activation. The volume and product usage of customers of all sizes working with İşbank are monitored in an up-to-date and dynamic manner with the support of artificial intelligence and rule-based modeling, and efforts are made to maintain and increase customer depth.



Green Transformation

Campaigns with favorable terms and price conditions are being organized to support SMEs' green investments. Among our green financing products which are offered with advantageous terms and rates to businesses with environmentally friendly investments, Solar Loan by İşbank provides financing for SPP investments, Energy Efficiency Loan provides financing for investments ensuring energy efficiency by reducing energy costs, and Let's Protect the Seas Loan provides financing for the construction or maintenance of wastewater treatment plants to prevent and reduce water pollution and protect water resources. Furthermore, the Green Enterprise Loan, which aims to assist companies that have received sustainability certifications by making investments to reduce their environmental impact at every stage of the process, from raw materials to the final product offered to the consumer, is one of the green commercial loan products with favorable terms and rates. A total of TL 127,000,000 in loans was provided in 2023 as financing support for the operating expenses of companies holding sustainability certificates. In December 2023, the Green Tourism Enterprises Support Loan Campaign was organized. With the related loan, a wide range of financing opportunities are offered, from financing the renovation, maintenance, and repair costs of tourism enterprises to energy efficiency, water management investments, and meeting cash requirements for operating expenses. In 2023, a total of TL 214 million of financing was provided.

İşbank aims to reach more than 50 Agriculture Specialised Branches in the 100th anniversary year.



Dijikolay

Dijikolay was launched in 2021 to address the needs of SME and business segment customers regarding digitalization with a holistic approach. There are four different categories under the Dijikolay umbrella: e-transformation solutions, e-commerce solutions, sustainability solutions and managerial solutions. In this context, 17 solutions were offered to customers in 2023. In 2023, 9,061 customers applied for Dijikolay solutions.



Collaboration with KOSGEB

As of year-end 2023, the total amount of financing provided to SMEs in cash and non-cash loans reached TL 12.7 million.



Support to the Agriculture Sector and Farmers

İşbank carries out all its activities in agricultural banking with a responsible banking approach. The Bank aims to bring agriculture and technology together with an innovative perspective and to meet the financing needs arising at this point through the most appropriate channels.

The outputs of structured studies such as the Agricultural Banking Advisory Board, İmce Workshops, and the Net Promoter Score Survey guide the strategies. Within the scope of the "**Sustainable Transformation of the Customer**" target, efforts are being made on topics such as smart agricultural loan campaign, renewable energy, and irrigation loans.

The total amount of cash loans extended to the agricultural sector exceeded TL 30 billion.

Financial Supports Provided:

- Pressurized Irrigation Systems Loan Campaign
- Farmer Women Loan Campaign
- EBRD TurSEFF Renewable Energy and Energy Efficiency Loan Campaign
- Tractor Loan Campaign
- Loan by ELÜS Campaign
- Good and Organic Agriculture Campaign
- Agricultural Loan Campaign

Developments in 2023:

- Within the scope of sustainability criteria, workshops are organized to present common methods that protect both nature and producers, identify common solution proposals for each stakeholder, and strengthen the agricultural ecosystem in our country and İşbank's position within this ecosystem. Within this scope, "İmece Workshops" continued in 2023 with the themes of "Seed" and "Dairy Farming".
- Digital Agriculture Solution Stations Project (DTC): The "Digital Agriculture Solution" (DTÇ) project, which was launched with the contract signed between İşbank and Vodafone A.Ş. in May 2019, aims to use resources more effectively in agricultural production, increase quality and efficiency, and support sustainable and value-added production on a national scale with advanced technological hardware and software. The "Digital Agriculture Solution" project not only made tangible economic contributions to our country's agriculture and farmers, but also set an important example in terms of sustainability practices in the agricultural sector. Within the scope of the Digital Agriculture project carried out with Vodafone Business, recommendations made to farmers resulted in an economic benefit of TL 198 million and TL 325 million in 2022 and 2023, respectively.
- The Bank participated in panels, congresses, and seminars organized by universities and various publishing organizations.
- To date, more than 25,000 farmers and 1,550 students have been introduced to organizations such as Farmer Meetings and Agricultural Banking Awareness Seminars at universities to raise awareness among the target audience. In 2023, 3,676 farmers were attended 38 farmer meetings.
- The second and third meetings of the Agricultural Banking Advisory Board, which consists of sector representatives and leading farmers, were held to prioritize specific topics that will affect the development of agriculture and to incorporate their suggestions into activities.
- The second period of the Workup Agri Entrepreneurship Program, led by the Digital Banking Division to support agricultural initiatives focused on digitalization and sustainability, was completed.
- Employee trainings continued to improve the knowledge and vision of İşbank employees on agriculture and agricultural banking and to increase their communication with farmer customers.

- Agricultural Banking Awareness Seminars were organized at universities to improve the Agricultural Banking vision of students in faculties of agriculture; in this context, 650 students attended 9 seminars in 2023.
- The Bank participated in 29 agricultural fairs.
- The number of Agriculture Specialized Branches increased to 24. In 2023, 1,256 farmers attended 29 events organized at Agriculture Specialized Branches.
- The Instant Agriculture Loan, which is suitable for the income structure of farmers, has been made available to customers on digital channels, including a flexible installment payment option.
- İmece Card Limit Increase application, which allows customers to increase their unsecured İmece Card limits via İşCep, was put into use.
- End-to-end İmece Card allocation was made available through digital channels, enabling agricultural customers to easily obtain an İmece Card.
- In order to increase the services offered through digital channels, the "ELÜS Account Document Creation" process was added to İşCep.
- Developments were completed to add the "ELÜS Cancellation Request" feature to İşCep, which will enable customers to make ELÜS cancellation requests for the products they want to receive from licensed warehouses without visiting the branch.
- Developments for end-to-end digital disbursement of allocated agricultural loans within the limits of the General Cash and Non-Cash Loan Agreements (GNGKS) signed with our customers in the Agriculture Enterprise and Agriculture SME segments were completed and made available to branches/customers via Commercial İşCep and Commercial Internet Branch.
- Within the efforts to digitalize the wet signature documents (Debit Card Agreement, GNGKS, etc.) within the İmece Card Loan allocation processes carried out by the branches in order to save paper and time, the Open İmece Card and Debit Card Agreement were included in the digital approval application.
- As of year-end 2023, the Bank ranked first in a survey conducted in the field of Agricultural Banking including public banks which measured satisfaction and net promoter score.

Supporting Women's Participation in the Economy

İşbank believes that sustainable development can be achieved by increasing women's engagement in the economy as producers and entrepreneurs, and providing them with job opportunities. To this end, the Bank increasingly uses both its own resources and foreign funds to support female enterprises. İşbank, a signatory of the United Nations Women's Empowerment Principles (WEPs) and included in the 2023 Bloomberg Gender Equality Index (GEI), has committed to providing TL 100 billion in financing to women business owners within 5 years as of 2023 with its "Women's Empowerment Declaration". With this goal, İşbank clearly demonstrates its support for the Leading Women Entrepreneurship for Accelerating Development economic life.

The Bank disbursed TL 49,504,774 to agricultural segment customers from the SME Women's Support Package campaign, which was made available as part of the funding provided by the EBRD. As of November 22, 2023, according to TEFAS data, İş Asset Women in Workforce Equity Fund reached an investment size of TL 773 million with over 23,500 investors.

In 2023, the Farmer Women's Meetings organized in Adana and Çanakkale, aimed for farmer meetings focused on gender equality. A special event was organized for International Day of Rural Women. İşbank and its subsidiaries support farmer women initiatives, and trainings have been planned. In addition, TL 404 million in loans were extended to farmer women in 2023 with the financing support provided by our Bank.

There are campaigns for women entrepreneurs with favorable maturity and price conditions. Resources provided by international financial institutions are being utilized for special purposes that contribute to sustainability.

Under the main sponsorship of İşbank, the WeLead project provides training and mentoring entrepreneur women. As of the end of 2023, there were 5,043 registered users of the Women Power in Entrepreneurship training portal. With the Leading Women Entrepreneurship for Accelerating Development Project, 40 entrepreneur women received a "0-interest, collateral-free loan" of TL 3,100,000 under the guarantee of Applied Value Group. In 2023, the total amount disbursed to women entrepreneurs amounted to TL 35,000,000,000.

With the vision of sustaining economic and social development, İşbank aims to reach 15,000 women entrepreneurs for training on financial literacy in 5 years under the umbrella of Women In addition,

a 6-9 month mentoring program was launched for 50 women. The 50 entrepreneur women who completed the trainings received mentoring/coaching support for 6-9 months by experts in their fields and 28 women who successfully completed the mentoring process received business development support by Türkiye İş Bankası.

WeLead 2023 trainings under the main sponsorship of İşbank:

- Company Establishment and Company Types, Company Expenses, Taxation Processes
- Product-Market Fit and Marketing
- Business Development and Lean Entrepreneurship
- Psychological First Aid in Disasters
- Personal Data Protection Law Training
- Purchasing and Supply
- Gender-Responsive Procurement (GRP)
- Trauma, Crisis, and Grief Management
- Information Literacy
- Basic Excel Usage
- Digital Literacy
- How to Become a Smart Business Company?
- Digital Transformation and Maturity Analysis
- Design-Oriented Design Education
- Digital Marketing 101
- Labor Law and Contracts

İş Asset Women in Workforce Equity Fund

At least 80% of the total portfolio value of the fund is consistently invested in partnership shares of BIST-listed companies that support women's participation in employment and management, enabling investors to support this field.

Nays

Nays, which offers its target audience of students and young professionals the opportunity to meet their daily financial needs with a simple and easy experience, reached 3 million users by the end of 2023.

■ ARYA Venture Capital Fund

ARYA Venture Capital Fund, a venture capital investment fund with a total size of USD 10 million, was established in November 2022 with an investment commitment of USD 5 million by our Bank to ensure gender-balanced growth in the ecosystem. In 2023, the fund invested USD 2.4 million in 10 technology startups with female co-founders.

■ Enabled Banking

İşbank makes all its services accessible to people with disabilities. In this context, audible light guidance, tactile walking surface, disabled ramp and ATM applications suitable for disabled access were prepared in the branches for the visually and hearing impaired. As of the end of 2023, all our branches are suitable for the use of our orthopedic and visually impaired customers.

In ATM devices, on the other hand, SMS messages are sent with the support of headphones and tactile surfaces, and features are regularly improved. The voice menus in the ATMs are designed in accordance with the standards set by the Banks Association of Turkey. 99.4% of ATMs are suitable for use by visually impaired customers.

Each province will have at least one İşbank ATM that is accessible to those with orthopedic disabilities, and all devices will have a headphone jack.

Transactions such as signing contracts, opening accounts, using loans, and receiving card applications will be carried out safely and easily by all disabled customers. Hearing-impaired customers who want to receive service from the branches, qill receive service by making video calls with the employees hired specifically for this issue at the Call Center. In 2024, the aim is to increase the number of branches suitable for the use of disabled customers and to make more ATMs compatible to orthopedic and visually impaired customers.

In İşÇep, voice-over programmes for visually impaired customers on iOS and Android are compatible with Voice Over TalkBack, while the Internet Branch uses BlindLook, which, with its voice-over and voice-oriented technology, makes every product and service offered freely available to the visually impaired, cares for the visually impaired consumer and creates visually impaired brands." With the "**Dynamic type**" feature, text sizes can be enlarged and reduced on İşÇep. İşbank's corporate internet branch is also compatible with Jaws. The "Barrier-Free Banking" page is opened on the corporate website, [isbank.com.tr/en](https://www.isbank.com.tr/en) and necessary directions are provided for disabled customers to carry out their banking transactions without any problems. At the same time, for hearing-impaired users, the content on both the "**Banking without barriers**" and "Help" pages is translated into sign language via an avatar using the barrier-free translation plug-in.

■ Eye Brand Certification

BlindLook is a firm that, with its voice-focused technology, allows any product or service to be freely accessible to visually impaired people, making mindful blind-friendly brands a reality. The firm's Eye Brand certification is a global certificate that documents inclusive services offered by blind-friendly brands. İşbank's corporate website [isbank.com.tr/en](https://www.isbank.com.tr/en), İşÇep, and Internet Branches were awarded Eye Brand certification.

361

Number of Bankamatik ATMs suitable for use by orthopedically impaired customers

1,066

Number of branches suitable for use by visually and orthopedically impaired customers

99.4%

Ratio of disabled-friendly Bankamatik ATMs

Financial Literacy

İşbank aims to increase the financial literacy level of its customers from all segments of society in order to enable customers to make the right decisions regarding their financial situation and to increase trust in the financial sector.

Financial literacy workshops are held at the İşbank Museum.

Within the scope of financial literacy trainings, activities are organized for all farmers, especially agricultural specialization branches, as of December 2023. With the participation of entrepreneurs, academics and affiliates, activities are carried out to improve the financial, agricultural, digital and climate literacy of farmers through activities in fairs, branches and other places, as well as banking products and services on waste management, soil fertility, energy saving and efficiency. In addition, in the field of agricultural banking, financial, digital and agricultural literacy support is provided to farmers through the ImeceMobil application, which can be downloaded free of charge.

In particular, the Bank carries out activities to increase the financial literacy of women. In line with these studies, in 2023;

Within the scope of the Leading Women Entrepreneurship for Accelerating Development Project carried out in cooperation with TURKONFED; face-to-face trainings were held in various provinces of Turkey on Introduction to E-Commerce, Entrepreneurship, Digital Marketing, Sales in Marketplaces, Gender-Responsive Procurement; Online trainings were given on Company Establishment and Taxation, Entrepreneurship, Introduction to E-Commerce, E-Accounting, E-Invoice, Micro Export, Trademark, Patent and Design, Quality Process Improvement and Process Development, Facebook Advertising Panel.

In the Entrepreneur and Investor Academies and Business Workshops organized in cooperation with the Arya Women's Investment Platform, serial trainings that contribute to the financial literacy of women entrepreneurs continued to be offered free of charge.

Economic Research

İşbank's Economic Research Division closely monitors cyclical, structural, and macroeconomic developments in both the national and global economy and prepares daily, weekly, and monthly reports. These include

- Daily Market Bulletin
- Weekly Bulletin and
- Developments in the World and Turkish Economy

Additionally, monthly "**Data Analyses**" reports, including Economic Growth, Inflation Developments, Budget Balance, and Balance of Payments, are published on the website.

In 2023, the Economic Research Division published 4 Sectoral Current Developments bulletins and 9 sector reports. The published sector reports cover **renewable energy, steel sector, facility management, automotive, tourism, housing, and logistics storage sectors**, as well as the textile and agriculture sectors with content including the effects of the earthquakes in February. An Assessment on the Planning of Agricultural Production was also prepared. In addition, the "**Course of Consumption Spending Per Sector**" study is published monthly.

Climate Action

Climate change is one of the most urgent problems facing our planet, affecting the environment, social life, and economy worldwide. İşbank conducts risk and opportunity analyses to protect our resources and builds partnerships to be a part of the solution in climate action.

Risks

- Challenges in accessing finance for climate action
- Existing financial solutions proving to be ineffective as a result of changes in the way of doing business and risk levels across many sectors due to global warming
- Infrastructure deficiencies of financial institutions and regulators for a transition economy
- Potential difficulties in complying with laws and regulations governing the green economy
- Potential deterioration in customer creditworthiness due to climate-related risks
- Risk of real estate depreciation due to the physical impacts of climate change

Opportunities

- Contribution to a green economy and combating climate change through effective ESG risk management
- Possibility to reach new customers as a reliable partner in the transition to a green economy
- Ability to access new global fund sources that promote a transition economy
- İşbank's comprehensive risk management approach and its capacity to adapt early to climate-related regulations
- Explaining the solutions offered to customers in the right way with effective customer communication and specialization

Material Topics

▶ Climate Action

Contributed SDG's



Related Capital Elements



Key Performance Indicators

	2021	2022	2023
Field visits made as part of environmental and social risk evaluation	5	44	33
Number of financed projects subjected to environmental and social risk evaluation	9	8	12
Sum of financing provided for projects subjected to environmental and social risk evaluation (million USD)	331	432	216
Amount of clean energy (million MWh) generated by financed renewable energy projects	32.3	40.9	48.1
Total installed capacity of the renewable energy projects financed by İşbank (MW)	1,008	2,059	2,659
Share of renewable energy projects in the total energy projects portfolio (%)	71	75	77
Carbon Disclosure Program (CDP) Climate Change Report	B	A-	A
Carbon Disclosure Program (CDP) Water Security Report	C	B	A-

Targets

	Realization in 2023	Realization Status	Targets for 2024 and Beyond
Efforts to increase the share of renewable energy in the total energy generation projects portfolio will continue.	100	The Bank completed its activities on this front.	The goal is planned to be preserved.
Within the scope of the NZBA commitment, The Bank aims to continue decarbonization efforts in its loan portfolio.	The Bank first announced its intermediate targets for 2030 regarding emission reductions in the carbon-intensive sectors such as power generation, cement and iron and steel.	The Bank is continuing its activities.	<ul style="list-style-type: none">- The annual realization status of the intermediate targets announced in 2023 will be disclosed.- Emission intensity reduction targets will be set for other carbon-intensive sectors.- Transition plans will be prepared and announced.

Decarbonization Targets

The Net-Zero Banking Alliance (NZBA), established by the United Nations with the leadership of the financial sector, brings together more than 140 banks which have committed to align their investment and loan portfolios with the net zero emissions target by 2050, representing more than 40% of global bank assets as of March 2024. The main objective of the Alliance, that has established the first global banking-specific net zero standard for the banking sector, is to enable the transition of the real sector to a low-carbon economy by financing the transformation required for the decarbonization of the economy.

Member banks that undertake to publicly announce their (2030) intermediate and long-term (2050) targets in line with the Paris Agreement by complying with the below criteria

- Set targets for at least one of the most impactful carbon-intensive sectors within 18 months of commitment,,
- Cover the majority of carbon-intensive sectors within 36 months,
- Targets will be reviewed in maximum 5-year periods and new intermediate targets will be defined for each 5-year period starting from the first intermediate target year (2030);
- Studies should be based on a scientific basis in a way that will contribute to global climate goals,
- Report the annual public reporting of progress against the targets, and
- Studies to be subjected to an independent assurance.

In 2023, İşbank first announced its 2030 targets for emission reduction in the power generation, cement and iron and steel sectors, which are among the carbon-intensive sectors. Accordingly, by 2030,the aim is to reduce the emission intensity by 61% in the power generation sector, 21% in cement and 10% in iron and steel compared to the 2021 base year. While determining the sectoral reduction targets relying on base year values, science-based global scenarios were taken into account. Mitigation targets and considered international scenarios are as follows:

Sector	Metric	Scenario	Emission Coverage	Base Year - 2021	2030 Reduction Targets
Power Generation	kgCO ₂ e / MWh	International Energy Agency (IEA - NZE 2050)	1+2	617	-61%
Cement	kgCO ₂ e / ton	Science-Based Targets 1.5°C (SBTİ 1.5°C)	1+2	1.175	-21%
Iron & Steel	kgCO ₂ e / ton	Science-Based Targets - 1.5°C (SBTİ 1.5°C)	1+2	801	-10%
Coal					
Phase-out by 2040					

Note: Depending on the developments in methodologies, the numerical values in the table may vary.

The Bank followed the Partnership for Carbon Accounting Financials (PCAF) methodology, for calculating the financed emissions in these sectors. By making a detailed calculation based on sectors, the goal is to measure as near to reality as possible while maintaining the highest level of data quality. The aim is to reach the healthiest data by conducting surveys and one-on-one interviews with customers.

With its decarbonization efforts, the Bank;

- Correctly determines the actions that credit customers can take on the way to decarbonization and to guide customers in this context, and
- Aims to provide the financial support required for green and sustainable practices that its customers will need during decarbonization.

In addition to the intermediate targets of the Net-Zero Banking Alliance, İşbank announced that it would not finance investments in new thermal power plants using coal and natural gas for electricity generation in 2020 and would not finance new coal mining investments in 2021. In 2023, the Bank also announced that it would end financing coal-related activities by 2040, in line with its commitments to the Net-Zero Banking Alliance. Within the scope of the gradual exit from coal, the Bank announced that by 2040, coal and coal-related "coal mining", "activities related to the logistics of coal and subcontractor activities" and "infrastructure services allocated / allocated to support coal-related activities" will be phased out.

İşbank's commitments to sustainability demonstrate its commitment as a responsible financial institution to contributing to the fight against global climate change. Decarbonization relevant disclosures are as follows:

Climate Risk Management

Risks arising from climate change are radically affecting business practices and risk levels across all sectors. It is important for financial institutions to closely monitor these changes and take the necessary actions to avoid significant commercial risks and seize the opportunities created by the transition economy. İşbank takes into account all risks arising from climate change. These risks are assessed and prioritized using a combination of qualitative and quantitative methods.

Climate-related risks and opportunities were integrated into business processes and addressed in the Business Program, which includes the Bank's annual targets, and in the Strategic Plan document, which is prepared with a longer-term perspective.

İşbank aims to:

- Be a guiding business partner for customers to develop adaptability with new regulations such as the Green Deal and Carbon Border Adjustment Mechanism,
- Play a leading role in the green transformation of the national economy within the framework of Net-Zero Banking Alliance membership,
- Increase the share of sustainability-themed loans and resources in the balance sheet,
- Reduce greenhouse gas emissions, energy consumption, vehicle fuel consumption, and waste production,
- Diversify and increase the volumes of environmentally friendly financing products and increase their volumes.

The Climate Change Risk Policy sets out the principles and procedures to be followed for detecting, identifying, assessing, measuring, monitoring, controlling, reporting, and managing the climate change risks the Bank may face in connection with its activities. The Climate Change Risk Policy is an integral part of the Bank's other Risk Policies.

The main purpose of climate change risk management is to ensure that the Bank's activities are aligned with its climate change strategy. Responsibilities regarding climate change risk management have been defined in the form of a triple defense line. The role of the first line of defense is to ensure that the loan decisions are made by considering climate change risks. The second line of defense determines the working principles, rules, policies, and requirements in relation to the climate change risk. The third line of defense offers reassurance to the Board of Directors that the existing roles and responsibilities function properly.

A large portion of the Bank's exposure to climate risk arises from its customers in the commercial loan portfolio. To meausre this risk, the commercial loan portfolio covering all sectors is analyzed. A two-stage approach is followed to assess the exposure of the loan portfolio to climate risks:

- 1 A sectoral climate change risk heat map is used to identify the sectors that should be prioritized when assessing climate change risk. A 5-level risk scale is used to determine to what extent each sector is exposed to climate risks.
- 2 A scenario analysis enables an impact analysis to be performed for risk events in sectors with high and medium-high climate risk levels identified by the heat map.

İşbank has added the indicator "Share of Sectors with High Climate Change Risk Within Total Commercial Portfolio" to the solo risk appetite framework to prevent the concentration of sectors with a high exposure to climate change risks within the portfolio and provide guidance for composition of the portfolio. This indicator is monitored monthly and reported quarterly.

The impact of a possible carbon tax or carbon trading system implementation on İşbank is measured through scenario analyses. With this method, the financial data of loan customers operating in sectors that are exposed to high transition risks and are expected to be most affected by such regulations, especially in the energy generation sector, are subjected to stress tests by considering the additional liabilities mentioned, and the possible effects of changes in the customers' creditworthiness on the Bank's balance sheet are analyzed. Financing assessments are also carried out to contribute to the carbon emission reduction sectors such as cement, iron-steel, aluminum, fertilizer, and energy, which will be primarily affected by the EU Carbon Border Adjustment.

Partnerships for Climate Action

İşbank believes in the power of collective action in combating climate change. For this reason, the Bank is involved in numerous local and global initiatives.

The Carbon Disclosure Project (CDP) Climate Program

The program is an independent institution that mediates companies to report to investors how they manage their activities to reduce carbon emissions and their risks related to climate change. İşbank has been reporting within the scope of CDP since 2019.

İşbank took its place among the Global Leaders with an "A" score with its 2023 Climate Change Program Reporting within the framework of CDP.

İşbank is a member of the Net-Zero Banking Alliance (NZBA), which was established by the United Nations to enable member banks to align their portfolios with net-zero emissions targets by 2050 in line with the Paris Climate Agreement. With the NZBA commitment, İşbank aims to take advantage of the opportunities that will arise during the transition to a green economy, support customers' ESG transformations, manage risks related to climate change, and act as a guiding business partner for companies to improve their ability to adapt to regulations that will affect economic activity such as the European Union Green Deal and the Carbon Border Adjustment Mechanism. With this membership, and in order to achieve its net zero targets by 2050, the Bank committed to supporting its customers' transition to a net-zero economy by focusing its 2030 targets on carbon-intensive sectors, and to report and publish the progress it has made in its emission targets on an annual basis.

İşbank is committed to confirming its emission reduction targets under the **Science Based Targets (SBT)**.

İşbank is a signatory to the **United Nations Environment Program Finance Initiative (UNEP FI) Principles of Responsible Banking (PRB)**. The Bank thus aims to ensure alignment of its activities with the targets set forth in the United Nations Sustainable Development Goals (SDGs) and the Paris Climate Agreement. The 'Principles for Responsible Banking', which are expected to make a significant contribution to the United Nations Sustainable Development Goals and the Paris Agreement targets, focus on six areas: Alignment, Impact, Customers, Stakeholders, Governance and Goal Setting, and Transparency and Accountability

You can access İşbank's Impact Reports within the scope of UNEP Principles for Responsible Banking [here](#).

The European Fund for Southeast Europe S.A. (EFSE), in cooperation with Finance in Motion Gmbh (FiM), a German financial institution, is funding a joint project for the agricultural sector in Türkiye. Within the project, studies were made to measure the carbon footprint of wheat, barley, sunflower, and corn producers. Within the cooperation, the Bank supported the financing of events such as various trainings, farmer meetings, and İmcece Workshops, which aim to contribute to sustainable agriculture, for bank employees and producers in the agricultural ecosystem. Discussions are ongoing with these organizations to continue Phase 2 studies on carbon footprint calculation in 2024 as well.

The Turkish Foundation for Combating Soil Erosion, for Reforestation and the Protection of Natural Habitats (TEMA) carries out activities in the fields of forestry, rural development, education, advocacy and environmental policies, climate, and biodiversity in order to show that erosion and desertification, which threaten the land, can be prevented, to draw attention to the danger, to protect the soil, to produce protective solutions, to reforest, to protect natural assets, and to ensure that this struggle becomes a state policy.

The Turkish Marine Research Foundation (TÜDAV), organizes workshops, courses, and policy recommendations on many current issues such as pollution in the Turkish straits, marine biodiversity, sustainable fishing, marine protected areas, and maritime law and cooperates with relevant institutions to prevent ship-borne pollution in order to protect marine life and convey marine culture and love to future generations, In cooperation with İşbank and TÜDAV, the "Future of the Seas Seagrass Meadows" project aims to protect Posidonia oceanica seagrass meadows, which are of critical importance for the Marmara Sea. The project aims to map Posidonia oceanica seagrass meadows, clean them from waste, and protect them.

The Middle East Technical University (METU) Institute of Marine Sciences conducts basic research in its region to study the major challenges affecting humans and nature in the seas of Türkiye and the world's oceans, transform its research findings into products and solutions for the welfare of society and the development of a sustainable blue economy in the seas, and transfer its knowledge and experience through trainings and social responsibility activities. With

the approach "The world is ours, the future is ours", the cooperation between İşbank and Middle East Technical University (METU) for the prevention of pollution in our seas and the sustainability of the ecosystem continued in 2023 as well. The Sea Explorer, an unmanned underwater glider, which was made available to METU to support the marine studies of the entire academia and scientific world under the leadership of the METU Institute of Marine Sciences, was launched in the Marmara Sea during the critical period when oxygen levels dropped to the lowest points following its explorations in the Marmara Sea and the Mediterranean Sea. With the research, the risks of mucilage will be mapped comprehensively for the first time in Türkiye.

İşbank participates in the activities of the **Climate Risk Sub-Working Group of the Banks Association of Türkiye (TBB)**. The Bank expressed its opinion on the Communiqué on Green Asset Ratio (Draft).

Managing of Water Risks

At İşbank, water-related risks are assessed holistically within the framework of corporate risk management. Water risks related to "physical damage" in terms of the Bank's own operations are evaluated under the "Physical Damage/Risk" category of operational and climate change risk classifications. These risks, such as damage to assets as a result of heavy rains and floods, are assessed with the Top-Down Risk Assessment methodology, which is an approach used to assess and prioritize operational risks that may arise while conducting activities. The Bank conducts an annual "Environmental Risk Assessment" for its direct operations, including water, waste management, compliance with legal obligations, employee health and safety, and other water risks related to suppliers.

Drought risk, which may increase in frequency and severity in connection with water and climate change risks, may have a significant impact on the Bank's asset quality, particularly through loans extended to Hydroelectric Power Plants (HPP). Increased frequency and severity of weather events such as hail, storms, and heavy rainfall that may damage cultivated crops may halt production and reduce yields in the agricultural sector. Extreme weather events may lead to increased default risks for customers and deterioration in the quality of loans extended to sectors exposed to water risks, particularly the agricultural sector.

Increased frequency of extreme weather events, such as floods could result in damage to the Bank's assets and/or customer assets (e.g. assets in safe deposit boxes) located at the Bank's premises. In addition, there are risks such as loss of value of the real estates in the Bank's collateral portfolio due to events that may occur in the short and long term, such as severe floods and sea water rise. İşbank carries out studies in cooperation with the main stakeholders in its ecosystem in risk assessments regarding water.

Within this scope:

- Various collaborations are conducted with TEMA.
- Regarding effective measurement of water footprint and efficiency studies, cooperation is being carried out with the Frankfurt School of Finance & Management.

- At Farmer Meetings, participation of academics who know the region, water, and soil and can guide farmers is ensured, and cooperation with universities is developed.
- The Bank works effectively with non-governmental organizations, chambers, and unions.
- Credit campaigns for irrigation systems are organized, and initiatives using new technologies are introduced at fairs and Farmer Meetings.

Water Management Platform

A cooperation was established with the Water Management Platform offered by Blueit, Türkiye's first industrial and artificial intelligence-supported company that monitors water consumption in industrial facilities and commercial buildings in real time and optimizes it by up to 20%, Platform aims to provide SME customers with the services of efficient use and effective management of water, receiving instant water consumption data, and providing control and technical support with remote access for 12 months. The Water Management Platform analyzes water consumption data collected from water meters, flow meters, and sensors according to ISO and various water regulation standards and ensures the most efficient use of water. With the technology developed specifically for SMEs, both water costs and water-related energy costs of enterprises are reduced, and wastewater discharge is optimized.

Managing of Forest Risks

In all projects financed by İşbank, customers are required to comply with national laws and regulations on forestry. İşbank evaluates the potential ESG risks of projects according to the ÇESMOD methodology.

With the ÇESMOD methodology, critical habitat and sensitive areas evaluation and balancing strategy work are addressed in order to conduct an assessment of forest-related risks. İşbank considers the project's environmental impact in terms of deforestation and use of forests. For example, large-scale highway projects are classified as high-risk (A) projects as they use a significant amount of land. İşbank requires project companies to take certain measures, such as relocating trees around the project area to appropriate areas and/or planting trees in place of any cut down, in order to eliminate the negative effects of the investment in sensitive areas. Tree planting commitments are received from projects, particularly linear projects and thermal power plants. These commitments are included in contracts and monitored annually.

Managing of Biodiversity Risks

While risk categories are identified as part of the Environmental and Social Impact Evaluations done by the Bank, biological risks are evaluated on a per-project basis. A Biodiversity Action Plan (BAP) is requested for projects in the Risk A category with high biodiversity risks. In the ÇESMOD question set, the need for a critical habitat assessment and balancing strategy study is required for all relevant projects. On a sectoral basis, additional impact questions such as bat habitat, bird migration routes, and biodiversity issues are considered. Investigations are carried out together with biologists in projects that are monitored within the scope of ÇESMOD and involve high biological risk, and related problems are evaluated on a project-specific basis.

Environmental and Social Risk Management in Loans

At İşbank, new investment projects with an investment value over USD 10 million are subjected to the Environmental and Social Risk Evaluation Tool (ÇESMOD). With the updates made to the ERET model, which İşbank had used to calculate the Environmental and Social Risk Score of investments, ÇESMOD (Environmental and Social Model), a new Environmental and Social Risk Evaluation Model that is more closely aligned with the global risk measurement standards and can be tailored according to the type of investment, was developed. In 2022, the transition process from ERET was completed, and the new model was put into use.

In the ÇESMOD Model, environmental and social (E&S) risk scores for investments financed by the Bank are calculated following initial evaluations conducted with specific sets of questions based on the type of investment, e.g. new facility development, capacity expansion and/or additional facilities, or refinancing/procurement, with evaluations conducted with specific sets of questions based on the sector in question.

Sets of questions based on type of investment and sector:

- EIA decisions, environmental permits, environmental and/or social impact evaluation,
- Nature preserve, critical habitat, and ecosystem evaluations,
- Earthquake risk,
- Natural resource use,
- Waste management,
- Air, soil, and water quality,
- Noise and dust,
- Occupational health and safety, public health and safety,
- Management of chemicals,

Factors such as those listed above, the scope of which is set out in the applicable laws and regulations, are evaluated and scored using questions specifically developed based on the activities of the company being evaluated. In the ÇESMOD model, sector-based questions are asked on both groundwater and surface water resources, and risk scores are determined accordingly. Where necessary, forest and water-related permits are requested from companies on a project basis. Within the scope of the EIA regulation, IFC Performance Standards, Equator Principles, and EBRD Performance Criteria, İşbank also assesses how the project affects biodiversity and nature preserves.

Based on the evaluations made, the risk level of the project is determined as high (A), medium high (B+), medium low (B-) or low (C). A "Project Environmental and Social Evaluation Document" is prepared based on national and international legislation and good practices (e.g. IFC Performance Standards, EBRD Performance Requirements, Equator Principles), and the document is then added to the loan folder which is submitted for approval.

For all projects deemed eligible based on the evaluations by the Sustainable Finance (SF) team, including but not limited to those projects which are classified by İşbank as high-risk (risk category A), an independent environmental consultant is assigned to act on behalf of the Bank.

The independent environmental consultant conducts field visits and literature research to determine the current status of the project and its possible environmental and social impact. As a result of this work, an Environmental and Social Status Evaluation (ESSE), which describes the current status and applicability of any permission/approval process regarding environmental obligations as well as the consultant's comments, and an Environmental and Social Action Plan (ESAP), which describes how to limit and eliminate this impact and manage the process, are drawn up and submitted to the Bank. When deemed necessary, the consultant is requested to carry out periodic monitoring studies on these ESAP items throughout the loan term. In projects where an independent environmental consultant is not appointed, ESSE, ESAP and monitoring activities are carried out by İşbank SF service specialists if necessary.

In 2023, 27 investments were subjected to Environmental and Social Risk Evaluation and 12 of these projects have been funded. A total of 130 projects were financed between 2013 and 2023.

Number of Field Visits Made as Part of Environmental and Social Risk Management	33
Number of projects undergoing Environmental and Social Risk Evaluation	27
Number of projects financed after undergoing Environmental and Social Risk Evaluation	12
Number of projects financed by risk category	4 B+ 's 4 B-'s 4 C 's

İşbank Sustainable Finance Framework

İşbank expanded the scope of the Sustainability Bond Framework in 2021 and has transformed it into the Sustainable Finance Framework. This allows the Bank to focus eurobond issuance and loan processes on green, social, or sustainability themes. Funds obtained from the bonds issued under the framework will be allocated to projects with a positive environmental impact in the areas of renewable energy, energy efficiency, recycling, organic agriculture, clean transportation, green buildings, and circular economy, and to finance loans with a positive social impact, such as financing SMEs and women entrepreneurs in underdeveloped regions. The opinion of an external evaluation institution was obtained for the Framework prepared in accordance with the Green Bond Principles, Social Bond Principles, and Sustainability Bond Guidelines published by the International Capital Markets Association (ICMA) and the Green Loan Principles published by the Loan Market Association(LMA).

Sustainability Analysis System (SÜRAS)

As climate change and its risks are increasing, there is a need to improve existing ways of doing business and review them in line with international best practices. Therefore, in addition to the investment types evaluated within the scope of ÇESMOD, a process for assessing environmental and social risks was designed and put into operation for the commercial loan portfolio in 2022. The new process, called the Sustainability Analysis System (SÜRAS), includes the "Environmental and Social Question Set", which enables companies to determine the environmental and social risks and the "Climate Change Question Set", which enables the companies to determine awareness and resilience levels on climate change risks. SÜRAS also enables an effective customer analysis process for loan uses from resources provided by international financial institutions. The new system also includes question sets, which ask for environmental and social criteria that are expected to be fulfilled by customers as a condition of use from these international loans.

Activities Not Financed

İşbank rejects any loan applications for activities on the İşbank Exclusion List, which the Bank included in the annex to its Environmental and Social Impacts Policy, without even taking them into consideration. Among activities not financed by the Bank are investments involving forced labor and child employment, the production of weapons of mass destruction and landmines, and the production and trading of internationally prohibited chemicals, drugs, or substances that are harmful to the ozone layer.

Loans for financing greenfield investments of coal- and natural gas-fired thermal power plants for electricity generation and new coal mine investments are included in the İşbank Exclusion List. In 2022, gold mining using cyanide, and activities prohibited by national legislation and international conventions regarding the protection of biodiversity resources and cultural heritage were also added to the activities not financed.

In 2023, "Activities violating human rights", "Capacity increase of existing coal mines and coal-fired power plants", "New coal mines using the Mountain Top Removal Mining (MTR / MTM) method", "Radioactive material (power generation plants and health equipment that meet the best international standards and are established to meet the basic energy needs of the country and are critical for the country's economy, production and/or trade (except in cases where the use of quality control devices and radioactive materials is limited, insignificant and adequately protected)" and "Trade in goods without the necessary export/import licences or other evidence of transit clearance" were added to the Bank's List of Non-Financed Activities.

On the same date, in order to support the green transformation of the economy, İşbank announced that it will gradually phase out coal finance by 2040.

Products and Services
Contributing to a Green Economy

As a source of finance, banks have the power and opportunity to create green transformation in the economy through their lending processes. Recognizing its power and responsibility, İşbank develops numerous products and services that support a green economy.

In international debt markets, the Bank has the opportunity to access these resources due to investor interest in green, social, and sustainability themed/linked resources, especially in recent years, with the aim of reducing the negative impacts of climate change and creating equal opportunities for various segments in the social sphere. Within this scope, the Bank closely monitors both developments in local legislation and such borrowings in the international arena and regularly and continuously evaluates sustainability-themed eurobond issuances and sustainability-themed/linked loans that are in line with its needs and expectations. The İşbank Sustainable Finance Framework was established for such issuance opportunities, and within the scope of the Global Medium Term Note (GMTN) Program, efforts are made to make maximum use of such issuances and to increase the share of sustainability-themed/linked borrowings in overall borrowing.

With the introduction of the Carbon Border Adjustment Mechanism, potential carbon tax calculations are being planned for customers that may be affected by this mechanism and added to feasibility studies. On the other hand, the aim is to discuss action plans to reduce the values of loan customers with high emission intensity within the scope of NZBA commitments.

Financing Renewable Energy

Renewable energy investments play an important role in climate action and also provide significant economic benefits through the creation of new business lines. It is essential that renewable energy

investments and technologies are supported to ensure an increase of renewable sources in energy generation. İşbank is one of the pioneering institutions in financing renewable energy projects in our country. All of the new project financing provided by the Bank for electricity generation investments after 2015 has been allocated to renewable energy projects.

In 2023, the share of financing provided for renewable energy loans in the risk of electricity generation loans is 77.3%

The total annual energy savings from these renewable energy projects is 7,894,870.94 tonnes of CO₂. As of 31.12.2023, the total energy generated by the financed renewable energy projects is 48.13 million MWh.

The renewable energy plants within Borusan EnBW Enerji Yatırımları ve Üretim A.Ş. have been refinanced by a consortium including İşbank, and the related loan has been financed as Green Loan within the scope of the refinancing. The Green Loan covers a total installed capacity of 594.55 MW. The financing package includes WPP and SPP plants. An environmental and social management system ("ESMS") will be developed to oversee project activities. In addition, ISO14001 and ISO 45001 Certification processes have started as of the beginning of 2022.

Within the framework of the risk category, on behalf of the lenders, environmental and social impacts have been identified within the scope of Borusan EnBW Enerji Project within the framework of local legislation and regulations, Equator Principles, IFC Performance Standards, EBRD Performance Criteria and international best practices, and an Environmental and Social Action Plan ("ESAP") has also been prepared to manage the identified impacts for the Project.

This financing serves Sustainable Development Goals 7.1, 7.2, 13.3 and 17.3.

Distribution of loans disbursed in 2023 regarding renewable energy projects

Type	Total Installed Capacity (MW)	Cash Risk (USD Million)	Non-Cash Risk (USD Million)	Total Risk (Cash Risk + Non-Cash Risk) (USD Million)	Electricity Generation Amount (Million kWh) *	Electricity Generation Amount by the Ratio of Financing Share Provided (Million kWh)
BPP	17	4.22	0.04	4.26	0.04	0.02
SPP	1,367	17.57	1.17	18.74	0.20	0.02
HPP	375	0.20	3.43	3.64	0.17	0.01
WPP	901	0	143.52	143.52	2.12	0.30
GPP	0	0	0	0	0	0
TOTAL	2,659	21.99	148.17	170.16	2.52	0.36

* Breakdown/total amount of energy produced by RE investments added to the portfolio in 2023, on the basis of energy type.

As of the end of 31.12.2023:

Type	Total Installed Capacity (MW)	Total Production in 2023 (Million MWh)	Cash Risk (USD Million) (Including Discount)	Non-cash Risk (USD Million) (Including Check and Derivative Risks)	Total Risk (USD Million)
BPP	273	1.94	81.18	68.26	149.44
SPP	4,341	4.71	364.76	28.30	393.07
HPP	8,076	17.98	860.91	22.32	883.23
GPP	1,271	7.54	561.75	27.47	589.23
WPP	6,125	15.96	186.03	413.17	599.00
Total	20,086	48.13	2,054.64	559.53	2,613.97

Earthquake region financing in cooperation with the European Bank for Reconstruction and Development (EBRD)

İşbank signed an agreement with the EBRD to provide a loan of USD 109 million within the scope of the Türkiye Disaster Response Framework established by the EBRD to support the financing of businesses and individuals directly affected by the earthquakes that occurred in our country on February 6, 2023, as well as companies participating in the recovery and reconstruction efforts in the region. The loan is planned to be used initially to meet the financing needs of businesses and individuals directly affected by the earthquake in 11 provinces in the earthquake region. In addition, a resource of USD 100 million was obtained from the EBRD as part of the securitization transaction based on remittance flows in November. USD 80 million of this resource is used to finance companies providing products and services to the earthquake region, while the remaining part is used to finance SMEs managed/owned by women.

Sustainability-linked syndication loans

İşbank secured a sustainability-related syndicated loan amounting to USD 224 million and EUR 388.25 million in June 2023, and another one amounting to USD 465 million and EUR 411 million in November. The sustainability performance criteria for these syndicated loans were determined as the amount of cash loans to be extended to small and medium-sized women entrepreneurs and the amount of consumer loans to be extended to individuals in the 11 provinces affected by the earthquake. In 2023, the total amount of sustainability-related syndicated loans provided amounted to over USD 1.5 billion.

Earthquake region financing in cooperation with the International Finance Corporation (IFC)

İşbank signed loan agreements totaling USD 67 million and EUR 75 million with IFC, PROPARCO, and the Green for Growth Fund (GGF) as part of the Türkiye earthquake support package established by IFC to contribute to the financing of individuals, farmers, micro and small enterprises directly affected by the earthquakes that occurred in our country in February 2023. The GGF loan will be used to finance renewable energy, resource efficiency, and energy efficiency in Türkiye.

New resources for green transformation and a sustainable economy

Within the scope of the “Green Debt Instrument, Sustainable Debt Instrument, Green Lease Certificate, Sustainable Lease Certificate Guidelines” published by the Capital Markets Board (CMB) in February 2022, İşbank obtained the necessary permission in

September to issue green and/or sustainable bonds or commercial papers, including debt instruments that can be included in the calculation of equity in accordance with the Regulation on Equity of Banks, up to USD 2 billion abroad. Within this scope, 16 sustainable eurobonds were accordingly issued under the Global Medium Term Note (GMTN) Program for a total amount of USD 402 million in 2023.

Green Fund

TSKB, a subsidiary of İşbank, secured a USD 155 million loan from the World Bank under the guarantee of the Ministry of Treasury and Finance for the establishment of the Türkiye Green Fund. The Türkiye Green Fund, the first venture capital investment fund in Türkiye and in the world to be financed with a loan, focused on emission reduction and inclusive transformation, will make a significant contribution to our country's 2053 Net Zero target with its roadmap centered on managing climate risks. The project will mobilize the contribution of the private sector as well as the public sector in meeting the current financing deficit in our country and will provide the beneficiary companies with a balanced level of indebtedness and strategic growth opportunities through equity investments. This project, which will also contribute to the development of capital markets with its innovative structure, is targeted to reach a total equity amount of USD 405 million, with USD 100 million at the fund level and USD 150 million at the firm level, in addition to the World Bank loan of USD 155 million.

Green Bond

İşbank issued green bonds amounting to TL 500 million with a maturity of two years in 2023. It was the first green debt instrument issuance of the banking sector in Türkiye. The funds obtained from the issuance will be used for financing the loans granted to green projects.

With this product, İşbank became the first bank in Türkiye to issue a green debt instrument in TL in accordance with the principles set out in the "Green Debt Instrument, Sustainable Debt Instrument, Green Lease Certificate, Sustainable Lease Certificate Guidelines" published by the Capital Markets Board (CMB).

Green Enterprise Loan

The Green Enterprise Loan is a product created to support companies that obtain sustainability certificates by making investments to minimize their environmental impact at every stage of the life cycle from raw materials to the final product. In 2023, a total of TL 127 million financing was provided.

Pressurized Irrigation Systems Loan

İşbank supports farmers regarding pressurized irrigation systems through its cooperation with BASUSAD. Within this framework, the Bank finances the installation of pressurized irrigation systems. The economic benefit provided in 2022 with loans that finance the transformation investments of customers using wild or pressurized irrigation continues.

Green Loan and Green Mortgage

This Green Loan product aims to increase energy savings through post-insulation (thermal and/or water insulation) of existing buildings, supply of natural gas conversion, installation of energy-efficient heating and/or cooling systems or replacement of old inefficient ones with more energy-efficient systems, replacement of durable goods with more energy-efficient ones, and purchase of solar energy panels.

The Green Mortgage provides financing for the purchase of real estate properties with energy classes of “A” and “B”. In order to encourage green products, the allocation fee charged for both Green Loan products is 2.5 per thousand of the loan amount, while for standard consumer loans and mortgages it is 5 per thousand.

Green Vehicle Loan

Individuals and commercial customers can benefit from the Green Vehicle Loan campaigns organized for electric and hybrid model vehicles, and improvements are made in favor of customers in interest rate/fee-commission items according to market conditions.

No loan allocation fee is charged for personal vehicle loans within the scope of the campaign. The total amount of loans extended in 2023 for electric and hybrid vehicles amounted to TL 141,5 million.

Solar Loan by İşbank

The loan aims to finance rooftop, facade, and land-type unlicensed SPP investments for self-consumption purposes. In 2023, 1,200,000,000 TL was disbursed in this scope.

Energy Efficiency Loan

The loan aims to finance “resource efficiency” investments that cover energy efficiency as well as water efficiency, raw material efficiency, and waste management.

Electric Vehicle Charging Station Installation Loan

Financing is provided for the establishment of Electric Vehicle Charging Stations in order to contribute to the development of the electric vehicle sector and help EV owners easily access charging units.

Water Security Loan

This loan aims to meet the financing needs of businesses that want to contribute to the protection of the seas by investing in wastewater treatment, wastewater recovery facilities, ship ballast water treatment, or gray water treatment systems, or that want to improve their existing facilities by investing in maintenance, repair, and capacity increases. The wastewater treatment and ship ballast water treatment systems within the loan contribute to biodiversity by enabling the existence of clean water and food in an environment where living creatures can thrive and protecting the existence and survival of life forms. In 2023, the Worth Water Loan disbursement amounted to approximately TL 50,200,000.

Forest for the Future

With the Forest for the Future application on İşÇep, the carbon points users collect through green banking transactions and activities in their daily lives are converted into sapling donations through the TEMA Foundation. By the end of 2023, the number of participants in Geleceğe Orman was 401 thousand, and 171 thousand saplings were donated. The Bank aims to plant a total of 1 million saplings in the first three years.

İş Asset TEMA Variable Fund

The fund targets investors who want to utilize their TL savings in the long term, are environmentally conscious, protect nature, and aim to leave a livable world for future generations. In 2023, the total value of the fund was TL 82 million and the number of investors was 10,427. The annual return is 64%.

İş Asset Sustainability Equity Fund

İş Portföy Yönetimi A.Ş. issued the BIO-İş Portföy Sustainability Equity (TL) Fund (Equity Intensive Fund) on 23.10.2023. At least 80% of the fund's total value is continuously invested in partnership shares included in the BIST Sustainability Index and in exchange-traded fund units established to track the BIST Sustainability Index. In 2023, the total value of the fund was TL 47 million and the number of investors was 1,397.

İş Asset Renewable Energy Mixed Fund

It offers investment opportunities for those who want to invest in stocks and private sector debt instruments of domestic and foreign companies operating in the field of renewable energy. In 2023, the total value of the fund was TL 571 million and the number of investors was 11,583.

İş Asset Electric Vehicles Mixed Fund

The Electric Vehicles Mixed Fund enables investment in the entire electric vehicle production process. In 2023, the total value of the fund was TL 1.3 billion and the number of investors was 27,256.

İmeceMobil

The İmeceMobil application, developed by Softtech Ventures, a subsidiary of İşbank, provides special services for farmers, enabling them to do the correct amount of irrigation and use fertilizer at the right time, thus supporting the proper use of resources. The "İmeceMobil" application was launched in 2019 aiming to prioritize the agricultural sector and realize the agriculture of the future on a more sustainable basis. It was incorporated at the beginning of 2023 with the aim of effectively using agricultural technologies and spreading them to the grassroots. At the moment, it continues to serve under the title of "İmeceMobil Tarım Platformu Elektronik Hizmetler Ticaret A.Ş.". With more than 220 thousand users, the "İmeceMobil" application enables farmers to use digital services (Expert Assisted Satellite Service, Fertilizer Planning Service, Irrigation Calendar Service) that enable them to monitor the plant health of their products from planting to harvest, to manage irrigation and fertilization planning, and to apply for agricultural cards, agricultural loans, and insurance products of financial institutions without going to a branch. İmeceMobil also informs our farmers about organic and organomineral fertilizers within the scope of good agricultural practices, IOT-supported precision agriculture practices, smart agricultural systems, plant nutrition and protection practices carried out with agricultural unmanned aerial vehicles both through the application and field studies and enables our farmers to access technological products that contribute to sustainable agricultural production.

The İmeceMobil application reached 222 thousand users by the end of 2023.

Innovative Bank for 100 Years

İşbank continuously improves itself by meeting the demands of next-generation banking with its strong digital banking infrastructure. In the 100th anniversary of its foundation, the Bank continues to offer its customers a flawless and secure experience at every point of contact by using technology in its most efficient and up-to-date form.

Risks

- Cyber security risks increased with digitalization
- Management of the reduced need for labor as a result of digitalization
- Failure to keep up with rapid economic and technological changes due to large corporate structure
- Losing touch with developments such as platform business models and sharing economy, which are essential components of the new economy

Opportunities

- Becoming a preferred to be the institution preferred by stakeholders with data security investments
- Providing personalized products to customers with digital products and services and 24/7 accessibility
- Opportunity to establish more effective communication with customers thanks to increased efficiency through digitalization of procedures
- Becoming an important actor of the new economy with the support provided to entrepreneurs
- Strengthening business strategies with partnerships in the field of fintech
- Fast decision-making and implementation with agile business models
- Increased competitive advantage through synergies created with subsidiaries

Relevant Stakeholders:

- ▶ Customers
- ▶ Regulatory Authorities
- ▶ Industry Stakeholders

Material Topics:

- ▶ Digital Banking and Innovation
- ▶ Cyber Security and Customer Privacy

Contributed SDG's



Related Capital Elements:



Key Performance Indicators

	2021	2022	2023
Number of Bankamatik ATMs	6,476	6,169	6,289
Number of digital banking customers (million)	10.2	13.0	15.0
Number of mobile banking customers (million)	10.0	11.9	14.9
Maximum mobile users (million)	2.1	2.6	2.5
Share of digital channels in non-cash financial transactions (%)	94.6	96.0	97.7
Share of digital channels in sales (%)	62.7	64.8	74.8
Number of cardless transactions made from Bankamatik ATMs (million)	39.3	53.0	43.9
Amount of cardless transactions performed through Bankamatik ATMs (billion TL)	40.6	67.7	82.9
Paper consumption savings achieved by digitalization (million pages)	64	190	238
Increase in the number of digital banking customers compared to the previous year (%)	11.0	27.9	15.4
Share of non-branch channels (%)	95.6	96.2	97.1
Number of users reached by Maxi (million)	6.7	8.8	10.7
Number of questions answered by Maxi (million)	49.1	68.2	87.3
Nays registered users (million)	-	1.4	3
Successful Transactions Index for IT Critical Services	99.96	99.97	99.98
Number of technological entrepreneurs who were supported to enter the banking system	97	265	750
Number of campaigns aimed at promoting the products of technological entrepreneurs	16	52	26
Fines incurred due to data security breaches (TL)	150,000	0	1,075,000

Targets

Targets for 2023	Realizations in 2023	Realization Status	Targets for 2024 and Beyond
Increasing the share of digital channels in total sales to 70%	74.8%	Completed.	To increase the share of digital channels in total sales to 80% in 2024 and 85% in 2025.
Increasing the number of customers using digital banking channels to over 14.5 million	15.0	Completed.	Increasing the number of customers using digital banking channels to 17 million in 2024, 18 million in 2025 and 19 million in 2026
Enabling over 100 technological entrepreneurs to enter the banking system every year	935	Completed.	Enabling over 1,000 technological entrepreneurs to enter the banking system

Digital Banking

In line with its vision of becoming the "Bank of the Future", İşbank goes beyond being a bank that merely meets financial needs and aims to carry out digital banking activities by providing its customers with a smooth end-to-end experience through innovative products and services.

İşbank’s digital banking focus areas are:

- Creating a flawless, secure, and personalized customer experience for users at all contact points through digital technologies and analytical methods designed with an innovative approach,
- Providing customers with a seamless end-to-end experience by developing joint services with non-Bank stakeholders within its vision of offering banking everywhere,
- Collaborating with startups that will benefit the Bank, Group companies, and customers and implementing innovative business models that have the potential to impact the future on a global scale, including impact entrepreneurship with an open innovation approach,
- Developing solutions and value propositions that will assist users and organizations in making healthy financial decisions,
- Becoming an integrated business partner and gateway to the digital world for all individual customers in personal banking and for companies in commercial banking,
- Achieving a broad-based customer portfolio with the inclusion of both unbanked customers and commercial establishments with limited access to financial services,
- Contributing to nature and the future by adopting new practices serving sustainability across digital channels.

The number of İşbank’s digital banking users increased by 15.4% compared to 2022 and reached 15 million. The share of non-branch channels increased from 96.2% to 97.1%, while the share of digital channels in sales rose from 64.8% to 74.8%.

In order to correctly predict the strategic moves capable of changing competition in the digital world where technology is progressing rapidly and take necessary actions, İşbank will continue its initiatives for developing the technology and business models aligned with the new competitive conditions. In 2024, the super app vision aims to enrich the digital partnership ecosystem, including third-party mini-apps, to increase new customer acquisition and provide customers with the best experience to access the innovative and value-added services they need throughout their life cycles.

Developments in 2023:

- In 2023, İşbank made many developments in digitalization. Under digital agriculture solutions, the İmece Platform, where companies publish their support packages for farmers, manage their cash and in-kind advances, and banks can extend loans to farmers in an integrated manner, was launched.
- The Health Communication Platform was launched, where all

members living in Türkiye/abroad, regardless of location, and family members receiving health benefits could make appointments 24/7, meet with our corporate physicians on the appointment day/time to receive medical consultancy services and have prescriptions/ medication reports written, and obtain prescribed medicines from contracted pharmacies only with their register/TCKN. The contactless pass (card acceptance) system developed for public transportation was implemented in various provinces of Türkiye.

- Efforts are underway to enrich the digital learning content offered through the Bank’s digital learning platform, Learning World, with a view to equal opportunity in education.
- In 2023, gold and foreign currency trading, bill payment, balance loading to Istanbul Cards, and payment via NFC functions were added to Nays, our next-generation banking application. Nays, to which anyone can register easily and free of charge, aims to increase financial inclusion in our country and reach the masses, especially young people, who look for an innovative experience in their daily financial transactions.
- İşbank has realized a first in the Turkish banking sector with the Digital Card by bringing all the features of a physical card to entirely mobile payment and digital usage supporting its sustainability approach. In credit card applications, customers were offered the full experience and privileges of a physical card by opting for digital use instead of physical printing of the card.
- e-Pay Kolay is a product that allows real person merchant customers to credit their purchases on B2B platforms with Instant Commercial Loan.
- With the Digital Letter of Guarantee, customers were able to send temporary electronic letters of guarantee within the scope of the Public Procurement Law (PPL), as well as electronic letters of guarantee whose addressees are specific private companies, directly to the addressee via İşÇep, at attractive prices, in a short time, without leaving their location.
- The Always-on Finance product, being integrated with a number of applications and panels that SMEs frequently use to manage their daily business (ERP and pre-accounting applications, marketplace and payment institution panels, operational solution providers, etc.), will offer embedded financing solutions (loan products tailored to their needs) to companies through these platforms, whenever and wherever they need. The application, which will initially be available only to real person merchants, is planned to be made available to legal entity commercial customers in the second quarter of 2024.
- Within the scope of realizing one of the first examples of service model banking in our country, USD 50 million was invested in Getir Teknolojik Hizmetler A.Ş., a subsidiary of Getir, one of the unicorn initiatives of our country, and service model banking integration works to be offered under the "GetirFinans" brand were initiated.

In 2024, the aim is to adapt digital workspace components and technological innovations to business life to strengthen the next-generation working methodologies; thus, the plan is to increase teamwork during remote working, make communication within the team more effective, and to support the phenomenon of working together with technology.

İşCep

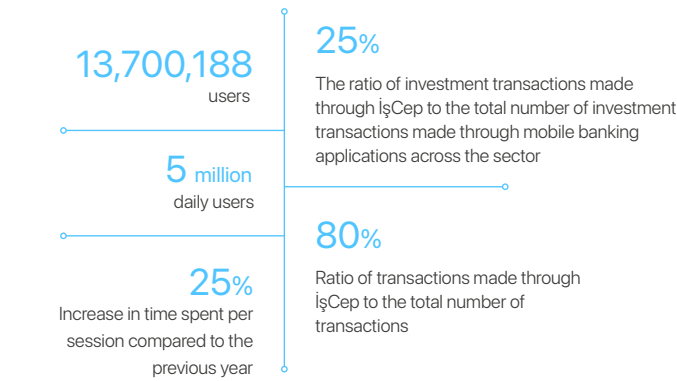
İşbank’s mobile application, facilitates the experience of both retail and commercial customers with a rich transaction set consisting of more than 700 functions.

İşCep continues to be dynamically developed to meet the needs and expectations of customers.

Accordingly, in 2023:

- Under the **"Super Application İşCep"** strategy, the **"My Life with İşCep"** platform was added to İşCep, providing customers with My Home, My Family, My Vehicle, and My Travel living spaces. The mini-apps Abonesepeti, which enables our customers to keep track of their digital subscriptions, and Araç Değerleme, which enables them to learn the current market values of their vehicles, were launched in the My Home and My Vehicle ecosystems.
- Within the scope of the **"İşCep for Everyone"** strategy, efforts continued to offer front-end and services tailored to customer profiles through hyper-personalization according to customer behaviors and expectations.
- o enable our customers to access all banking products and services quickly and easily and to carry out their transactions with a smooth experience, we continued to add new functions to İşCep and to renew the front-ends according to changing and evolving design standards.
- The İşCep login page and the main page after login were updated to ensure fast and simple transactions. The repeat transaction function was introduced to improve the experience of renewed money transfer transactions.
- Automatic renewal orders for Anadolu Sigorta policies and home insurance coverage increase options were introduced for our customers who are shown an offer via Drawer.
- Within the scope of our sustainability efforts, Carbon footprints of customers began to be calculated on the basis of card and account categories with the "Karbonsayar" application.
- With the Digital Slip application, slips of credit card transactions can now be viewed on İşCep.
- Foreign trade transfer transactions were added.
- Within the scope of İSPARK cooperation, the occupancy rate and price tariffs of parking lots in Istanbul started to be displayed on İşCep.
- Customers with automatic limit increase instructions were provided with legal notifications within the scope of the İşCep Ready Limit application, and their limits were increased. Customers without automatic limit increase orders were able to be contacted via İşCep and offered a limit increase.
- With the Pre-Approved Card service, our İşbank customers who do not have a credit card were offered a ready-made credit card via İşCep.

İşCep in Figures



"World's Best Mobile Banking Application" award to İşCep

Launched as Türkiye's first mobile banking application, İşCep received the **"World's Best Mobile Banking Application"** award at the **"Best Digital Bank Awards"** organized by the international finance publication Global Finance.

Maximum Family

Maximum Mobile application serves our customers with self-service card products and services, digital payment experiences, campaign participation, my earnings, and pazarama e-commerce and online shopping value propositions. In 2023, efforts continued on improving customer experience and satisfaction in our Maximum Mobile application with the perspective of an ideal customer experience. As of year-end 2023, the total number of customers who downloaded the Maximum Mobile application was **12.1 million, an increase of 17%** compared to year-end 2022.

Launched in 2021 within the Maximum Mobile application with the vision of bringing an innovative and different understanding for all stakeholders in e-commerce, **Pazarama** enables customers to access payment and financing opportunities that facilitate these transactions while purchasing products and services without the need for another application.

The **Maximum İşyerim** application serves our customers with value propositions consisting of commercial card products and services, digital payment receiving and sending experiences, campaign participation and insights provided to merchants through ready-made reports. In 2023, work continued on improving customer experience and satisfaction in our Maximum İşyerim application with the perspective of an ideal customer experience. As of year-end 2023, the total number of customers who downloaded the Maximum İşyerim application was **412,845** with an **increase of 24%** compared to year-end 2022.

Proemtia

Launched in 2023 to contribute to the development and digitalization of industrial commodity trade, Proemtia is the first digital marketplace platform in its field in Türkiye. Proemtia, which has been primarily used for iron and steel industry products, will expand its field of activity and volume to include other industrial products in the future.

In digital banking, İşbank’s personal banking assistant **Maxi**, which works with artificial intelligence and natural language processing (NLP) technologies, offers a one-to-one dialogue experience through İşCep and Maximum Mobile applications to serve users 24/7 in times of need and allows customers to make their transactions by talking or texting. With the IVR integration work, Maxi informs all users contacting the Call Center quickly and directs them to the relevant menus. In addition, it instantly meets the refund requests of customers whose money is withheld at ATMs, performs the transactions of customers who want to report lost and stolen cards, and receives confirmation of transactions by making customer calls. In 2023, external calls for card campaigns also started to be made via Maxi.

The number of Maxi users reached **10.7 million** in 2023. Customers had 87.3 million conversations via Maxi with an **increase of 27.9%** compared to 2022. The ability to make MTV payments was also added to Maxi transaction capabilities. In addition, İşCep began providing personalized reminders and notifications on the homepage, as well as campaigns and product offers.

"Best Chatbot Technology" Award for Maxi Application

İşbank won the **"Best Chatbot Technology"** award at the MarTech Technology Awards for its Maxi application.

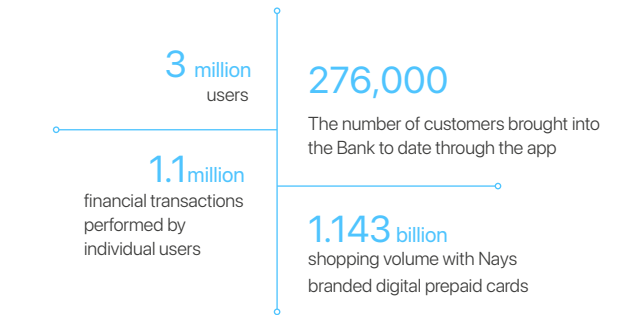
Nays

Launched in 2022 for the masses who prefer simplicity and ease in banking services, actively use digital platforms, and are sensitive to easy and advantageous access to financial services, the next-generation banking application Nays facilitates access to basic banking products and services for all segments of our country with its fun and gamified experience, simple function set, communication tone that differs from banking jargon, and the earning opportunities it offers.

In 2023, within the activities carried out for the implementation of Nays, collaborations were initiated with the brands that have a widespread sales network in the ecosystem and are most preferred by consumers. Accordingly, the Bank partnered with brands' loyalty programs and offered advantageous and easy payment options with

a digital prepaid card with a common logo. In the coming period, the Bank aims to increase the number of partnerships in the ecosystem, add new banking products to the application, expand the Nays-branded physical prepaid card product, and add investment features with a gamification experience.

NAYS in Figures



Gold Award for Nays App: The NAYS application won a Gold award in the **"New Products and Services/Financial Services"** category at the **Stevie International Business Awards**.

Open Banking

Within the scope of open banking, which is managed with the vision of **"banking anywhere"**, İşbank aims to expand the variety of APIs and the number of integrations to include strategic products in order to deliver the most suitable products at 3rd party contact points with smooth experiences to its customers when they need them. To date, **47 APIs** were developed and 249 different integrations were realized through these APIs within this scope. The volume of financial transactions through APIs amounted to **TL 152.3 billion**.

Within the scope of the CBRT open banking regulations, which became mandatory on February 28, 2023, account information and payment initiation services were made available to authorized third-party institutions in the form of APIs, and other bank accounts included in the system are displayed in a consolidated manner on our İşCep and Internet Branch channels, and payment transactions can be initiated from these accounts.

The Bank channels are the most preferred primary channel in the open banking ecosystem for commercial customers. In 2023, the number of customers who added other bank accounts to the Bank's channels was approximately 155 thousand, and the number of accounts added was **252 thousand**. The number of payment transactions initiated through bank channels using other bank accounts was 64 thousand, with a volume of approximately **TL 550 million**.

Paperless Banking

With the digital approval of product contracts and application forms, the opening of non-Bank Registered Electronic Mail (KEP) delivery to the entire Bank, and the introduction of digital signatures on receipts, 238 million pages of paper were saved in 2023 with an increase of **25%** with respect to 2022.

Based on an agreement entered into with the TEMA Foundation, İşbank undertakes to plant one sapling for every 100 kg of paper donated. The Bank **donated a total of 567,014 kg of waste paper** between March 2020-March 2023, and planted **5,670 saplings**.

Developments in Payment Systems

With the perspective of **“banking anywhere”**, projects and practices to address our customers daily needs are deployed digitally and/or physically through business partnerships in different sectors.

In the Card Applications Area:

- In 2023, the "Digital Card Experience", which encompasses every step of the card experience, from the Card application processes to using the card for shopping, to withdrawing and depositing money in our ATMs and card payment, was offered to our customers fully digitally via mobile phone without the need for a physical plastic card. The fact that contactless payments, which until now could only be made for cash purchases in the sector, can now be made for installment purchases or points without the presence of a plastic card is a first for the sector as well.
- Samsung and Pazarama Wallet business models were launched in cooperation with our subsidiary MOKA.
- In order for our customers operating in agricultural regions to easily obtain an İmece Card, end-to-end İmece Card allocation was made possible through İşCep.
- The cashback competency, which enables our customers to receive discounts on their campaign-based expenditures in certain sectors, was extended to our debit cards.
- The "Kazançlarım (My Earnings)" menu was added to İşCep, where customers can track the MaxiPoints, MaxiMiles, and cashback amounts they earn from their spending based on their cards.
- The Visa Token Service application for digital platform subscription payments was launched. In addition, a separate menu was added to İşCep to enable customers to view their subscriptions.
- Functions such as balance loading to İstanbulkart, bill payment, gold and foreign currency purchase/sale transactions, and contactless payment with NFC technology were introduced.

In the Field of Contracted Merchants:

- Pay by Link, which transforms the mobile phone into a POS and has been available through the Maximum İşyerim application since 2019, was also added to the "İşCep" channel in 2023.
- In order to allocate physical POS to payment institutions, an API was designed to offer to requesting companies, and the first integration in this field was realized with Paycell.
- İşbank software was prepared for Paygo brand Android POS devices and pilot work started in approximately 100 workplaces.
- The MOKA Super Physical POS product of our subsidiary MOKA Ödeme ve Elektronik Para Kuruluşu A.Ş. (MOKA), which enables cash and installment transactions from different bank cards without going from bank to bank through a single physical POS device by entering into a single merchant agreement with MOKA, was made available to small and medium-sized legal entities and real person merchants.
- We added features such as sale with installments and points and allowing employees to receive payments to our POS'um Cepte product, which allows our member merchants to receive contactless payments via their smartphones or tablets with Android operating systems.
- In order to digitalize the physically produced documents, also called slips, used for cardholder and merchant copies in card purchases, our Digital Slip application was launched, enabling our cardholder and merchant customers to access these documents through our digital channels and branches when needed.
- Implemented in 7 provinces in 2022, the contactless pass application in public transportation vehicles was expanded to 25 provinces in 2023, and the necessary work was initiated to add Istanbul to the contactless card acceptance network in transportation.

Digital Loan Developments

In order to acquire potential customers looking for housing and vehicles at the source, mortgage and vehicle loan applications received through loan comparison websites and advertisement sites on digital media are digitally transmitted to İşbank branches. In this way, sales channels were diversified, and conversion rates on loan applications were increased.

The use of the paperless banking applications "Instant Credit", "Instant Shopping Credit" and "Instant Limit", where all processes can be completed through digital channels such as İşCep, Internet Branch and the Pay with İşbank application, which can be accessed through contracted shopping sites, was expanded.

With the İş'te Limit (Limit at İşbank) application, which shows the credit worthiness of İşbank customers, displays the total limit of consumer loan, additional account, or credit card products that can be allocated to the customer, and also allows limit transfers between related products, customers can apply directly from İşCep as well as our branches. Customers with a set İş'te Limit can apply directly from this screen for the relevant products within their defined İş'te Limits.

Planned to be launched in 2024, the Instant Vehicle Loan product aims to enable end-to-end application and disbursement through the digital channel and to extend this process to dealers in the following period.

Digitalization in Branch Operations

To reduce counter transactions at branches, expansion efforts of TCR machines, which were launched in 3 branches as a pilot in 2022, where customers will receive self-service with the same structure and architecture as the counters, continued. 1 TCR machine reduces 30% of the branch counter load and, thanks to its high limits, performs 2 times the transaction amount of 1 ATM on average. In 2024, efforts to expand the use of TCR machines will continue.

Within the scope of improving in-branch transaction approval processes, customer waiting times were reduced by 28 thousand hours in total annually, and 1.7 million fewer information slips were printed.

Centralization of branch calls was initiated as a pilot project in 97 branches, and the rate of unanswered calls decreased from 47% to 17% for operator calls and from 44% to 32% for total calls.

The number of İşbank branches renovated as part of digital transformation reached **580** as of year-end 2023.

Innovation and Entrepreneurship

In order to correctly predict the strategic moves capable of changing competition in the digital world where technology is progressing rapidly and take the necessary actions, İşbank continues its initiatives for developing the technology and business models aligned with the new competitive conditions. Adopting the open innovation approach, the Bank utilizes ideas and technologies which are developed by organizations such as technology companies and universities for various initiatives including development of new products and services.

Innovation at İşbank

In 2023 innovation efforts, the Bank followed new technologies through its innovation centers in the USA, China, and Türkiye and continued proof-of-concept studies for innovative business models that had the potential to impact the future on a global scale. Within the scope of our strategy to make İşCep a super-app, innovation projects to enrich our digital business partnership ecosystem, which includes third-party mini-applications, were completed.

For crypto asset custody services, proof-of-concept studies to comply with the regulations expected to be issued by official authorities, particularly the Capital Markets Board, were completed.


In the upcoming period in the field of innovation, we aim to offer the most appropriate value propositions for our customers' financial journeys and life stages with real-time, contextual, and proactive interactions through the use of artificial intelligence technologies in different branches, especially generative artificial intelligence, and to provide hyper-personalization in our digital channels. Within the framework of our Web 3.0 vision, efforts will continue with a focus on continuously developing competencies in blockchain technologies through experimental studies and creating beyond-banking products and services that will enable the digital asset ecosystem to become established through tokenization and smart contract structures.

In 2023, the budget allocated to R&D and innovation at İşbank is TL 381 million.

Artificial Intelligence

Artificial intelligence applications at İşbank are managed with the aim of maximizing customer experience, automating processes with low added value, and directing employees to areas where they can create higher value. At the Bank, artificial intelligence activities are carried out under the umbrella of the Artificial Intelligence Division, and an "agile working model" is applied.

The Bank complies with legal requirements and ethical rules in the development and use of artificial intelligence models. It is of great importance that customers' personal data protection law consent is obtained in the training and use of the models. Models are validated by the Risk Management Division during their development and subsequent implementation.

Our Bank's  **"Artificial Intelligence Ethical Manifesto"** was published to ensure compliance with ethical values in the application process of the models.

The Artificial Intelligence Ethical Principles under the Ethical Manifesto, to which İşbank is committed, are a fundamental guideline for the proper and ethical management of artificial intelligence

 [Click here](#) for İşbank Artificial Intelligence Ethical Principles

technologies.

In each of the development, training, and performance evaluation stages of the models,

- whether the conceptual setup of the model is in line with legislation, regulations, and good practices in the sector,
- compliance with personal data protection law and ethical values for the areas of input,
- the nature of demographic data,
- and compliance of model outputs with ethical values

are questioned and recorded with relevant documents.

In 2023, investment was made in artificial intelligence and innovation through Softtech with a capacity of over 4,500 person-days.

Machine learning operations (MLOps) are used for Artificial Intelligence to operate on a large scale, sustainably, and continuously learning. In parallel with the significant developments in generative artificial intelligence (GenAI) and large language models (LLM), the Bank started to develop its own large language model (İşGPT) in 2023 and made the necessary infrastructure investments. İşGPT reached 91% accuracy in answering questions from a specific context as of year-end 2023. İşGPT, which operates in the Bank's data center, is to be used in many scenarios, especially for virtual assistants specialized in different subjects.

As of year-end 2023, artificial intelligence investments amounted to TL 25.3 million.

In the upcoming period, we aim to offer the most appropriate value propositions for our customers' financial journeys and life stages with real-time, contextual, and proactive interactions through the use of artificial intelligence technologies in different branches, especially generative artificial intelligence, and to provide hyper-personalization in digital channels. In addition, with the integration of generative artificial intelligence and the big language model to be developed, Maxi will be provided with new competencies and will be able to interact with customers with smarter, contextual, and humanoid dialogues in the scenarios to be realized.

Support for Entrepreneurship

In line with its vision of being the bank of entrepreneurship and startups, İşbank has been supporting the entrepreneurship ecosystem since 2017, both through new programs, formations, and collaborations and from an investor perspective.

Within the scope of 2023 entrepreneurship support efforts:

- For the first time in the world, the Maximiles Business Startup Credit Card, which provides free access to Amazon Web Services (AWS) cloud credit with a banking product connection, has been made available to entrepreneurs.
- The Ankara Entrepreneurship Branch, which was opened in October, was added to our Entrepreneurship Branches serving ecosystem stakeholders, especially entrepreneurs, in Istanbul and Izmir.
- Four different entrepreneurship programs were carried out with Workup vertical independently, Workup Agri focusing on agriculture and sustainability, Workup Gaming related to the gaming ecosystem, and Workup4Future in the impact entrepreneurship.
- Workup Rise, our first overseas accelerator program designed to support the global expansion of entrepreneurs in our ecosystem and expand their overseas investment networks, was launched in London with the support of KOSGEB.
- The Workup İş Tower area, which entrepreneurs can use as a co-working space in the İş Towers area, has been opened for use.
- In addition to supporting the Turkish Entrepreneurship Foundation and the TÜSİAD “Bu Gençlikte İş Var” Program to help young people become more involved in the entrepreneurship ecosystem, a cooperation was initiated with the Endeavor Türkiye Association, which provides entrepreneurs with an international business development, investment, and mentoring network with offices in nearly 40 countries.
- The Bank became a member of the Endeavor Foundation, a global entrepreneurship network that contributes to the development of entrepreneurship in Türkiye.
- USD 7.3 million was invested in 11 startups through the Maxis Innovative Venture Capital Investment Fund, of which İşbank is the main investor.
- The number of funds investing in startups was increased to 4 with the 100th Year Venture Capital fund we launched during the year in addition to Maxis, Founder One, and Arya, and our investment commitment in the funds reached USD 50 million. Through the funds, 63 investments totaling USD 17.4 million were realized.

- A venture capital investment of USD 50 million was made in GetirFinans as part of our strategic partnership on the service model banking axis.
- TekCep and TekPOS, the products of our subsidiary Softtech, were acquired by Figopara in exchange for shares, and with this acquisition, a strategic cooperation was established in the fintech ecosystem.

“The Bank of the Year Supporting Entrepreneurship the Most” Award to İşbank

İşbank received the "Bank of the Year Supporting Entrepreneurship the Most" award at the StartupCentrum Entrepreneurship Ecosystem 2022 Awards.

Intrapreneurship Program

Within the scope of the “Internal Entrepreneurship Program” launched to contribute to İşbank’s innovative and entrepreneurial culture transformation and to develop new business ideas and models, employees gain next-generation competencies such as entrepreneurship, teamwork, and continuous learning/development and have the opportunity to create ideas, discover problems, mature solutions, and launch products. Entrepreneurship teams consisting of employees receive training and mentoring support from program partners experienced in entrepreneurship, as well as information on innovative business models, entrepreneurship, and internal entrepreneurship.

Following the 2023 earthquake disaster centered in Kahramanmaraş and affecting many provinces, a **"Disaster-Focused Idea Workshop"** was held under the Internal Entrepreneurship Program to reduce the impact of the short-term adversities and to implement technology-based creative and innovative ideas for the medium/long term.

In addition, within the scope of the value proposition integrated with Proemtia's fields of activity, Yüklne, a graduate of our Bank’s 2nd Term Internal Entrepreneurship Program, will continue to work within our subsidiary Maksmarket in 2024.

Supporting Impact Initiatives

Workup Agri and Workup4Future entrepreneurship programs are being carried out by our Bank to support startups that produce technology with a focus on impact and accelerate the green economy transformation with the technologies they produce. The initiatives included in these programs are supported to make them visible, meet with potential customers, come together with investors, and develop business with İşbank and group companies. FounderOne Venture Capital Fund, which operates with the theme of investing in impact entrepreneurship, including early stage, and is supported by our Bank, has invested USD 2.7 million in 27 different

startups to date.

Workup Entrepreneurship Program

The Workup Entrepreneurship Program, with İşbank as its main supporter and running uninterruptedly since 2017, continues its mission to support early-stage startups with a technology-oriented, sustainable, and scalable business model and to help them accelerate.

Startups participating in the program come together with expert mentors, bank subsidiaries, and ecosystem representatives for 6 months and receive multi-dimensional support ranging from collaboration and mentorship to access to investment opportunities. At the Demo Day event held at the end of the program, the startups that graduate from the program share their business models and road maps and have the opportunity to meet one-on-one with stakeholders in the ecosystem. In 2023, the 11th term of the Workup Entrepreneurship Program was completed and 5 startups graduated.

In the Workup Agri Entrepreneurship Program, which was launched to support digitalization and sustainability-focused agricultural initiatives in agriculture and related topics and add new collaborations to our agriculture value proposition, trainings, mentorship support, and collaboration opportunities are offered to agricultural entrepreneurs. In 2023, the 2nd term of the Program was completed and 3 startups graduated.

In 2023, the Workup Gaming program, which aims to accelerate education-focused game technologies, was launched as a new vertical and completed with Demo Day, where 10 startups graduated. Within the scope of the program, 7 startups presented their new games to users, while 3 startups with educational games achieved a 50% improvement in their metrics. In addition, 4 startups participating in the program received an investment of USD 1.1 million during this period.

Workup Rise, our first overseas accelerator program designed to support the global expansion of entrepreneurs in our ecosystem and expand their overseas investment networks, was launched in London. The program, which was realized with the support of KOSGEB and in cooperation with Ankara TEKMER & Leap Investment, was completed with the participation of 9 startups. Within the 2-month program, the startups conducted 23 proof-of-concept studies and 3 sales.

At the end of 2023, the first term of Workup4Future, our accelerator program launched specifically for impact startups, continues with 7 startups. The aim of the program is to ensure the rapid scaling of startups in the social impact and natural disaster verticals with the support of expanding their collaboration and investment networks.

To date, 174 startups out of over 16 thousand applicants have been accepted to Workup programs in 5 different verticals and 119 of them have graduated. 58 Workup startups have received USD 23 million in

investments to date.

Golden Sardis Award for Entrepreneurship Programs

Workup, Workup Agri, and Workup Gaming Entrepreneurship Programs won the **Golden Sardis award** in the **"Most Innovative Accelerator and Incubator Programs"** category at the Sardis Awards.

Arya Women Investment Platform

Since 2018, İşbank has been the main sponsor of the Arya Women Investment Platform, one of the first women-focused investment platforms in Türkiye, which supports women entrepreneurs through training, events, accelerator programs, mentoring, consultancy, and investment.

Within the scope of the **Arya Investment Readiness Accelerator Program** under the platform, women entrepreneurs go through a 5-week training and mentorship and prepare to meet investors. At the semi-final event of the program, the entrepreneurs in the program deliver their investor presentations and graduate from the program. In the final part, the Arya Retreat event, which brings the remaining entrepreneurs together with investors and lasts for 3 days, 3 startups receive awards after completion of the presentations delivered to the jury and investors. The program also includes workshops, and opportunities for collaboration and networking are presented. The eighth Arya Retreat event was held in 2023 with the theme **"Time to Launch: You Are Your Own Venture!"**.

Arya Venture Capital Fund

Arya Women Investment Platform and İşbank collaborated to establish the **"Arya Venture Capital Fund"** in 2022, aiming to reach a minimum size of USD 10 million to invest in initiatives that observe gender balance and offer sustainable return potential. The fund aims to be a venture capital fund that creates regional impact. With this fund, USD 2.4 million was invested in 10 startups in 2023.

WeLead (Leading Women Entrepreneurship for Accelerating Development)

Launched in 2021 under the management of the Turkish Enterprise and Business Confederation (TÜRKONFED), in cooperation with İşbank, and with the support of UN Women Regional Office for Europe and Central Asia, the "WeLead" project provides face-to-face and online training support to entrepreneur women working in different regions of Türkiye, regardless of sector and scale, to improve their capacities and strengthen their communication networks.

Silver Sardis Award for WeLead

In 2023, İşbank received the **Silver Sardis Award** in the **"Positive Social Impact - Gender Equality"** category of the Sardis Awards for WeLead.

Training content is based on two pillars: ‘gender equality awareness’ and ‘technical capacity building’. The content of the trainings under the heading of ‘Developing technical capacity’ was determined in line with the needs identified as a result of the research report prepared within the project.

In 2023, a total of 23 training programs were organized in areas such as Marketing, Business Development and Lean Entrepreneurship, Personal Data Protection Law, Procurement, Digital Transformation, Labor Law, etc. A total of 5,043 women were reached in 2022 and 2023. Business development support will be provided by Türkiye İş Bankası to 28 women who successfully complete this process, while 3 entrepreneur women will be awarded a visit to the US Silicon Valley. In addition, 40 entrepreneur women selected among the women who were eligible for mentoring support and who completed the trainings on the WeLead portal were provided with a maximum of TL 100,000 and a total of TL 3 million in unsecured and zero-interest loan support, with Applied Value Group (AVG) as the guarantor and İşbank as the financier. By the end of 2023, a total of 5,043 women had received training through the "WeLead" project.

In addition to the trainings, women’s meetings were organized to support entrepreneur women’s cooperation and networking. Within the scope of the project, a total of 4 women’s meetings and 6 field trainings were organized.

Women Entrepreneurship Loan

İşbank offers financing support for all the business needs of tradeswomen who want to grow their business, to companies with 51% of their shares held by female shareholders, or to women’s enterprises that have at least one female senior executive and at least 20% of the shares of which are held by female shareholders. As of year-end 2023, a total of TL 34,945,331,827 in financial support was provided to female entrepreneur customers.

In 2023, İşbank published the "Women's Empowerment Declaration" and committed to providing TL 100 billion in financial support to women entrepreneurs within 5 years through programs for women entrepreneurs, micro-loans extended to women, and financing of companies where women have a say in employment and management.

Export Support Loan with Turk Eximbank

İşbank provides financial support to women and young entrepreneurs through the "Women Entrepreneurs Export Support Loan" and "Young Entrepreneurs Export Support Loan" products under the protocol entered into with Turk Eximbank.

TÜBİTAK BİGG

Young entrepreneurs will be supported until 2025 within the program launched in cooperation with İşbank and Özyeğin University Fit Startup Factory to be the implementing organization in the TÜBİTAK Individual Young Initiative (BİGG) Program.

Sponsorships for Young Entrepreneur Programs

İşbank is the supporter of the Turkish Entrepreneurship Foundation (GİRVAK) and TÜSIAD “Bu Gençlikte İş Var” Program, which carry out important activities in helping young people gain an entrepreneurial perspective at an early age and see entrepreneurship as a career path.

FounderOne

FounderOne, a next-generation investment fund, which was established in June 2022 in cooperation with the Turkish Entrepreneurship Foundation, Turkish Informatics Foundation, and our subsidiary Maxis Girişim Sermayesi Portföy Yönetim A.Ş., aims to invest in early-stage impact startups.

Prominent R&D Activities at İşbank Subsidiaries

Anadolu Sigorta

- By developing a machine learning model, social network analysis model, and rule engine on the Sobe Fraud Detection Platform, claims prone to fraud were identified and cost savings were achieved in claim payments.
- With the customer lifetime value housing and health project, the future income and expenses of the customer were predicted and customer’s returns in the medium and long term were calculated. Within the scope of this study, models such as churn, investment income calculation, calculation of customer retention and acquisition costs, and cross-product sales forecasting were developed with machine learning methods.
- Thanks to the AS Insured Auto and Non-Auto - AS Insured Damage Detection from Images with Artificial Intelligence project, models were developed with deep learning and machine learning methods on all auto-related insurance issues and achieved great success.
- As part of university-industry cooperation, technical consultancy was obtained from Muğla Sıtkı Koçman University within the scope of the Claim Files Legalization Prediction Model project, and classification models were developed with machine learning methods for the automobile insurance and traffic branches.
- With the Analysis of Insurance Policies with Artificial Intelligence and Development of Policy Comparison Software project, object detection models were developed in policy making processes and certain parts of the documents were compared.

- With Insured Profitability Model machine learning methods, models have been developed to calculate profitability at the insurance level and to predict the profitability class of new customers.

- In the Spare Parts Purchasing Model, in order to minimize both the effect of the exchange rate increase on the automobile parts purchased especially in foreign currency and the difficulties in finding parts, guiding outputs were obtained through annual portfolio evaluation (in bulk purchasing/negotiation processes) by estimating the maximum and minimum usage times of parts throughout the year.

Millî Reasürans

RPA (Robotic Process Automation) efforts, which were initiated to automate company processes and operations, were accelerated and started to meet the needs of different services, resulting in significant gains in employee satisfaction and increased company efficiency.

Anadolu Hayat Emeklilik

- The infrastructure of Credit Life and Credit Support Insurance products was renewed, and the new screens were made available to all İşbank branches.
- The "AHE-Digital PPS Application" practice was launched, allowing printed forms with written approval from customers to be completed through digital platforms without the use of paper.
- The "Customized Future Planning" service was launched, allowing customers to easily calculate the savings they need for their future plans in line with their assets, income and spending levels, and savings habits and to choose from a range of customized product offerings.

İşbank AG

The Bank’s website and mobile app were renewed. Digital archive was launched, Target-2 transition was completed, Jira process software was put into service, and Power BI Management reporting system was installed.

Information Security



İş Faktoring

- The Company's ongoing technological renewal and digital transformation efforts have been identified as a strategic priority. Within this scope, the Company aims to renew the main factoring software, create channels that offer a digital customer experience, and provide effective reporting through a data analytics platform.
- A digital supplier financing system was purchased to enable customers and their commercial partners to come together easily in the digital environment and quickly meet their financing needs in a smooth-running environment. Through this system, our customers are expected to experience full digitalization processes, including the approval of contracts and transaction documents electronically in 2024.
- The "Establishment of Contractual Relationship in Electronic Environment" project, which will enable customers to sign contracts and transaction documents securely in an electronic environment, is ongoing.
- In 2023, work was carried out to quickly finalize financial data or trial balance analyses in our Company's credit allocation and monitoring activities and to provide the infrastructure for e-ledger integration.
- The renewal of our human resources software is also among our projects.



Bayek

Bayındır Academy has been launched to transfer trainings to the online platform and digitalize them.



Gullseye

The Company has been awarded support by TÜBİTAK as part of the "Industry R&D Support Program" with its project titled "Human Resources Planning, Train and Pregate Operation Planning Optimization in Ports".



Livewell

The Company develops products to help diagnose Cardiovascular Diseases (CVD), which account for more than 40% of all CVDs in Türkiye. Among these products, the Cardiom device analyzes the electrical signals of the heart in real time and transfers the data to the Livewell platform when necessary, making it accessible to healthcare professionals. In addition, as a result of the project carried out by the Company, a completely textile-based "Smart T-shirt" that can record and process ECG signals has been developed, and production has started.

Digital transformation brings with it increasing cyber security risks. İşbank meticulously maintains processes to ensure information systems' security and secure storage of personal data and confidential information, which are of great importance today. This is achieved through consistent investments in security infrastructure as well as training and awareness programs aimed at fostering a culture of continuous improvement in security applications.

In 2023, approximately TL 210 million was invested in the information security and cyber security fields.

The ultimate responsibility for ensuring information security within İşbank lies with the Board of Directors. The Board of Directors is responsible for creating the necessary strategy, and the Information Security Committee is responsible for creating and implementing policies within the scope of this strategy. All organization units of the Bank are responsible, within the boundaries of their areas of responsibility, for carrying out their activities in accordance with the policies and other sub-regulations based on them. Policies and other sub-regulations regarding information security and personal data form the basis of any actions to be taken within this scope.

İşbank's information systems are annually audited by the Board of Inspectors in a risk-based manner in accordance with the "Regulation on External Audit Institutions' Information Systems and Banking Processes Audits" (BSEB) published by the Turkish Banking Regulation and Supervision Agency (BRSA). Within the framework of the regulations mentioned in the BSEB Regulation, the following are evaluated: the existence, adequacy, and effectiveness of a process that includes activities such as a risk assessment study, approval of the corporate information security policy by the Board of Directors and supervision of its implementation by the Senior Management, conducting studies to increase the awareness of the Bank employees on information security, classifying all data according to the degree of security sensitivity and conducting security controls at the appropriate level for each class, implementation of information security tests, prevention of data loss, and updates of existing controls and structures created according to technological development.

Within the scope of audit studies for information technologies (IT), inspections are carried out for the healthy management of IT risks and the effective and efficient use of IT resources. The scope of the said audit work is determined by a risk assessment prepared by considering the criticality of the applications and systems for the Bank and their sensitivity in terms of data security. Audits are conducted based on the BSEB Regulation and internationally recognized best practices.

In the audit activities by the Board of Inspectors, the effectiveness of the measures taken for the confidentiality of customer information is reviewed. In case of a customer complaint submitted to the Bank in relation to an confidentiality breach due to loss or disclosure of customer information to third parties, the data and audit trails in the Bank's systems are analyzed in a holistic and detailed manner, and any situations that indicate reasonable doubt are examined from an

analytical perspective. In the event of a reasonable suspicion that such information has been disclosed to third parties, investigations on the subject are expanded, and if these suspicions reflect the truth, the necessary measures and decisions within the scope of both internal regulations and legal legislation are taken without delay. In addition, the processes described in the Bank legislation regarding provision of information to customers about the outcome of such complaints are executed in order to ensure that the complaint owners are notified about the outcome of the investigations.

In 2023, 307 complaints were received alleging that customer information was shared, and all of these complaints were responded to.

Within the scope of internal audit activities, all investigation results are reported to the Board of Directors through the Audit Committee; within the framework of audit reports, the measures taken by the relevant unit managements are monitored.

The Internal Control Division information systems internal control activities team conducts inspections at checkpoints for the Bank's information security process. In addition, various checkpoints for cyber security on the Bank's critical IT assets are regularly monitored at daily, weekly, and monthly intervals as part of level two controls, and the identified operational issues are shared with the relevant IT units to correct them. The control activities of the Internal Control Division within this scope include:

- Access, authorization, and security parameter controls on databases,
- Controls for the security of privileged public user accounts and user groups on servers and databases,
- Activity controls of high-privilege users on critical servers and applications for information security,
- Server anti-virus software controls,
- Controls for the security of server audit trails,
- Data leakage prevention system controls,
- Change records controls as part of the operation of the IT infrastructure change process,
- Controls for consultant user accounts,
- Regular access and authorization controls to ensure that end-user privileges are up to date.

The internal control environments regarding the information security of İşbank's subsidiaries and affiliates and the organizations from which the Bank receives support services are also evaluated through audit activities, similar to the audit activities carried out within the Bank.

Within the framework of the security architecture, there are multiple layers in the communication network infrastructure of İşbank. Anti-DDoS solutions are positioned to prevent suspicious external DDoS (distributed denial of service) traffic. In the outermost network, incoming and outgoing traffic is controlled by IPS (Intrusion Prevention Systems) and WAF (Web Application Firewall) systems. In order to increase security on the communication network, different zones have been created on the network. Within each zone, there

are different firewalls and access control lists (ACLs), and zones are protected by customized rules and security defense mechanisms. In addition, different switches and VLANs (virtual local area networks) have been established in different zones. Outgoing internet traffic is analyzed by secure socket layer (SSL) monitoring tools and protected by sandbox APT (Advanced persistent threat) systems. All server and endpoint devices are protected by endpoint security solutions. Authorizations in the systems are made based on role and in accordance with the principle of separation of duties, and authorizations are regularly reviewed. The trace records created on the systems are transferred to SIEM products, and security warnings are followed by the Security Intelligence and Defense Center within the framework of predetermined rules on a 24/7 basis, and actions are taken regarding security incidents.

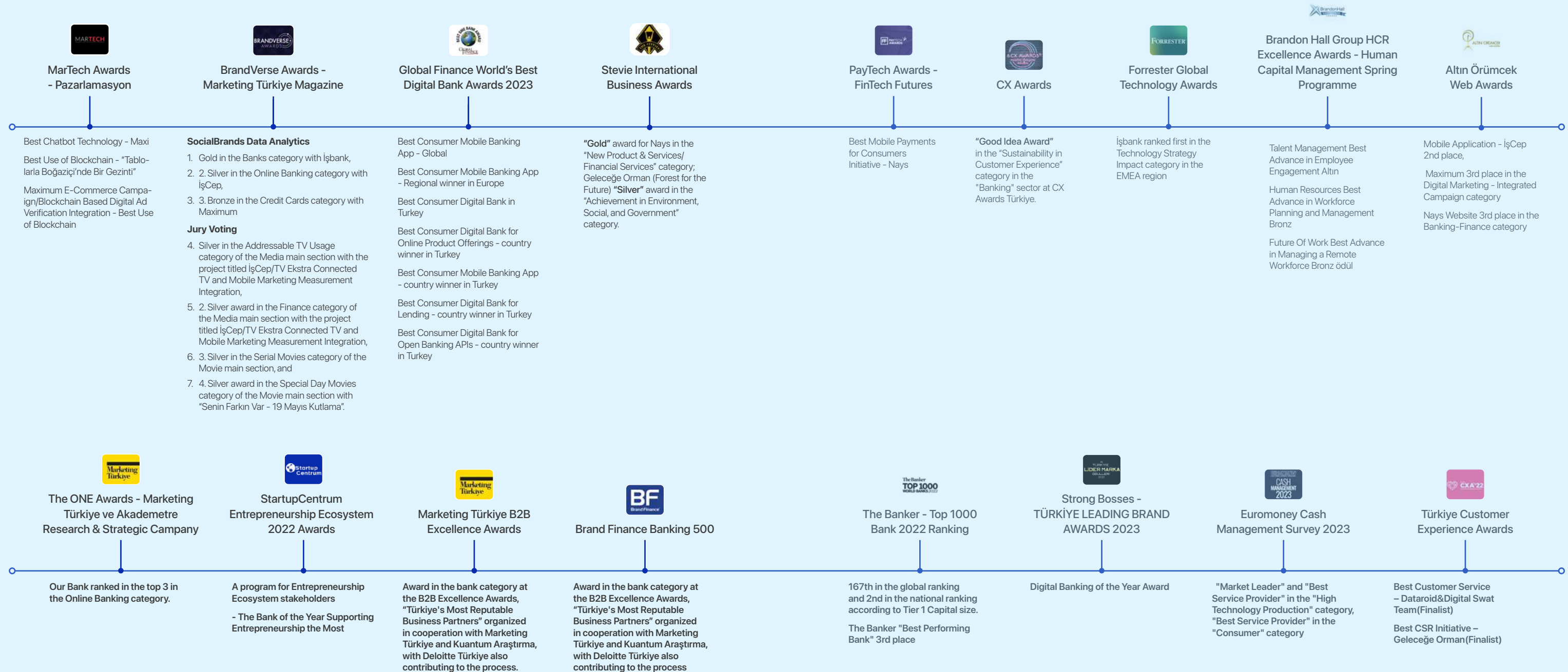
In line with the BRSA Communiqué on "Penetration Tests for Information Systems", since 2012, İşbank has been conducting penetration testing at regular intervals by external firms in order to detect and correct security vulnerabilities in the Bank's information systems before they are exploited. Penetration test action plans prepared regarding the findings of the penetration tests are reviewed by the audit team, and the "Penetration Test Finding Follow-up Report" for the current year is reported in the following year.

In 2023, threat modeling studies were initiated in order to continuously assess applications or services at a satisfactory maturity from a security and risk perspective. In addition, a Cyber Incident Response Plan was established to address cyber incidents at the appropriate level as soon as possible in accordance with their severity levels and to clearly define the roles, responsibilities, and workflows within the institution. Every year, tabletop exercises where the plan is tested using real attack scenarios are carried out separately with the participation of technical teams and/or senior management, and the aim is to maintain our maturity level by repeating these with different scenarios in the following periods.

Information security awareness training is provided and phishing tests are done to increase awareness among Bank employees. Through constant awareness programs, the Bank strives to increase the knowledge of its employees and raise awareness among end users. Targets for timely information security trainings, information security governance and awareness activities are assigned and targeted as a criterion in the executive performance measurement of our relevant departments.

In 2023, 9,161 employees from the Head Office and branches received a total of 7,746 hours of training in the fields of cyber security, social engineering, and information security. In addition, as part of Cyber Security Awareness Month activities, a "Malware and Data Breach Seminar" was organized for employees in the Information Technologies business family. Risky transactions made by the Bank's customers through digital banking channels are also regularly monitored, current risks and threats are evaluated, and necessary actions are taken quickly.

Awards We Won in 2023



Responsible Operations

108

Reducing Negative
Impacts of
Operations

116

Decent Work



We Reduce Negative Impacts of Our Operations

As one of the largest banks in Türkiye, İşbank offers services to millions of users. The Bank aims to minimize the environmental impact of managing its widespread network of operations, to ensure its suppliers embrace identical working norms, and to be a reliable employer for all its employees.

Risks

- Increase in operational expenses with rising energy costs
- Operational disruptions due to the physical impacts of climate change
- Penalties and sanctions that may be imposed due to environmental non-compliance
- Loss of reputation due to adverse events that may occur in the supply chain
- Operational risks that may occur due to disruptions in the supply chain

Opportunities

- Reducing operational expenses and observing resource efficiency with energy efficiency, reduction of water consumption, and paperless banking practices
- Positive reputational benefits of successful results obtained in research and rating studies assessing environmental and social impact
- Realizing cooperation that will provide efficiency with effective supply chain management

Relevant Stakeholders

- ▶ Employees
- ▶ Business Partners
- ▶ Suppliers

Material Topics

- ▶ Climate Action
- ▶ Responsible Purchasing and Supply Chain

Contributed SDGs



Capital Elements



Key Performance Indicators

	2021	2022	2023
GHG Emissions¹ (ton CO₂e)			
Scope 1	22,528	22,119	18,333
Scope 2	8,784	0 ¹	0 ¹
Scope 3	6,458	10,846	10,803
Total (Scope 1 + Scope 2)	31,312	22,119	18,333
Emission Intensities			
Emission per employee (tCO ₂ e/number of employees)	1.40	0.95	0.87
Emission according to consolidated total assets (tCO ₂ e/TL million)	0.03	0.01	0.01
Emission according to consolidated total assets (tCO ₂ e/USD million)	0.36	0.24	0.18
Emissions by consolidated net profit (tCO ₂ e/TL million)	2.00	0.32	0.21
Emissions by consolidated net profit (tCO ₂ e/USD million)	26.33	5.97	6.25
USD Balance Sheet Rate	13.09	18.65	29.44
Energy Consumption¹			
Total Energy Consumption (GJ)	630,216	607,022	508,429
Total Energy Consumption (MWh)	175.060	168,617	141,230
Total Electricity Consumption (MWh) ²	121,404	122,652	108,720
Total Natural Gas Consumption (m ³)	5,284,460	4,529,353	3,326,108
Fuel Oil Consumption (l)	11,296	1,011	900
Coal Consumption (kg)	21,869	26,954	12,211
Diesel Consumption (l)	282,318	333,258	191,938
Total Water Consumption (m³)			
City Water	262,235	282,919	318,050
Rainwater (recovered/re-used water)	7,947	8,820	4,047
Drinking Water ³ (tanker water + bottled water)	5,470	3,063	3,422
Total Amount of Wastewater	270,182	291,739	322,097
Vehicle Fuel Consumption (l)			
Fuel Consumption of Company Vehicles (Diesel)	3,155,927	2,659,440	1,846,268
Fuel Consumption of Company Vehicles (Gasoline)	334,694	1,344,827	2,205,462
Fuel Consumption of Employee Shuttles (Diesel)	550,100	530,861	596,531
Business Trips with Personal Vehicles (Diesel)	40,352	57,855	57,329
Business Trips with Personal Vehicles (Gasoline)	43,731	65,546	70,440
Business Trips with Personal Vehicles (LPG)	27,035	26,014	39,218
Paper Consumption (ton)	503	963	914
Amount of Waste (ton)⁴			
Total Amount of Waste	1,570	1,719	1,814
Amount of Domestic Waste	1,001	1,118	1,150
Amount of Hazardous Waste (batteries, fluorescent lamps, car batteries, cells, toner cartridges, medical waste)	12	6	21
Amount of Electronic Waste	23	74	56
Medical waste	2	3	3

Key Performance Indicators

	2021	2022	2023
Total amount of waste recycled ⁵ (ton)	568	599	660
Amount of paper waste recycled (ton)	346	353	417
Amount of non-hazardous waste recycled ⁵ (ton)	189	164	170
Plastics	-	10	19
Metal	-	5	10
Glass	-	59	50
Plastics + Metal (Branch)	-	90	92
Amount of hazardous waste recycled ⁵ (ton)	10	8	17
Batteries	-	1	1
Fluorescent lamps	-	0.35	3
Car batteries	-	2	7
Cells	-	0	0
Toner cartridges	-	0.28	0
Total amount of hazardous waste (Branch)	-	5	6
Amount of electronic waste recycled (ton)	23	74	56

^[1] Since the electricity consumption is IREC-certified, Scope 2 emissions are calculated as "0". In 2023, the amount of energy generated from renewable energy sources accounted for 100% of the total energy consumption

^[2] Represents the amount of drinking water consumed in the Head Office buildings. Drinking water for these buildings is supplied by tankers, carboys, and bottled water, and it has been monitored since 2021. In service buildings with ISO14001 certification, drinking water is supplied by bottled and carboy water.

^[3] It covers the buildings of the General Directorate and all service buildings with ISO14001 certificate.

^[4] The total amount of recycled waste consists of recycled non-hazara rdous wastes, recycled hazardous wastes, paper wastes and electronic wastes, and includes the data of the Head Office buildings.

^[5] The breakdown of recycled non-hazardous and hazardous waste amounts by waste type was started as of 2022, and the reported data includes the data of the Head Office buildings.

	2021	2022	2023 ¹
Number of Local Suppliers	3,396	3,673	2,389
Ratio of Local Suppliers* (%)	97.42	94.09	94
Ratio of Procurement from Local Suppliers (%)	91	87.71	96
Total Number of Suppliers	3486	3783	2,539

* While calculating the ratios, companies registered in the trade registry and operating in Türkiye were accepted as local companies.

^[1] The decrease in figures compared to the previous year is due to the update of the supplier database as a result of the change in the purchasing application used. Suppliers with whom we do not currently work have been deleted from the database.

Targets

Targets for 2023	Realization in 2023	Realization Status	Targets for 2024 and Beyond
In line with its goal to reduce greenhouse gas emissions, the Bank aims to reduce the total Scope-1 and Scope-2 emissions calculated in accordance with the International GHG Protocol by 38% by 2025, 65% by 2030, and to zero by 2035, and carry out its activities as carbon-neutral as of 2035 (target baseline year: 2018)	79%	Completed.	Conducting activities as carbon-neutral as of 2026, in terms of the total of Scope-1 and Scope-2 emissions
The Bank aims to meet at least 50% of the eligible consumer electricity consumption from clean energy sources by 2025 and 100% by 2030, in line with its greenhouse gas emission reduction targets (target baseline year: 2021)	100%	Completed.	100%
Obtaining the ISO 14001 Environmental Management System certification for all the Bank's operating and service locations by the end of 2023	100%	Completed.	Including new branches that may be opened in the system and maintaining the system.
Zero paper consumption until 2024 through digitalized processes	94.8%	Continues.	100%
<div>▶ Reducing water consumption by switching to water-saving aerators in sink faucets of branches,</div> <div>▶ Saving energy by continuing to change the lighting fixtures to LEDs,</div> <div>▶ Continuing to replace old type air conditioners with next-generation air conditioners with higher efficiency</div>	100%	Completed.	Replacement of products during renovations with next-generation products with high energy efficiency.

Targets for 2023	Realization in 2023	Realization Status	Targets for 2024 and Beyond
Local supplier ratio not falling below 96%	94.1% The reason why the realization fall short of the target is the update of the supplier database as a result of the change in the procurement application. Since the suppliers we do not currently work with were deleted from the database, the targets also had to be updated.	Not completed	Local supplier ratio is targeted not to fall below 94.1%.
The green purchasing ratio not to fall below 3% until 2025	3%	Completed	2023 target is maintained.

Environmental Impact Management

Believing that the responsible use of natural resources and minimising the impact on the environment in carrying out its activities are fundamental duties of both individuals and institutions, İşbank assumes primary responsibility for climate action in order to continue its activities with minimal impact on the environmental. The Bank justifies this responsibility with the targets it sets and the commitments it makes. In addition, İşbank carries out numerous improvement and efficiency projects to minimise the negative environmental impact it causes.

Climate targets

As part of the fight against climate change, İşbank has defined its climate change risk strategy and included climate change risks in its catalogue of corporate risks.

The Bank has set itself the goal of making its activities carbon-neutral by 2026, measured by the sum of Scope-1 and Scope-2 emissions calculated in accordance with the International GHG Protocol. In 2023, the amount of energy generated from renewable energy sources will account for 100% of total energy consumption.

İşbank took its place among the Global Leaders by receiving an "A" score in the CDP Climate Change Programme Reporting in 2023.

İşbank has committed to validating the identified science-based emission reduction targets as part of the Science Based Targets Initiative (SBTi).

By going beyond these targets, the Scope-3 emissions caused by lending activities and the supply chain were also assessed in 2023 using a target-based approach. İşbank, which is a member of the Net-Zero Banking Alliance in order to reduce the emissions caused by its lending activities, discloses the activities carried out in this context under the category of "Decarbonisation Targets".

Environmental Management

Since 2018, an ISO 14001 Environmental Management System Project has been in place at İşbank to reduce its impact on the environment and establish an environmental management system that meets international standards. As part of the project, 524 employees who will act as environmental officers took part in the Environmental Management System (ISO 14001) Training and 6 employees who will carry out the internal audit of this system took part in the Environmental Management System (ISO 14001) Internal Auditor Training in 2023. Employees starting their careers at İşbank receive information about the Environmental Management (ISO 14001) System in the "Getting to Know Our Bank" course as part of the "Starting My Career" Training. As part of the activities to raise awareness of the Environmental Management System, online workshops were organised to inform and raise awareness with employees about the environmental management system.

Informative content on this topic is shared via the Bank's mobile application. The Environmental Management System is audited annually by the Internal Control Division. In 2023, there were no fines for non-compliance with environmental laws and regulations.

As of 2023, all İşbank locations have ISO 14001 Environmental Management System Certifications. Efforts are underway to obtain zero waste certification in accordance with the Zero Waste Legislation at the locations concerned. As of the year-end 2023, certified locations accounted for 100% of the Bank's total number of locations, and efforts are made to include newly opened branches in the certification process. Branch data is collected online via the Sustainability Platform. İşbank intends to maintain its environmental management system, which it has established at international standards, in the coming years.

To support the prevention of environmental destruction and economic losses caused by electronic waste, İşbank sells scrap and returns toner cartridges for recycling from field devices whose life cycle is managed by the Information Technologies Department. All companies sold to have WEEE certificates. All recycling operations are carried out by authorised companies in accordance with the Bank's general rules.

As of 2023, all İşbank locations have ISO 14001 Environmental Management System Certifications.

Environmentally Friendly Service Points

Environmentally friendly buildings play an important role in reducing the negative environmental impact of İşbank's operations. The Bank's major main buildings, such as the Head Office, operations centre and data centre, are designed to minimise the Bank's environmental impact. İşbank's Head Office Tower building in Levent, Istanbul, is BREEAM In-use Excellent certified. Tuzla Technology and Operations Centre (TUTOM) is LEED Gold certified.

The Bank's Tuzla Data Centre (Atlas) building is LEED v4 Gold certified for Data Centers and is the first data centre in Türkiye to meet these standards. In the Atlas Data Centre building, the data halls where the IT cabinets are located are cooled with air and the heated air is used to heat the office areas. In addition, rainwater is collected via the rainwater collection channels installed in our buildings and reused in various areas after a certain amount of treatment.

In the Head Office and TUTOM buildings, all wastes are separated and recycled within the scope of the ISO14001 Environmental Management System Standard.

Efficiency in Branches

Banka hizmet binalarında, çevresel etkinin düşürülmesi için kaynakların verimli kullanımı amaçlanmaktadır. Sürekli iyileştirme anlayışıyla verimlilik The Bank strives to use energy and resources efficiently to

reduce the environmental impact of its service buildings. Efficiency studies are carried out with a continuous improvement approach. There is a consumption reduction target for service buildings and the "Sustainability Platform" software is used to monitor the consumption of the branches that enter data.

In 2023, the Bank's renovations included modernising the lighting and heating-cooling systems in the branches, switching to LED lighting, replacing old air conditioners with high-efficiency air conditioners, and switching to natural gas in branches heated by coal and diesel oil. The replacement of air conditioners carried out as part of renovation works and in the event of malfunctions, leads to energy savings of 30% compared to devices that work with an on/off system. The LED conversion of the lighting fixtures in all service buildings has been completed. With the LED conversions carried out in 2023, electricity consumption of the lights fell by 50% and a total of 991,632.91 kWh of electricity was saved.

The pumps in the heating, cooling and domestic water system in the Head Office Tower 1 building were replaced with more energy-efficient models. In the same building, the installed lighting power per floor was reduced by 76% by replacing the existing fluorescent lighting on the floors with LED lights. The lighting level can be adjusted as required using the touch panels mounted on the floor. Daylight and presence sensors installed on the floors enable adaptive adjustment of the illumination level to changing conditions during the day. With the help of these sensors and touch panels, lighting can be switched on regionally during working hours and night-time cleaning, for example, and can be switched off automatically when work is finished. When replacing the conventional cisterns in all service buildings, models with low water consumption were preferred and the urinals were replaced by models with photocells. Toilet faucets are being made more economical. As part of the ongoing renovation works in our service buildings, 33% saving in water consumption was achieved thanks to the replaced cisterns.

Commissioned in 2022, the use of solar panels on the roof of the visor of the cash machine, which generates electricity from solar energy, makes it possible to cover the energy needs of a large part of the facade lighting. Thanks to this system, which helps to reduce energy consumption, 82 ATMs with solar panels generated 330 Wh per device per day by the end of 2023. In addition, İşbank carries out the necessary official application and authorisation procedures for the investment of a solar energy field to cover all service buildings, especially the Head Office Buildings.

Efforts to reduce disposable plastics in branches and Head Office buildings continue. During the reporting period, no new disposable plastic water cups were supplied, and 0.33 l, 0.5 l and 5 l bottles were used. The purchase of new paper cups at the Head Office building was also discontinued, saving resources.

In 2023, 238 million pages of paper were saved through digital, digital signature and KEP delivery applications. This represents a 25 percent increase over the paper savings achieved in 2022.

Responsible Supply Chain Management

Positive or negative impacts caused by institutions are not confined to the area of their operations but may affect the entire value chain depending on the size of the institution. Believing that sustainable development is possible through responsible business models, İşbank aims to spread its business approach and standards to its supply chain as well. The Bank cooperates with its suppliers to disseminate leading practices and products in the field of sustainability. The Bank strives to achieve sustainable business success with a financially strong, environmentally friendly, and reliable supply chain with high-quality production and continuity.

Protecting the environment and using resources sustainably are essential if the world is to be left better for future generations. In addition, the importance attached to employee rights, human rights, and compliance with ethical principles has a major impact on the development of societies and countries. In this context, sustainability criteria come to the fore when purchasing products/services in order to contribute to the aforementioned values.

In accordance with its Sustainability Policy, İşbank seeks to minimize the negative environmental and social impacts caused by its suppliers and to maximize the positive effects. In this context, it considers environmental and social criteria when selecting suppliers. İşbank has adopted the principle of continuously improving its employees together with its suppliers, ensuring organizational excellence and consistently improving business processes.

In line with İşbank's approach to ethical banking, the Supplier Code of Conduct, which is based on the UN Global Compact and İşbank's Human Rights and Human Resources Policy, defines the main principles and essentials in procurement. Compliance with these principles and policies is expected from all suppliers. Within the framework of the Bank's Purchasing Implementation Instruction and Purchasing Policy, the environmental impact of the products and services to be purchased is also assessed in accordance with the requirements of the environmental management system when selecting suppliers from whom the Bank will purchase the products or services it requires. In addition, measures are taken to reduce or eliminate environmental impacts, taking into account the requirements of national legislation and the Bank's regulations.

The Bank seeks to collaborate with its global peers and suppliers in order to lead the way in sustainability by benefiting from best practices and product examples. The suppliers with whom the Bank works have operating principles that are compatible with the Bank's environmental and social sensitivities. Supplier are selected in accordance with the principles set out in the Purchasing Policy and Implementation Instructions. When selecting suppliers, the Bank selects from its existing pool of suppliers, depending on the nature of procurement in question, or tries to reach new alternative suppliers, based on predefined criteria. In addition to the specified criteria, the Bank also considers various parameters such as reference checks, sector analysis, and financial analysis when identifying alternative suppliers.

In addition, suppliers are regularly visited as part of a specially designed programme. No suppliers were found to be employing child labour or no information has been received accordingly. At the same time, our suppliers are asked about their child labour policies in an annual Sustainability Survey.

The Supplier Management Principles, which can be found on the home page of the Bank's procurement platform, detail the sensitivities to which suppliers must adhere. These sensitivities are taken into consideration when selecting suppliers. In procurement activities or operations that have a high environmental impact, such as waste water disposal or batteries sourcing, suppliers are assessed based on their capabilities. No goods or services are procured from suppliers who fail to submit the required documentation. For special procurement activities, suppliers who provide the required documentation are preferred, regardless of price.

İşbank expects its suppliers:

- To act in accordance with environmental and ethical rules,
- To prefer environmentally friendly raw materials and supplies with minimal impact on the environment in procurement,
- To try to minimize the environmental impact associated with their production and logistics processes and to be open to collaboration,
- To adapt to developing and changing sector conditions and to meet quality and logistics performance expectations.

Environmental/social impacts are taken into consideration in the selection of suppliers in current procurement processes.

- In tenders for the sale of scrap, participating companies are requested to provide certificates of compliance with environmental regulations such as Waste Electrical and Electronic Equipment Processing Certificate, Non-Hazardous Waste Collection-Separation Certificate, Waste Battery and Accumulator Interim Storage Permit, Hazardous Waste Transport Vehicle Licences and ISO 14001 Certificate.
- High energy efficiency class air conditioners are preferred for air conditioning needs
- In the 2023 electricity purchase, renewable energy sources were preferred for the entire electricity consumption under the Bank's control

The Bank respects the right of association and collective bargaining. Sensitivities on this issue are considered in the selection of suppliers. Purchases of goods and services from suppliers found to be involved in bribery and corruption practices will be suspended, and such suppliers will be excluded. The supplier may not employ workers under the age limit set by law. During the reporting period, there was no information on negative impacts related to suppliers in terms of human rights, working conditions, and social criteria. There were no suppliers whose business relationship was terminated due to negative impacts.

Every year, as part of the supplier performance management survey, supplier assessments are carried out using questions directed to the relevant business unit. Specialized employees working in the Purchasing Division also evaluate suppliers using the questions directed to them.

In 2023, a Sustainability Survey of 38 questions was sent to suppliers covering 80% of procurement. The questions in this survey ask about the existence of a policy or internal regulation to manage water use and water-related issues, the measurement and reporting of water consumption during the production phase, the existence of targets to reduce water consumption, the existence of reporting on water use, and the actions taken to reduce water use. In 2023, 48 suppliers participated in the survey, representing 59% of purchases. The annual Sustainability Survey asks suppliers if they have a policy on preventing/combating child labor. 46% of the 48 suppliers surveyed for 2023 reported having such a policy. Of the 48 suppliers surveyed, 12 have 40% female employees, and 10 have 40% and above females in senior management. In addition, 19 suppliers have a gender equality policy.

İşbank has adopted the principle of continuous development of its suppliers, ensuring organisational excellence and continuous improvement of its business processes. In 2023, the Bank continued to contribute to the national economy by preferring local suppliers. In line with this understanding, local suppliers accounted for 94% of total suppliers and purchases from local suppliers accounted for 97% of total purchases during the reporting period.

The Bank's main areas of procurement are information technologies, service building management services, and call centers. As a new procurement practice will be implemented in the coming period, supplier records have been reviewed, and data on companies with which the company has not done business for a long time have been removed from the database. Therefore, the number of suppliers subject to reporting has decreased.

Business Continuity Management Program

The Business Continuity Management Program, which aims to create an effective response capability to protect the institution's reputation, brand, and value-creating activities, complies with the ISO 22301 standard and legal regulations in Türkiye. The program conducts studies that will be used as input for information system recovery plans and strategies and monitors branch continuity. The program is supported by training for all employees.

As part of the Business Impact Analysis studies carried out under the Bank's Business Continuity Management Program, all Bank processes, including critical services, are evaluated each year in terms of financial, reputational, customer satisfaction, legal, legislative, contractual and operational impacts that may result from the disruption of these processes.

As a result of the assessment, the "Criticality Level" of each process is determined as Very High, High, Medium, and Low. Business Continuity Plans are prepared for each Head Office Division to ensure that, in the event of an disruption, the processes can be restored before the expected Maximum Tolerable Period of Disruption (MTPD).

The Information Systems Continuity Plan, which is a part of the Bank's Business Continuity Management Program, ensures the continuity of information systems services that maintain the continuity of İşbank's activities in the event of an disruption and ensures that critical business functions are effectively and efficiently resumed in the event of a major disruption of the Bank's computer and communication resources.

The potential impact of natural disasters and extreme weather conditions on operations is included among the extraordinary location-based conditions that the branch/regional/general directorate units may face in the context of the activities carried out to ensure the continuity of the Bank's business and services, and among extraordinary conditions that may cause disruptions in the continuity of the Bank's systems. These risks are considered in the corporate crisis management processes and, in the event of their occurrence, all the emergency management processes to be implemented are defined.

In the event of a disruption to branch business continuity, the aim is to implement the appropriate business continuity improvement strategy within one business day, except in the case of large-scale natural disasters. The health and safety of employees is always the Bank's first priority. In of the event of a disruption to branch services, a recovery terminal can be defined in an alternative branch not affected by the extraordinary situation and customer transactions can be monitored from this alternative branch. As a result of experience with the new working model, branch business continuity can also be ensured through remote working if necessary.

In 2023, 12 branches experienced an extraordinary situation due to heavy rainfall, 7 branches experienced heavy snowfall, and one branch experienced an extraordinary situation due to water-related risks from building infrastructure. As a result of recovery strategies, 15 of the 20 branch emergencies resulted short-term service disruption, but these disruptions were managed without causing customer dissatisfaction.

Corporate Crisis Management

Corporate crisis management activities are also planned under the Business Continuity Program. Within this scope, two Crisis Management Exercises were planned in 2023 for the Bank's senior management and sub-teams supporting crisis management processes. A crisis management exercise on Cyber Incident Management was also conducted with the participation of senior management. As part of the BSEB Regulation, Communication Chain Tests are planned twice a year with the participation of senior management. Efforts to support corporate crisis management processes through exercises and drills at various levels are expected to continue in 2024 as well.

In 2023, work was also commenced on the reassessment of Crisis Center locations and the renovation of the Levent Crisis Center, which is planned to be completed in 2024. In order to ensure the continuity of our branches in the event of disruptions to the overall communication infrastructure, evaluations of the KA-Band satellite internet infrastructure have been initiated.

Disaster Management and Coordination Program

Following the earthquake disaster on February 6, 2023, which deeply affected the whole of Türkiye, especially our 11 provinces, a "Disaster Management and Coordination Program" was implemented with the participation of more than 50 employees to increase the Bank's resilience and organizational strength in the face of potential disasters that our country may face, especially the Marmara earthquake.

In the program, which we launched to become the "Most Disaster Resilient Bank" in the second half of 2023, 7 agile teams were established to address subjects such as:

- Building and Service Area Alternatives
- Disaster Logistics
- Disaster Field Organization
- Disaster Technologies
- Business Continuity Management
- Awareness and Communication
- Disaster Coordination

Within the program,

- A Disaster and Emergency Coordination Department was formed with the goal of ensuring that the Bank is always disaster- ready.
- To increase organizational strength, disaster management has been divided into two major areas of focus: employee health and safety and business continuity management. The Corporate Crisis Management Team, which will oversee the disaster, was expanded to allow for faster and more thorough decision-making. At the same time, coordinators have been appointed to provide field coordination, ensuring that necessary actions are taken immediately in the field, and monitoring the disaster area. Within business continuity management, Business Impact Analysis processes were carried out in collaboration with the Divisions, and the Divisions' critical and disaster processes as well as the personnel who need to be backed up outside of Istanbul were identified in terms of the sustainability of these processes. In 2024, the identified personnel will be assigned to MaxiOfis locations, our broad regional office network in Anatolia, notably Ankara.
- The Bank's service buildings will be inspected for earthquake resistance to ensure the safety of all buildings. In the event of an earthquake, 20 mobile branches will quickly ensure the continuity of critical banking activities in the disaster zone.
- Gathering, living, and storage areas were designed to address the basic needs of employees following a disaster. Within this scope, approximately 1,700 employees can be accommodated together with their families. Again, life support kits sufficient for 1,000 employees and their families have been supplied to address the primary needs after a disaster.
- In order to enable uninterrupted and sustainable communication after a disaster, structured communication solutions have been developed to gather information on the safety status of employees and to collect their basic needs through IVR, SMS and WhatsApp channels.
- As part of awareness and communication efforts, the employees were provided a training program designed to raise disaster awareness and consciousness via the Learning World Platform. All the information that employees may need for internal communication will be consolidated and positioned within the İŞİM application.

Decent Work

İşbank offers a peaceful, safe, respectful, fair and supportive working environment to its employees, whom it defines as its most valuable asset. İşbank's primary goal is to have happy and productive employees who embrace a healthy vision of the future.

Risks

- Loss of experienced and qualified employees due to various reasons at İşbank, which only recruits new graduates and young professionals.
- Not being preferred by talented and successful new graduates and young professionals
- Decreasing employee loyalty due to the changing demands and expectations of employees and changing work habits
- Loss of workforce and reputation due to failure to meet the expectations of existing and potential employees

Opportunities

- Being the employer of choice for potential employees with a trusted brand and trusted employer image
- Keeping employee satisfaction high by offering employees long-term career opportunities through İşbank's in-house promotion culture
- Being a preferred institution for young employees thanks to practices in various fields such as agile business models, artificial intelligence, data analytics, and comprehensive training programs
- Being among the leading institutions of the sector in terms of diversity and equal opportunity and being a bank preferred especially by female employees
- Keeping employee motivation high by prioritizing a work-private life balance

Relevant Stakeholders

- ▶ Employees
- ▶ Unions

Material Topics

- ▶ Employee Rights, Loyalty and Satisfaction
- ▶ Future of Work and New Working Models
- ▶ Equal Opportunity, Diversity, and Gender Equality

Contributed SDGs



Capital Elements



Key Performance Indicators

	2021	2022	2023
Employee turnover rate (%)	2.01	1.90	1.63
Number of practices that support employee satisfaction	13	16	17
Participation rate in employee satisfaction surveys (%)	85	89	86
Unionization rate (%)	98	97.5	97.2
Satisfaction with the human resources practices score as part of the working life evaluation survey	68	72	72
Ratio of female employees to the total number of employees (%)	55	55	53
Ratio of female employees in senior and middle management (%) (Assistant Manager and above)	44	42.6	40.29
Average training hours per employee per year*	29.3	43	56.5
Share of digital trainings within all trainings (%)	30	25	30
Hours of training per person in management and leadership development programs	16.7	22.1	39.5
Hours of training per person in IT competence development trainings	26.3	36.1	43.8
Hours of training per newly recruited employee in their first year	116	108	140
Number of suggestions communicated by employees	2,950	4,702	3,894

* Training figures exclude participants of refresher trainings, while Private Security Officers and Servant Staff are not included.

Targets

Targets for 2023	Realization in 2023	Realization Satatus	Targets for 2024 and Beyond
Creating new training designs in parallel with changing needs while continuing the role-based training of Agile Area employees.	As part of the process of spreading the agile culture and good practices in the agile working model throughout the Bank, role-based development programs were implemented in collaboration with agile coaches to adopt the agile culture in terms of business conduct and human relations. Training sessions were organized to develop various skills specific to the field.	Completed.	In 2024, the aim is to play an active role in the development of our Bank's working climate and culture, focusing on the adoption of Agile values and principles. In this context, the plan is to continue development journeys specific to Agile Roles in collaboration with our Talent Management Division.
Providing Individual Development Plan training supported by various learning tools to develop Business Development and Innovation, Result-Oriented Problem Solving, Continuous Development, Customer Centricity, and Human Relations Management competencies to all employees at basic, intermediate, and advanced levels, tailored to the competencies that employees need to develop.	Individual Development Plan training, consisting of basic, intermediate, and advanced level video training content that was prepared to develop Business Development and Innovation, Result-Oriented Problem Solving, Continuous Development, Customer Centricity and Human Relations Management competencies.	Completed.	The plan is to provide all employees with the development of the Performance Management System.
Continuation of the Data Analytics Development Program	In 2023, 3,527 people received a total of 36,755 hours of training under the program.	Completed.	Data Analytics Development Program is planned to be continued.
Continuing to improve the digital learning platform "Learning World" by adding new features to improve the user experience aligned with good practice examples in 2023, adding new mini-games that support competency development in the "İşLegends" learning game, and designing a multiplayer structure within the same learning game	In 2023, the Bank's digital learning platform, Learning World, was made available to employees by developing features that prioritize user experience, such as a personalized homepage experience and making it possible for employees to easily complete legal compliance trainings. In 2023, the Bank's learning game İşLegends was improved to include a multi-player mode where employees may test each other's level of knowledge on technical banking topics and offered to employees in the second period of the learning game.	Completed.	The Bank's digital learning platform Learning World will be enhanced with gamification features. In the learning game İşLegends, the aim is to establish an in-game activity structure to enhance employee knowledge and awareness on topics parallel to periodically changing needs and the Bank's priorities.

Employee Loyalty and Satisfaction

İşbank considers providing a satisfying work environment for its employees to be a key responsibility and believes that the fundamental basis of business success is employee loyalty and satisfaction. The Bank has a deep-rooted corporate culture and supports its employees in their needs in today's modern world. Thanks to its deep-rooted approach to work that keeps pace with the times, employees remain a part of the İşbank family for many years.

Employee loyalty and satisfaction are İşbank's strengths and the basis of its success. Employee loyalty and satisfaction are regularly measured through surveys conducted at the Bank. The results of these surveys, comprising the areas of training activities, performance management, career management, recruitment process, remuneration, and rewarding with the aim of increasing employee satisfaction, are assessed by managers and allow for necessary improvements to be made.

In 2023, 86% of the Bank's employees participated in the employee loyalty and satisfaction survey conducted with the support of an independent firm. In this study, the loyalty rate was measured as 67%.

Employee satisfaction practices include online tours and workshops, cultural and arts events, special employee discounts at various organizations, and practices to increase employee support for volunteering. In 2023, the volunteer running team, made up of the employees of the Bank, participated in marathons for the benefit of various foundations and raised funds for these foundations with the support of employees.

The fact that employees have been working at İşbank for many years is a key indicator of employee satisfaction and loyalty. 68.81% of employees have worked for İşbank for more than 10 years. At the end of 2023, the employee turnover rate was around 1.63% and the voluntary turnover rate was 17.45%.



Employee Rights

İşbank is committed to providing a work environment where employees' rights are fully protected. All the Bank employees are free to join trade unions within the framework of freedom of association and act of their own free will. 97.22% of the Bank's employees are trade union members. İşbank, which has one of the highest trade union membership in the sector, does not carry out any activities that may involve the risk of forced labor.

The Remuneration Policy, which is based on the Bank's internal regulations and the provisions of the law, especially the Collective Labor Agreement, defines all the economic and social rights of the employees. The ultimate authority and responsibility for ensuring that the Bank's remuneration practices are effectively managed within the framework of the relevant legislation and this Policy rests with the Bank's Board of Directors. The İşbank Remuneration Committee is in charge of preparing decisions on remuneration to be submitted to the Board of Directors for approval, ensuring that remuneration is consistent with the Bank's risk appetite, ethical values, internal balances, and strategic goals, and the Committee regularly monitors the effectiveness of the Policy.

It is essential that the remuneration of the Bank's managers and employees at all levels is consistent with the Bank's ethical values, internal balances, and strategic goals and is not solely associated with the Bank's short-term performance.

The salaries of senior executives are determined in accordance with the Bank's strategies, long-term goals, and risk management structure and are designed to discourage excessive risk taking. The remuneration package of the Bank consists of salary, bonus, meals, foreign language compensation, dividend payment as defined in the Articles of Incorporation, and other fringe benefits that may vary according to seniority and/or scope of duties. Employees may also receive payments such as product-related sales bonuses, performance bonuses and executive bonuses, depending on their individual performance.

Managers and manager candidates in the branches and the Head Office divisions receive bonus payments on an annual basis. Bonus payments to managers are linked to performance , the Bank's long-term strategy and the risks taken. The Bank does not have a practice of paying variable remuneration to salaried employees.

In accordance with the Collective Labor Agreement signed with BASİSEN (Bank-Finance and Insurance Workers Union), all employees, regardless of position and seniority, are eligible for healthcare benefits in line with the principles outlined in the Healthcare Benefit Implementation Regulation. Additionally, they have access to amenities such as food services, personnel transportation services, and a range of other benefits and support packages such as marriage support packages, maternity allowances, child allowances, natural disaster support, goods transportation allowances, death and full permanent disability insurance, bonuses,

premiums, title compensation, and immigration allowance. Moreover, İşbank has initiated part-time employment contracts for university students, but since they are non-union members, they do not enjoy the privileges outlined in the Collective Labor Agreement due to the terms of their individual contracts.

The entitlement to special leave status of the Bank's employees is governed by the collective labor agreement in force. Under this agreement, employees are granted paid leave for varying periods of time including marriage, birth, adoption, the passing or critical surgery of a first-degree relative, their homes or possessions being affected by natural disasters, accompanying a dependent child in the hospital, or attending the treatment of a child with a disability or chronic illness.

On February 6, 2023, in response to the pressing housing problems faced by our employees in Hatay, Adıyaman, Kahramanmaraş, Malatya, and Osmaniye provinces, as well as their affiliated districts, along with İslahiye/Gaziantep and Nurdağı/Gaziantep districts (located within the 1st Degree Earthquake Zone) where the devastating effects of the earthquake disaster were felt the most;

- » A total 59 prefabricated buildings were erected in Hatay centre, with an additional 10 in Samandağ, and allocated to our employees.
- » To address the housing needs of our employees who were unable to secure housing through our Bank and resorted to rented accommodation, the practice of providing additional earthquake support equivalent to 75% of their rental costs and up to a maximum of TL 12,000 was put into practice as of September 2023.

The "Odak Sensin" project, tailored for employees, offers complimentary consultancy services on medical, psychological, and household needs, with services provided by Avita and Meditopia. Furthermore, the Bank also supports employees and their dependents in meeting their health needs with a wide range of health benefits.

The Bank supports its employees with practices that extend beyond their fundamental rights and freedoms:

- İşbank contributes to the sportive lives of its employees by providing access to the gym facilities located in the Head Office and TUTOM buildings, available to all employees.
- The Bank implements practices that exceed legal mandates. Annual leave, maternity leave, disability, and unpaid leave arrangements, as outlined in the Collective Labor Agreement, may be extended to grant rights in favor of employees beyond legal regulations.
- Additionally, the Bank facilitates the granting of administrative leave by direct managers upon employee request for personal matters. With the implementation of remote work practices, the employees now have more time to deal with their personal matters.

The Future of Business and New Working Models

İşbank has developed the Next-Generation Working Model in response to the evolving business world where working models evolved with the pandemic and remote working methodologies gained importance over traditional models. This approach aims to provide employees with greater flexible and agile working conditions, focusing on employee satisfaction and productivity. Since its inception in 2022, the working model offers various flexible arrangements tailored to the nature of the work, including additional periodic flexibilities such as the option to work from a different city during the summer.

In 2023, employees continued their activities in a hybrid working model, thoughtfully crafted to meet the diverse needs of business lines; the flexibility of space provided during working hours was embraced not only by the Head Office employees but also by Branch employees within the framework of the Dynamics of Branch operations.

With the introduction of remote and hybrid working into business life and the experience that flexible working models are also applicable, employees have found the opportunity to work from different cities within the framework of their needs. Employees have the opportunity to work permanently in MaxiOfis opened outside Istanbul if their managers find it appropriate. This made it possible to create an alternative to the increasingly challenging living conditions in Istanbul.

In 2024, efforts are underway to solidify the working model permanent. To this end, the Next-Generation Working Model Panel convened with the participation of 20 employees from various roles and positions to gather insights, demands, and expectations from employees regarding remote and flexible working. In parallel with the insights gained during the panel and the evaluations of our employees, the aim is to redesign the current model to enhance efficiency and employee experience, with the intention of making it permanent in 2024.

Moreover, in 2024, to the aim is to integrate digital workspace components and technological innovations into the working environment, bolstering next-generation working methodologies. This approach is designed to support the collaboration of employees and technology.

To improve the employee experience and consider the demands and needs of its employees in relation to lunch, the Company has introduced a system whereby employees who do not use the cafeteria are paid in cash for their lunch. In addition, a software application has been purchased to increase employee satisfaction and optimise the service budget for the shuttle service provided to our employees.

To support employee satisfaction and health, the İş Tower Sports Hall was opened in addition to the TUTOM campus for the use of the Bank's employees and retirees, as well as the employees of İşbank Group subsidiaries. Furthermore, group classes are offered in 5 different areas are at both İş Tower Sports Hall and the TUTOM Sports Hall.

Maxi Ofis

The first of the MaxiOfis spaces, designed as regional offices under the "İŞ'im her yerde" vision with the aim of effectively managing our Bank's human resources and providing access to the competencies needed regardless of location, was put into operation in 2022. Designed in line with the evolving employee expectations and the office usage needs in alignment with the new working model, MaxiOfis spaces offer the opportunity to work more efficiently and happily in a spacious, bright, innovative, and social environment. In addition to social areas such as café areas and reading corners, allowing employees to unwind during short breaks, MaxiOfis spaces meet the diverse needs of employees with specialised areas such as meeting rooms, private meeting spaces, and designated audio and silent working areas.

The MaxiOfis network aims to elevate the welfare and standard of living of more employees by meeting the demands of our employees who wish to be transferred to different cities through assignments to functions such as remote service, remote sales, data analytics, and operations, which the Head Office units wish to strategically expand. In 2023, four new offices, one each in Ankara, Izmir, Kayseri, and Mersin, were added to the offices that can be used by all employees whose work is suitable for remote working, especially remote workers and employees assigned to different cities, and a total of 12 MaxiOfis spaces in 8 different cities were made available to employees.

The MaxiOfis, which have been visited 44 thousand times by employees since their opening, are being gradually expanded in line with the demands and needs of employees and as part of the of human resources policies.

The "Disaster Management and Coordination Program" was launched to increase the Bank's resilience to disasters and to prevent unjust suffering by meeting the needs of employees following a potential disaster, within the framework of new requirements arising from the earthquake disaster on February 6, 2023 and lessons learned from disaster processes. The 7 agile teams structured as part of the program produced outputs in three main functions: business continuity, field organization, and employee dimension. The Program, which focuses on the health needs of employee, includes the design of gathering, living, and storage areas to ensure that employees' shelter and other basic needs are met after a potential disaster, and the preparation of life-support kits containing the materials they may need. Furthermore, to enable uninterrupted and sustainable communication after a disaster, a structured communication flow is being developed to ensure that information on the safety status of employees can be obtained , and to be able to learn and provide necessary information to meet their possible needs. Also, under the program, the earthquake resistance of İşbank service buildings is being assessed with the support of academic collaborations, and retrofitting and relocation actions are being taken for buildings that are considered to be at risk.

In 2023, İşbank continued its activities in a hybrid working model that was developed in accordance with the needs of its business lines. The flexibility of space granted during working hours was reciprocated by both Head Office employees and Branch employees within the scope of Branch dynamics.

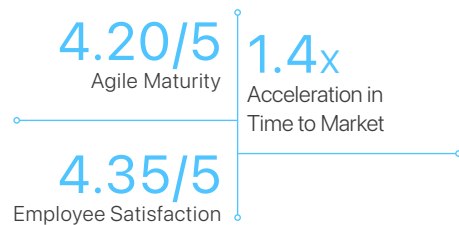
Functions such as remote service, remote sales, data analytics, and operations, which the Head Office units want to strategically expand, were added to the scope of competency lines in order to effectively manage human resources and provide location-independent access to the next-generation competencies needed. With these functional assignments, the goal is to improve the welfare and standard of living of more employees by addressing the demands of employees who request transfers to different cities.

Agile Workshop

Despite its huge corporate structure, İşbank has quick decision-making processes. The “**Agile Areas**” established in critical areas are an integral part of this working approach. Agile areas where employees from various functions come together, provide quick and innovative solutions to critical questions.

With the addition of the 5 Agile Areas in 2023, there are now a total of 25 Agile Areas, 1,660 employees working with the agile working model, and 225 Agile Teams.

The following results were obtained with the evaluations made in 2023.



Within the Agile Academy, a training catalogue and learning journeys comprised of 23 modules have been designed in a structure that can be used by external companies.

As part of the Agile Academy, development journeys have been implemented that are designed to serve external companies.

The scope of the Agile Transformation program was met in 2023, and it was agreed to employ the agile working model as the Bank's basic working model. Within this scope, the Agile Management Division's activities were discontinued, and in order to carry out the Division's mission in conjunction with the main functions of the Bank, it was decided to carry out design and agile working model activities within the Corporate Architecture Division, as well as agile coaching and development activities within the Human Resources Management Division.

In 2023, various concerns were prioritized on in agile transformation efforts. Unlike the Experience, Segment, Initiative and Platform Area organizations, Bank-specific working models were developed for corporate functions. Work continues with the relevant teams.

Development journeys for Area Leaders and Agile Roles (Competency Line Leader, Product Owner, Agile Ambassador, Team Member) were carried out in collaboration with the Talent Management Division to spread the Agile Working Culture. Agile coaches delivered a total of 9,488 person*hours of training in team competencies, role-based development, and the basics of agile working.

According to the findings of the Corporate Health Index Base Survey conducted prior to the Agile Transformation, employee satisfaction in agile areas was 76.8%, but it improved to 87% by December 2023. Similarly, it is pleasing to observe that Agile Principles have spread throughout the Bank (87.6%) and that Team Positivity results have also increased (89.8%). The Bank's subsidiaries continue to get training, team coaching, and transformation services.


Equal Opportunity, Diversity and Gender Equality


İşbank is among the institutions with the highest number of female employees in Türkiye, with 53.18% of its employees and 40.29% of its managers being women.

Since the day it was founded İşbank has had a supportive attitude toward female employees. In 2020, İşbank reinforced this egalitarian approach by becoming a signatory to the United Nations Women's Empowerment Principles (WEPs) and pledged to support and facilitate women's participation in employment in Türkiye. İşbank is also a member of the global initiative known as 30% Club, which works to raise the number of women in executive leadership roles on company boards all across the world.

The Bank's Gender Equality Policy was formed in 2021 by resolution of the Board of Directors. With the Board's approval, the Board of Directors Diversity Policy went into force in 2022.

In 2022, a program was developed to put the Bank's gender equality efforts into a structural framework under the Gender Equality Policy. The aim of this program is to develop best practices that create impact by considering all stakeholders in the Bank's value chain. To accomplish this, a four-pillar structure was developed with the dimensions of employees, suppliers, customers, and society. Working Groups, which comprise various Bank business units, continue to address this issue through various actions. The Women's Empowerment Declaration outlines the Bank's goals and strategies for promoting gender equality.

 To access the Gender Equality Policy, please [click here](#)

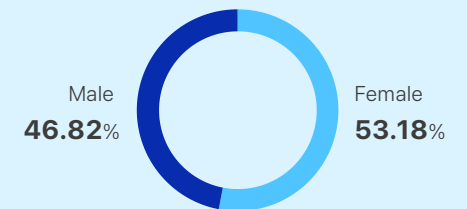
 Please [click here](#) to access the Women's Empowerment Declaration.

For İşbank, providing equal opportunities to all employees without discrimination is a material topic. Discrimination based on gender, language, religion, ethnicity, or age is not permitted in business processes. The Bank places high value on promoting gender equality and engages in training and practices in this regard. The Bank's Board

İşbank, one of the institutions with the highest number of female employees in Türkiye, prioritizes equal opportunities to all employees without discrimination.

The Bank's Board of Directors comprises 11 executives, two of them are women. The percentage of female executives on the Board of Directors is 18.18%. During recruitment, all candidates are given with equal employment opportunities, without discriminating against gender. While 50% of job applications are women and 50% are men, 49% of the Bank's newly hired employees in new graduate positions are women and 51% are men .

Breakdown of Employees by Gender*



Breakdown of Managers by Gender **



* Excluding employees with the title of Private Security Officer

**Assistant Manager and higher titles

53.18 %

Female employee ratio*

44.81 %

Ratio of female employees promoted

38.97 %

Ratio of female employees in income-generating roles

40.29 %

Ratio of female managers**

16.78 %

Ratio of female senior executives

36.67 %

Ratio of women working in information technology (IT)

4.35 %

Ratio of female engineers

48.73 %

Ratio of female employees recruited in 2023

38.39 %

Ratio of female employees in the top 10% of the Bank's highest paid employees

44.24 %

Ratio of women in the highest pay quartile at the Bank

52.03 %

Ratio of women in the upper middle pay quartile at the Bank

47.26 %

Ratio of women in the lower middle pay quartile at the Bank

49.22 %

Ratio of women in the low pay quartile at the Bank

7.32 %

Average unadjusted gender pay gap

99.80 %

Rate of female employees returning from maternity leave

* Excluding employees with the title of Private Security Officer

**Assistant Manager and higher titles

Equal pay for equal work

The Remuneration Policy covers the employees and managers of the Bank at all levels and is under the responsibility of the Remuneration Committee, which directly reports to the Board of Directors. Remuneration is managed through transparent and measurable processes and systems, and there is no gender-based pay differentiation within the remuneration policy. The Bank applies remuneration system that is transparent and measurable remuneration system and that is not based on religion, language, race, age, class, or gender. While ensuring the health, safety, and welfare of all employees, regardless of gender, the specific demands and needs of women are considered.

The "Gender Equality in Remuneration Audit Report", prepared in 2023 and presented to the Audit Committee, concluded that the remuneration of female and male employees did not differ according to gender in the conjugate study as of the date of commencement of employment, the date of the last title change, and the date of the last level change.

Career Opportunities

A joint program was developed with Upschool to increase the number of competent women to work in technology and digital activities at İşbank. Only female candidates may apply to this program, which offers technical training for 10 weeks and the opportunity to work in the Bank's Information Technologies, Data Management, or Head Office business lines to women who are fourth year university students or graduates, under 30 years old and who passed the evaluation process.

Awareness for equality

İşbank implements gender equality practices covering all employees and activities in line with the principles of equal opportunity and diversity. The "Gender Equality, Diversity and Inclusion in Institutions: Why and How" seminar, attended by 41 executives, shared current information and practice examples from Türkiye and around the world on gender equality, diversity, and inclusion. The seminar also included suggestions for policy development, methods and tools for use, and reporting guidelines for upcoming stages.

Within the framework of the Bank's gender equality-aware practices, in 2023, 102 executives attended the "Leader Women" Program, which was launched to encourage female employees toward more active participation in management and to support their advancement to senior management positions. As part of the program, following trainings on gender equality and developing inclusive and genuine leadership skills, participants gather in small groups under the mentorship of experienced managers for experience-sharing sessions throughout the year.

The "Diversity and Inclusion" course, which is delivered in career training programs for new employees with the titles of Officer and Assistant Specialist, as well as employees promoted to Executive and Assistant Manager roles, includes a one-hour course on tacit prejudices and gender equality. 2,388 employees attended this training program.

Under the umbrella of Management Development Conferences designed for the participation of executives and management candidates throughout the year, 4,334 employees attended 11 seminars, including "Empowering Equality", "Sustainability; (Am) I Responsible for the Planet," and "Breaking Down the Walls of Violence Together".

To minimize the use of masculine language in favor of gender equality, the "Gender-neutral Dictionary" application developed by Softtech was purchased in 2023 and integrated into the Outlook application, with the aim of eliminating the use of discriminating phrases and raising awareness.

The "Sexual Harassment Awareness in Business Life" digital training, developed to help raise employees' awareness on gender equality, was implemented. The training covered the definition and types of harassment, as well as instances of verbal, visual, and physical harassing behavior. In addition to this training, 3,040 employees completed the "Correct Approach Towards Disability" and "Sign Language" trainings in 2023. The contents of these trainings were prepared by the Banks Association of Türkiye and made available to employees via Learning World since 2017. Also, our employees received the "Domestic Violence against Women" digital training, which covers domestic violence against women, what to do in the event of violence, and the impact of domestic violence on women, children, and young people.

Gender equality is a sensitive issue that İşbank addresses and supports in communication activities. Women/female farmers contribute significantly to agricultural production and equal visibility

in rural regions is promoted. To demonstrate this significance and appreciation, the Bank assesses its advertising and marketing content from this perspective, focusing on the positioning of women, textual expressions, selected imagery, and scenario flows. Content for use in the Bank's marketing and advertising activities is prepared with gender discrimination in mind, vetted by relevant teams before publication, and evaluated in terms of all biases and identity distinctions, including gender. In case some or all of the content is deemed inappropriate, feedback is delivered to the relevant business units and contracted third-party companies, and business processes are developed to address this issue. In machine learning models, gender information and information such as "date of maternity leave" are avoided since they may lead to gender prediction. Within this scope, prior to the publication of communication activities, women's roles are delicately managed, and texts are written with gender equality in mind. There were no complaints of gender discrimination in marketing and advertising activities.

Family-friendly employer

İşbank values its employees' family lives. For this purpose, practices that support employees' work-life balance are implemented.

İşbank has implemented practices to facilitate female employees return to work after childbirth. Thanks to these practices, 99.8% of female employees who went on maternity leave in 2023 returned to work.

Female employees on maternity leave maintain their positions, and following the end of their leave, they can resume their duties in the same position and location. They can request unpaid maternity leave before starting work or take advantage of part-time work arrangements. For new mothers, breastfeeding rooms have been designated to provide a more comfortable working environment following maternity leave. Employees who take nursing breaks might also benefit from personnel transportation services. Mother and child benefit from the Bank's extensive health benefits. Female employees working at the Bank's TUTOM location can send their children between the ages of 36 and 72 months to the Private Tuzla Bilfen Kindergarten, which is located there. All employees with children get a maternity and child allowance. Male employees can take a longer paternity leave than is stipulated in the regulations.

Compliance with Operating Principles

İşbank protects its unique corporate culture and employee rights through a wide range of audit and communication activities. If suspicion arises during routine audits undertaken by the Board of Inspectors, that the Bank employees do not adhere to work standards, or if the Board receives a claim that the operating principles are not followed, the matter is thoroughly investigated. If tangible evidence is found that supports such suspicion or claim, the Board reviews the reports prepared to allow the necessary administrative decisions to be made in accordance with the Bank's collective labor agreement and the legislation before transferring them to the relevant Head Office Divisions for action.

For behaviors deemed to be in violation of the Bank's policies, the required disciplinary action, up to termination of the employment contract, is taken in accordance with the Human Resources Regulation and applicable articles and procedures of the Collective Labor Agreement. When circumstances necessitate legal action, the infraction is brought to the attention of legal authorities. Accordingly, 29 investigations were conducted and referred to the related Head Office Divisions in 2023.

Sexual harassment allegations submitted to the Board of Inspectors are investigated by the Board, and the findings are forwarded to the relevant disciplinary units of the organization in accordance with the provisions of legal and internal regulations.

Internal Communication and Employee Participation

İşbank values its employees' ideas and suggestions. Within this context, the Bank listens to the employee suggestions, complaints, and feedback through constant communication channels and incorporates them into its management and decision-making processes. İşbank uses various platforms to systematically ensure employee participation.

- As part of the Employee Communication Platforms and Programs (ÇİPP), trend surveys are conducted among employees, and new activities are planned using this method. This platform offered innovations such as cultural tours, online workshops, competitions, parenting seminars, and e-sports activities, resulting in greater participation of employees in social responsibility activities. Hobby and interest groups created through ÇİPP provide employees with opportunities to expand their communication networks within the Bank.
- HR Help Desk (Maximo) is an application that receives and forwards employee opinions, evaluations, requests, and complaints to the relevant units.
- There are internal confidentiality systems for employees to report their complaints about the workplace. Employees can report actual or suspected violations of İşbank's Ethical Principles and Operational Rules, the Bank's policies and internal regulations, as well as national and international legislation via the Ethics Hotline. The reports are kept confidential; and unless expressly requested, the name of the reporting person is kept confidential. Employees,

who report a violation, are not subject to any disciplinary action, direct or indirect retribution, or disadvantage relative to their peers.

- Submissions received via the "Negative News Line" are limited to the CEO's viewing and immediate response. Employee privacy and confidentiality are therefore protected at the highest level. In 2023, 907 employees created 1,058 negative news items, and relevant business divisions assessed product and process improvements.
- The "About Me" platform was developed to provide accurate and detailed information to support the Bank's decision-making processes and to enable employees to communicate issues they believe the Human Resources Function should know. The information entered on the platform can only be viewed by authorized personnel in the Human Resources Management Division and by the employees themselves, and the confidentiality of the shared information is essential. Employees can use this platform send notifications under the topics "About My Family", "About My Health", "I Have a Complaint", "I Have a Wish", and "About My Career".
- The suggestion system, known as "I Have a Proposal" and in use since 1996, was renewed and made available to employees after being renamed "I Have a Suggestion" on July 26, 2012, to reflect technological advancements and changing needs. The features of the suggestion system, which is designed to create new applications and solutions related to the banking system together by utilizing the knowledge and experience of employees, to develop and improve the customer experience, to develop the creativity of employees, and to increase their sense of job satisfaction by enabling them to participate more, are briefly as follows:

- Finding new product or service areas,
- Providing better and higher quality service to customers,
- Creating additional services and use cases for existing products,
- Ensuring that transactions are carried out with less labor, time, and cost,
- Empowering the Bank's corporate identity and image,
- Ensuring that the Bank's resources are used more effectively and efficiently,
- Making the working environment and conditions more favorable,
- Creating new marketing and sales opportunities,
- Being technologically innovative,
- Social responsibility

All employees can make suggestions on these topics, as long as they bring innovation and benefit to our Bank's practices and cover just one topic.

Head Office employees cannot benefit from the suggestion system's rewards, even if they submit suggestions on topics over which they have direct control and implement in their divisions' fields of activity.

Preferred Employer

İşbank strives to be a preferred employer for qualified employees. By attracting prospective labor force, the Bank contributes to developing young employees while also increasing the organization's sustainability and brand value and retaining existing employees. Communication with university students takes place through student clubs, career centers, career platforms, and youth agencies. Employees representing the Bank's business units engage with young people at career meetings, seminars, and other events such as ideathons and bootcamps to share their corporate culture, experiences, and industry knowledge. The Bank's in-house technology and innovation efforts are shared with students, and the Bank benefits from their ideas on product and service development as well as workplace organization.

The MasterClass Internship Program, MasterClass Digital Development Program, and the Future Hub programs all students in their final two years of university to get to know the institution closely, collaborate on joint projects with current employees, and gain personal and professional development opportunities through online training.

Apart from mentoring university students through development programs, the Bank and İş Sanat also provide them with the opportunity to benefit from in-bank training and take part in creative events. In this way, young people enrich their personal and cultural lives during education. Graduates of these programs have the chance to work part-time, begin their careers, learn on the job, and enhance their competencies. Technical information on various areas of expertise, such as Information Technologies, Data Science, or Digital Banking, is published on digital platforms through short online trainings to help all interested parties develop their competencies.

The process of evaluating suggestions is as follows:

- Employee suggestions are preliminarily evaluated by the Corporate Architecture Division. Then, if necessary, they are sent to the relevant Divisions according to the subject matter.
- Suggestion owners receive responses via the system within a maximum of 15 days from the date of entry.
- Suggestion owners can monitor the outcome of their suggestions through the system.

At the end of these processes, Suggestion owners get gift vouchers from İş Kültür Publications after their suggestions are deemed favorable and approved for implementation.

The "I Have a Suggestion" application aims to create new applications and solutions related to the banking system by utilizing the employees' knowledge and experience, thereby improving and enhancing the customer experience. The application also aims to boost employees' creativity and their job satisfaction by increasing their participation. During the reporting period, 3,894 suggestions were submitted, with 182 implemented.

Employee Health and Safety

One of İşbank's main responsibility areas is to ensure a healthy and safe work environment that meets international standards. At İşbank, the Human Resources Management Division Manager, who reports two levels below than the General Manager, is the most authorized person in charge of employee health. In accordance with the provisions of the Occupational Health and Safety Law, OHS Committees with employee representation are established in the Bank's premises with more than 50 employees.

As of year-end 2023, there were 40 OHS Committees operating at İşbank, and these Committees convened 135 times during the year. The meetings were attended by 267 board members, with 113 as employee representatives.

In addition to a healthy and safe working environment, it is also important to maintain it. This is only possible if employees know OHS. The Bank organizes trainings to raise OHS awareness among its employees.

In 2023, 129,474 person*hours of OHS training were provided to 21,006 employees.

İşbank's Occupational Health and Safety Policy was approved by the Board of Directors, announced to all employees, and published on the Bank's [website](#).

Talent Management

İşbank provides its employees with opportunities to improve their skills throughout their careers and prioritizes the development of future competencies as a strategy. To develop the competencies of employees, a wide range of training programs and learning tools customized with state-of-the-art technologies are offered in line with the equal opportunity principle. "Being the bank of the future that creates sustainable value" is also in line with İşbank's vision, which includes supporting its employees with continuous development.

Career Trainings

Starting from their first day of work, new employees at our Bank participate in "Starting My Career" training sessions that are tailored to their specific titles and duties. In 2023, 1,821 employees took part in the training. 1,660 employees took part in the promotion trainings, which were organized to provide our employees who were promoted to Senior and Assistant Manager positions the technical information they would need while preparing for their new duties as well as the theoretical groundwork to help them develop their management skills.

Training Catalog

Employees attend seminars under the "İş'te Sohbetler" brand on various topics and benefit from various trainings offered in the "Training Catalog", which is prepared to support competency development and transformation in line with our Bank's strategic goals, based on their individual needs and preferences. In 2023, as part of the Training Catalog, 2,386 employees received training on a total of 30 different topics, including professional development, digitalization, personal development, and leadership.

Trainings for Field Employees

Trainings on various subjects were held, taking into consideration the types of branches, roles, and the duties and responsibilities associated with these positions, in order to support field employees in their competency transformation. The Sales Academy Phase 3 trainings for individual sales teams, as well as Phase 4 trainings tailored to address next-generation customer behaviors and expectations, continued. In addition to the trainings organized for commercial sales teams, employees were offered two modules of the "Tradespeople, SME and Agriculture Academy", which was launched in 2022 with an emphasis on getting to know tradespeople, SME, and agricultural customers. In 2023, İşbank's specialized branch structuring included programs focused on training designed for agriculture specialized and entrepreneurship branches. The employees of entrepreneurship branches attended the "Entrepreneur Banking Training Program," while the employees of agriculture specialized branches attended the "Agriculture Specialized Branches Development Program" as well as trainings on technical product knowledge, sales, and technology with year-round modules. Commercial and corporate specialized branch employees attended trainings on different topics to assist their technical knowledge and sales competencies, while employees in private banking specialized branches received "Investment Products, Derivatives and Special Structured Products" and "Personal Brand Management and Impact Creation" trainings. In 2023, over 20.000 employees completed over 131,000 hours of training as part of role-based trainings offered to branches and direct sales teams.

Competencies of the Future

The first phase of the Digital Academy Program, which consists of five modules and focuses on digital competency in the fields of User Experience and Digital Marketing, was completed with more than 110 thousand hours of training. For those who have completed the first phase of the program will be offered practical trainings in 2024.

These trainings, theoretical knowledge acquired will be applied in an end-to-end practical manner within the scope of a project.

In 2023, a total of 70 employees attended the Innovation and Marketing Academies designed in collaboration with leading universities and institutions for employees in related business areas in line with future competencies.

Within the Artificial Intelligence Academy and the programs designed to improve the technical knowledge and skills of the Information Technologies (IT) business family, 772 people received a total of 39,900 hours of training.

The Reverse Mentoring Program was launched in 2023 with the aim of fostering intergenerational collaboration, promoting a more inclusive and dynamic working environment, and strengthening İşbank's ongoing learning and development culture. 33 managers and 67 young employees started voluntary interviews for the first term of the program.

Leadership Trainings

İşbank's management and leadership development programs are designed to strengthen next-generation leadership competencies as well as to promote a winning culture and a leadership approach focused on continuous development.

Among the programs offered in this scope, the following stand out:

Launched in 2023, the Leadership Development Today and in the Future Program aims to ensure behavioral change and to support the employees' potential at the transition stage to management by focusing on the required competencies. 116 employees received a total of 4,176 hours of training.

A total of 27,044 hours of training was provided to a total of 657 employees in the programs (Assistant Manager Development Program, Branch Manager Development Program, Effective Management and Leadership Program, ESMT Leadership Development Program, etc.) attended by executives throughout their careers, designed to support the technical knowledge and management skills required for their relevant roles.

As part of the Branch Manager Training Catalog, in which employees with the title of Branch Manager participate according to their interests and needs, a total of 490 employees received a total of 5,295 hours training on 19 topics in 2023.

"Sustainability and Our Bank's Practices in Sustainable Finance" training was provided to executives and sales teams working in Corporate and Commercial specialized branches to ensure that they have full knowledge of the Bank's sustainable development goals as well as information about its sustainable financing products.

Gender Equality Trainings

Within the framework of the Bank's practices regarding gender equality, the Leader Women Program aims to encourage active participation of female employees in management and support their advancement towards senior management positions. The program includes trainings on gender equality and developing inclusive and genuine leadership skills. Afterwards, throughout the year, participants gather in small groups for experience-sharing meetings under the mentorship of experienced managers. In 2023, a total of 198 managers attended 4,568 hours of training.

The training materials prepared to raise employees' awareness of a potential disaster situation and instruct them about what to do before, during and after a disaster were implemented under the title

"Disasters and Disaster Protection Program". The program, which consists of 31 training materials in total, covers natural disasters such as earthquakes, fires, and storms, as well as precautions and actions to take to reduce disaster damages.

The "Gender Equality, Diversity and Inclusion in Institutions: Why and How" seminar, attended by 41 executives, shared current information and practice examples from Türkiye and around the world on gender equality, diversity, and inclusion. The seminar also included suggestions for policy development, methods, and tools for use, and reporting guidelines for upcoming stages.

The seminars "Empowering Equality", "Sustainability; (Am) I Responsible for the Planet" and "Breaking Down the Walls of Violence Together" within the Management Development Conferences organized for managers and manager candidates, the "Women in Business Life and Inclusive Leadership" training within the Leader Women Program and the "Gender Equality, Diversity and Inclusion in Institutions: Why and How" seminar organized for employees with the titles of Unit Manager and above are focused on supporting employees' self-awareness regarding tacit prejudices. A total of 598 managers and manager candidates participated in these trainings. Furthermore, all management and leadership trainings emphasize the inclusive leadership approach and the need to avoid discriminatory behaviors.

Innovative Media

All employees may access various on-demand digital content such as video, digital training, and games via the "Learning World" digital learning platform. The platform will soon have a gamification module added and Learning World will be positioned as platform for learning experiences.

Based on the agreement with the Neoskola platform, which features content prepared by leading expert trainers and is presented in high-quality production, employees were given access to four more trainings under the "Learn from the Best" brand and in addition to the ten already provided. In addition, the Bank's employees continued to have access to the Vidobu platform, which contains instructional videos created by expert trainers.

Digital learning activities to raise employee awareness on the notion of sustainability continued. Also, employees were given access to the "Sustainable Development Goals" training, which was designed to raise awareness of sustainable development goals. In addition to the related training, the Sustainable Finance training aims to provide information on the concept of sustainable finance, the Green Deal in the finance sector, and how sustainability is handled in the context of digitalization; the "Our Sustainability-Focused Products and Services" digital training, which includes information about the products and services provided with a focus on sustainability, was uploaded to the Learning World platform.

Employees were given access to monthly Learning World videos featuring informative content created by experts from İş Portföy A.Ş., a subsidiary of İşbank. The videos cover topics such as monthly economic expectations and investment products that can be offered to customers based on these expectations. the "Gold Fund" and "TEV Education Support Hedge Fund" videos were added to the "Mutual Fund Recommendations" digital training program, which is managed with the expertise of İş Portföy A.Ş. and given to customers, in addition to the existing video content.

The second period of the İşLegends learning game, which was prepared to raise employees' awareness of strategic goals, support them in acquiring future competencies in line with the banking of the future and its evolving business needs, and contribute to the level of knowledge about the Bank's vision, mission and values, was made available to employees on May 10, 2023. More than 2,500 employees took part in the second period, which ended on November 1, 2023, and over 1 million questions were answered in total.

Employees were given access to the first part of the "Credit Risk Academy" via Learning World on October 2, 2023. The goal of this program was to improve employees' competencies in understanding, managing, and evaluating credit risk. The program was intended to consist of four parts, with each part focusing on a basic concept such as risk and credit relationship, financial risks and internal systems regulation. More than 2,000 employees viewed the introduction panel of said academy.

Performance and Learning Culture

İşbank executives are trained internally. In other words, employees are potential managers as well. Depending on their performance, all employees have the opportunity to be promoted to management positions. Accordingly, the Performance Management System plays an important role in İşbank's human resources practices.

İşbank renewed its Performance Management System in 2023, including all elements. In this context, the Self-Assessment and 360 Degree Assessment practices were implemented for the first time in the performance evaluations in 2023. Their purpose was to allow employees to share their self-assessments with their managers and to receive evaluations from their teammates and subordinates (if any), and to build the Manager Evaluations based on the outcomes of these assessments. Then, these were finalized through the Review process. The new system aims to transfer the observations of a larger group of evaluators engaged in the evaluation process with concrete findings. This way our employees have the opportunity to learn about various viewpoints on themselves and to provide our employees with more input to their career processes through objective performance data.

Assessment Center Practices

A total of 636 İşbank employees holding the titles of Assistant Manager/Specialist/Inspector participated in the "Transition to Management Assessment" in 2023. In order to base their transition to the management phase on more objective and tangible criteria, this assessment evaluates their management approach, the impression they make professionally and socially, their personal characteristics, their level of competence, and their vision for fulfilling their responsibilities, as well as their suitability for management in line with the Bank's management culture and brand.

In addition to the "Transition to Management Assessment Center" practices, a different assessment process called the "Manager Assessment Center" was designed for employees currently serving as managers at the 8th level. This center aims to measure the potential and readiness of the relevant managers for their next position. From April 2023 until the end of 2023, 420 employees participated in this assessment.

Good Corporate Citizen

132

Transparent and
Ethical Management

166

Contribution to Social
Welfare

173

Corporate Management
Approach



Transparent and Ethical Management

In its 100th year, İşbank, a bank identified with trust and reputation in the banking sector, continues to create value for its stakeholders with its deep-rooted corporate culture, internalized corporate governance principles, and transparent and accountable business practices.

Risks

- Exposure to penal sanctions due to non-compliance with rapidly changing and increasing legal regulations
- Being out of the competition because of the top management's knowledge and experience level not keeping up with the changing economic conjuncture
- Loss of trust with stakeholders and dismissal from relevant engagements due to failure to meet reporting and information-sharing requirements

Opportunities

- Increasing the interest of investors and customers with an excellent reputation and brand value
- Contributing to reputation management with transparent information sharing, gaining a competitive advantage in different performance areas

Relevant Stakeholders

- ▶ Shareholders
- ▶ Investors
- ▶ Employees
- ▶ Customers

Material Topics

- ▶ Business Ethics, Transparency and Corporate Management
- ▶ Efficient Risk Management

Contributed SDGs



Related Capital Elements



Key Performance Indicators

	2021	2022	2023
Number of employees receiving Anti-Bribery and Anti-Corruption Training	5,716	17,015*	19,889
Total hours of Anti-Bribery and Anti-Corruption Training	627	2,130	2,667
Risk Management	Number of times the Risk Committee convened: 11	Number of times the Risk Committee convened: 11	Number of times the Risk Committee convened: 12
	Number of times the Operational Risk Committee convened: 2	Number of times the Operational Risk Committee convened: 2	Number of times the Operational Risk Committee convened: 3
	Conducting loss event data analysis	Conducting loss event data analysis	Conducting loss event data analysis
	Completion of scenario analysis	Completion of scenario analysis	Completion of scenario analysis
	Conducting impact-probability analysis	Conducting impact-probability analysis	Conducting impact-probability analysis
	Conducting Top-Down Risk Assessment	Conducting Top-Down Risk Assessment	Conducting Top-Down Risk Assessment

Audits carried out by the Board of Inspectors

Number of domestic branch audits	175	79**	82
Number of foreign branch audits	2	3	6
Number of subsidiary audits	10	8	7
Number of Head Office division/process audits	24	20	39
Publishing of Integrated Annual Report	Completed.	Completed.	Completed.
Number of social media followers (million)	2.6	2.7	2.8
Developing cooperation with national and international initiatives	📄 See Initiatives Supported in the Field of Sustainability		
Fulfilling UNEP FI Principles for Responsible Banking commitments	📄 See Initiatives Supported in the Field of Sustainability		
Fulfilling NZBA commitments	📄 See Initiatives Supported in the Field of Sustainability		

*The main reason for the rise is the number of persons who completed the digital training “Compliance with Combating Financial Crimes and Sanctions Policy Program”, the content of which was renewed and assigned to all employees as legal compliance training in November 2021.

**The number of branch audits decreased as the number of central audits increased.

Targets

Targets for 2023	Realization in 2023	Targets for 2024 and Beyond
Establishing a “Credit and Risk Management Academy” to increase the level of knowledge of our employees who are planning to work in the risk management area of our Bank’s lending processes and to contribute to their inclusion processes	The first module of the "Credit Risk Academy", which is intended to improve our employees' competencies in understanding, managing, and evaluating credit risk and will consist of four modules focusing on basic concepts such as risk and credit relationship, financial risks, and internal system regulation, was made available to our employees via Learning World on October 2, 2023; more than 2,187 employees participated in the academy in 2023.	The first phase of the Credit Risk Academy, consisting of 4 parts, is planned to be completed and presented to our employees in 2024.
Completing the impact analysis studies of the Bank’s portfolio in line with the UNEP FI Principles for Responsible Banking by 2024 and contributing to the studies towards sustainable development and global climate goals in line with the targets	Partnerships for Climate Action, p.82 Responsible Banking, p. 72-74	Target is protected.
Managing the impacts arising from the Bank’s loan portfolio under the NZBA commitment and setting reduction targets	In 2023, İşbank announced its 2030 emission reduction targets for carbon-intensive sectors such as energy generation, cement, and iron and steel. Accordingly, the aim is to reduce emission intensity by 61% in the power generation sector, 21% in cement, and 10% in iron and steel by 2030, compared to the base year 2021. Science-based global scenarios were considered for determining sectoral reduction targets based on base year values.	<ul style="list-style-type: none">• In 2023, the annual realization status of the announced targets will be shared with the public.• Emission intensity reduction targets will be set for other carbon-intensive sectors.• Transition plans will be prepared and announced.

Management Structure

Consisting of 11 members, İşbank’s Board of Directors is the highest management body responsible for steering the Bank’s strategy.

With 4 independent members¹⁵, the Board of Directors is composed of non-executive members, except for the CEO. The roles of the CEO and Chairperson of the Board of Directors are held by different individuals. The Board of Directors has established several governance committees in place to support the its activities in various areas. The Executive Committee, which is responsible for implementing the strategies defined by the Board of Directors and led by the CEO, consists of 12 members, including 2 women, in addition to the CEO.

The members of İşbank’s Board of Directors are responsible to the Bank and its shareholders in the performance of their duties. The members are required to perform their duties within the powers and responsibilities established by law and the Articles of Incorporation, and in accordance with the principles and procedures set forth in the Bank’s “Directive on the Operating Procedures and Principles of the Board of Directors”.

İşbank's Board of Directors consists of 7-11 members, one of whom is the CEO, as stipulated in the Articles of Incorporation. Members other than the CEO are elected by the Bank’s General Assembly for a maximum term of three years. Members whose term of office expires may be re-elected. The number and qualifications of the independent Board members are determined in accordance with the regulations of the Capital Markets Law on corporate governance.

There is no practice of subjecting a certain proportion of the Board Members to rotation at the General Assembly.

Candidates having the qualifications prescribed by law are selected by the Board of Directors to fill vacancies due to death, resignation, or other unforeseen reasons, and such members shall be submitted for approval at the first General Assembly meeting to be held. Members selected in this manner serve until the first meeting of the General Assembly, and if their selection is approved by the General Assembly, they shall serve for the remainder of the term of the member they are selected to replace.

If there is a conflict of interest with respect to any of the items on the agenda of the İşbank Board of Directors, the Chairperson, the Vice Chairperson, and the members shall not preside over the meeting and shall not participate in the discussion of the items on the agenda with respect to which there is a conflict of interest.

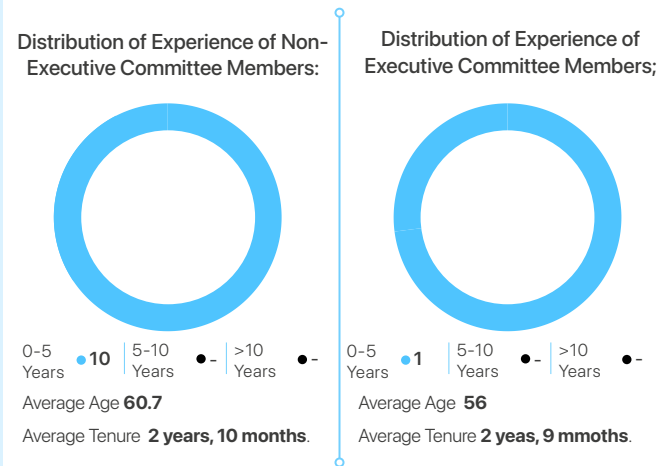
İşbank’s General Assembly has a structure that allows shareholders to express their opinions and make suggestions. Shareholders or other interested parties who wish to speak on an item on the agenda notify the chairperson of the meeting. The chairperson shall announce the persons wishing to address the General Assembly and shall call upon them in the order in which they have requested to speak. Pursuant to Article 1527 of the Law, the procedures and principles set forth in said article and sub-regulations shall be applied with respect to the submission of opinions and suggestions by the shareholders or their representatives participating in the General Assembly meeting by electronic means.

¹⁵ As per the II-17.1 Corporate Governance Communiqué published on 03.01.2014, the Members of the Board of Directors who are assigned as members of the Audit Committee, as part of the organization of the Board of Directors of banks, are considered as independent Members of the Board of Directors.

Board Member Matrix*

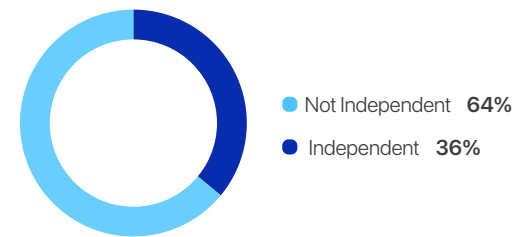
Age and Average Tenure

Policy: To become a Board Member, the person must have the capacity to exercise civil rights and possess the qualifications required by applicable law. There is no maximum age specified. Board Members shall be elected by the General Assembly at least every three years, and they may be re-elected. If a vacancy occurs for any reason during the interim period, a member shall be selected by the Board of Directors to complete the remainder of the predecessor's term and shall be submitted to the approval of the first General Assembly to be held.

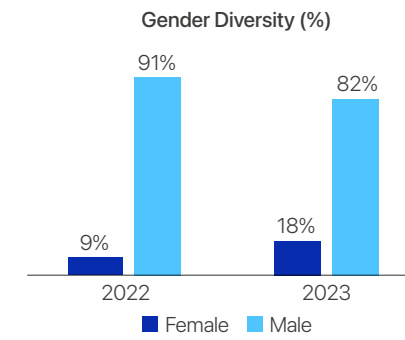
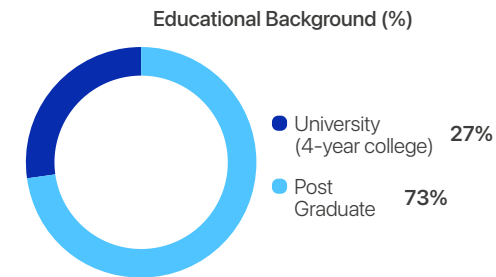


Independence

Policy: As per the II-17.1 Corporate Governance Communiqué published on 03.01.2014, the Members of the Board of Directors who are assigned as members of the Audit Committee, as part of the organization of the Board of Directors of banks, are considered as independent Members of the Board of Directors. Ahmet Gökhan Sungur and Gökhan Şen serve as Independent Board Members; Güzide Meltem Kökden and Sadrettin Yurtsever are Independent Board Members since they are also members of the Audit Committee. Status of Independence; (%) 36 Independent (%) 64 Non-Independent.

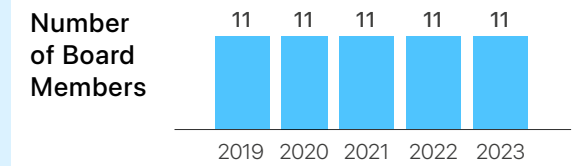


Educational Background and Gender Diversity



Number of Board Members and their Tenure

Policy: The Board of Directors consists of 11 members, including the CEO, who is a natural member of the board. Except for the CEO, 10 Board Members are elected at least every three years by the General Assembly, and the members can be re-elected. To become a Board Member, the person must have the capacity to exercise civil rights and possess the qualifications required by applicable law.



Changes in the Board of Directors Within the Last 5 Years

In 2019, 2 Members left, and 2 new Members were elected to complete the remaining terms of the vacated Members.

In 2020, at the Ordinary General Assembly Meeting held, a total of 6 Members, 5 as Members and 1 as an Independent Member, were vacated and 6 new Members were elected with the same composition and 4 Members were re-elected.

In 2021, 1 Member vacated, and 1 new Member was elected to complete the remaining term of the vacated Member.

In 2022, there was no change in the composition of the Board of Directors.

In 2023, at the Ordinary General Assembly Meeting, a total of 3 new Members were elected, 2 as Members and 1 as an Independent Member, and 7 Members, including 1 Independent Member and 6 Members, were re-elected.

Skills	Adnan Bali	Güzide Meltem Kökden	Hakan Aran	Fazlı Bulut	Durmuş Öztekin	Recep Hakan Özyıldız	Mustafa Rıdvan Selçuk
Independent		✓					
Auditing and/or Corporate Finance	✓	✓	✓	✓	✓	✓	✓
Banking/Investment/Insurance/Pension/Stock Exchange/FOREX	✓	✓	✓	✓	✓	✓	✓
Technological Skill/Digitalization and Information Technologies (Cybersecurity)			✓				
Acquisition and M&A and /or Capital Markets		✓				✓	
Public Policies				✓	✓	✓	✓
Environmental/Social	✓		✓				
Entrepreneurship/Innovation	✓	✓	✓				
Communication/Marketing/Customer Services	✓	✓	✓				
International	✓		✓				

* Prepared based on Glass Lewis Board Skills Matrix.(As of 31.12.2023)

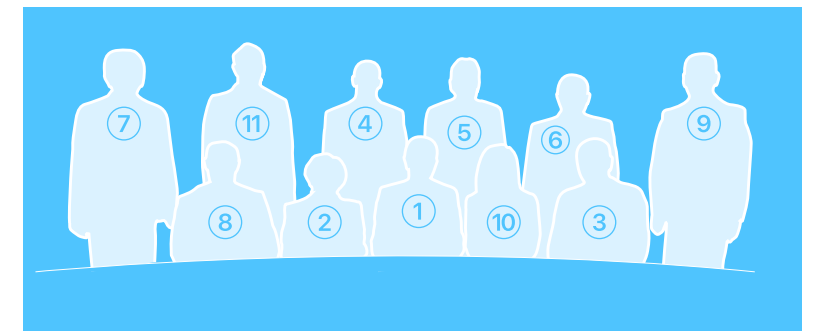
Ahmet Gökhan Sungur	Sadrettin Yurtsever	Şebnem Aydın	Gökhan Şen
✓	✓		✓
✓	✓	✓	✓
✓	✓	✓	✓
✓			
			✓
	✓	✓	
			✓
	✓	✓	✓
			✓

Board Member	Number of Board Meetings Not Attended by the Member
Adnan Bali	0
Güzide Meltem Kökden	0
Hakan Aran	0
Fazlı Bulut	0
Durmuş Öztekin	0
Recep Hakan Özyıldız	0
Mustafa Rıdvan Selçuk	0
Ahmet Gökhan Sungur	0
Sadrettin Yurtsever	0
Şebnem Aydın	0
Gökhan Şen	0

Board of Directors



- ① **Adnan Bali**
Chairperson of the Board of Directors
- ② **Güzide Meltem Kökden**
Vice Chairperson of the Board of Directors
- ③ **Hakan Aran**
Member of the Board and Chief Executive Officer
- ④ **Fazlı Bulut**
Member of the Board
- ⑤ **Durmuş Öztekin**
Member of the Board
- ⑥ **Recep Hakan Özyıldız**
Member of the Board
- ⑦ **Mustafa Rıdvan Selçuk**
Member of the Board
- ⑧ **Ahmet Gökhan Sungur**
Independent Member of the Board
- ⑨ **Sadrettin Yurtsever**
Member of the Board
- ⑩ **Şebnem Aydın**
Member of the Board
- ⑪ **Gökhan Şen**
Independent Member of the Board



Board of Directors



Adnan Bali

Chairperson of the Board of Directors

1962, İslahiye. He graduated from the Economics Department of Middle East Technical University, Faculty of Economics and Administrative Sciences. Mr. Adnan Bali began to work as Assistant Inspector in the Inspection Board of İşbank. He served at Fund Management Department as Assistant Manager in 1994, as Group Manager in 1997 and was appointed to Head of Fund Management in 1998. Mr. Bali became Branch Manager of Şişli Branch in 2002, Galata Branch in 2004, and was promoted to the Deputy Chief Executive on 30 May 2006. He was appointed as the CEO of İşbank on 1 April 2011.

Apart from his role in the Bank, Mr. Bali is also the Chairperson of Türkiye Sınai Kalkınma Bankası A.Ş. and the Chairperson of the İşbank Members' Supplementary Pension Fund.

Mr. Bali, who was elected as a member of İşbank's Board of Directors on 31 March 2021 and 30 March 2023 and as the Chairperson of İşbank on 1 April 2021 and 31 March 2023, also serves as the Chairperson of the Remuneration Committee, the Risk Committee, the Sustainability Committee and the Board of Directors Operating Principles Committee and a member of the Credit Committee.



Güzide Meltem Kökden

Vice Chairperson of the Board of Directors

1969, Kastamonu. Ms. Kökden holds a bachelor's degree from the International Relations Department of Ankara University, Faculty of Political Sciences, and a master's degree in EU Law from Ankara University, Institute of Social Sciences. In 1991, Ms. Kökden began to work as Assistant Investment Specialist at İşbank. She served as Investment Specialist in 1997, Assistant Manager in 1999, Unit Manager in 2003, and Division Head in 2006 at the Capital Markets Division. Between 2013 and 2023, Ms. Kökden served as the Head of the İşbank Members Supplementary Pension Fund.

Ms. Kökden also served as Board Member at Takasbank, as Deputy Chairperson of İş Yatırım Menkul Değerler A.Ş., Topkapı Danışmanlık Elektronik Hizmetler Pazarlama ve Ticaret A.Ş. and as Chairperson of İş Yatırım Ortaklığı A.Ş. and İş Portföy Yönetimi A.Ş.

Apart from her role in the Bank, Ms. Kökden serves as the Deputy Chairperson of İşbank Members Supplementary Pension Fund.

Ms. Güzide Meltem Kökden, who was elected as a member of İşbank's Board of Directors on 30 March 2023 and as the Deputy Chairperson of the Board on 31 March 2023, also serves as the Chairperson of the Audit Committee, T.R.N.C. Internal Systems Committee and Operational Risk Committee, a member of the Risk Committee, and an alternate member of the Credit Committee.



Hakan Aran

Member of the Board and Chief Executive Officer

1968, Antakya. Hakan Aran graduated from the Faculty of Engineering, Computer Engineering Department of Middle East Technical University. He completed his master's degree in Business Administration at Başkent University and is currently continuing his PhD in Banking at İstanbul Commerce University.

Beginning his career at İşbank as a Software Specialist in 1990, Mr. Aran was appointed as the Head of Software Development Department in 2005. He was promoted to the position of Deputy Chief Executive responsible for operations, digital banking and technology in 2008 and took part in important transformation programs of the Bank. Appointed as İşbank's 17th Chief Executive Officer on 1 April 2021, Mr Aran also serves as the Chairperson of the Credit Committee, Human Resources Committee and Information Technology Strategy Committee, Information Security Committee and as member of the Risk Committee and Operational Risk Committee.

In addition to his duties at the Bank, Mr. Aran serves as the Chairperson of Trakya Yatırım Holding A.Ş. and İşbank AG.



Fazlı Bulut

Member of the Board

1964, Pertek. Mr. Fazlı Bulut graduated from Ankara University, Faculty of Political Science, Department of Economics. He completed his master's degree in Economic Development at New Hampshire College in the USA.

Mr. Bulut served as Account Expert and Senior Account Expert at the Ministry of Finance in the Board of Account Experts from 1985 to 1997. He taught General Accounting at College of Tourism and College of Computer Technology, at Bilkent University, from 1996 to 1998. Mr. Bulut served as Vice General Manager and Member of the Board in Social Insurance Institution. He served as Vice General Manager, General Manager and Member of the Board of Directors in Tepe Home Mobilya ve Dekorasyon Ürünleri San. Tic. A.Ş., a subsidiary of Bilkent Holding, from 1999 to 2011. He subsequently served as a consultant for Bilkent Holding on tax and retailing for one year and as the General Manager of B. Braun Kalyon Medikal ve Dış Ticaret A.Ş. from 2013 to 2015, and as the Coordinator of Financial Affairs in Terra İnşaat Grubu from 2016 to 2017. Mr. Bulut also has books published on various subjects.

Mr. Bulut, who was elected to İşbank Board of Directors on 29 March 2019, 31 March 2020 and 30 March 2023 also serves as a member of the Corporate Social Responsibility Committee, the Corporate Governance Committee and as an alternate member of the Credit Committee.



Durmuş Öztekin

Member of the Board

1953, Sivas Şarkışla. Mr. Durmuş Öztekin graduated from Ankara University, Faculty of Political Sciences, Department of Economics and Finance. He completed his master's degree in Economics at Vanderbilt University in the USA.

Mr. Öztekin served as a Finance Auditor between 1975-1986 in the Ministry of Finance. In the following years, he served as Department Head, Deputy General Manager and General Manager in the General Directorate of Budget and Financial Control; Chief Auditor and Member of Financial Advisory Committee in the Ministry of Finance; Auditor in Türk Telekom, Member of the General Committee in Council of Higher Education, Financial Counselor in Turkish Embassy in Brussels. He served as a Ministry Counselor in the Ministry of Finance between 2006-2011.

Mr. Öztekin, who was elected to İşbank Board of Directors on 31 March 2020 and 30 March 2023, serves as a member of the Corporate Social Responsibility Committee and the Board of Directors Operating Principles Committee.



Recep Hakan Özyıldız

Member of the Board

1956, Bursa. Mr. Recep Hakan Özyıldız graduated from Ankara University Faculty of Political Sciences, Department of Economics and Finance. He completed his master's degree in Economics at Northeastern University in the USA.

Mr. Özyıldız started to work at the Ministry of Treasury and Finance as an Assistant Treasury Specialist in 1978. In the following years, he served as Branch Manager at the Undersecretary of Treasury and Foreign Trade and the General Directorate of Banking and Foreign Exchange; Department Head, Deputy General Manager and General Manager at the General Directorate of Public Finance under Ministry of Treasury and Finance; Auditor at İşbank, General Manager of the State Economic Enterprises in the Treasury, Senior Advisor of Economics in Turkish Embassy in London and Assistant Undersecretary in the Ministry of Treasury and Finance.

Mr. Özyıldız, who is also a columnist and commentator, continues to serve as a part-time academic tutor in Ankara University, Faculty of Political Sciences.

Mr. Özyıldız was elected to İşbank Board of Directors on 31 March 2020 and 30 March 2023.



Mustafa Rıdvan Selçuk

Member of the Board

1955, Malatya. Mr. Mustafa Rıdvan Selçuk graduated from Ankara University, Faculty of Political Sciences, Department of Economics and Finance. He received his master's degree on Economics from Vanderbilt University in the USA.

Mr. Selçuk started his career in the Ministry of Finance in 1978 as an Assistant Account Expert. In the following years, he served as Account Expert, Senior Account Expert, Department Head in the General Directorate of Revenues, General Manager and Chairman of Bağkur in the Ministry of Labor and Social Security, Labor and Social Security Advisor in Turkish Embassy in Copenhagen and as Ministry Advisor in the Ministry of Finance.

Mr. Selçuk, who also serves as a Certified Public Accountant since 2003, is an Independent Auditor at BDD Bağımsız Denetim ve Danışmanlık A.Ş., and a partner at Girişim YMM Limited Şti.

Mr. Selçuk was elected to İşbank Board of Directors on 31 March 2020 and 30 March 2023.



Ahmet Gökhan Sungur

Independent Member of the Board

1953, Yozgat. Mr. Sungur graduated from Middle East Technical University, Department of Chemical Engineering and received his master's degree from the same department. Mr. Sungur, who started his career in 1975 at General Institute of Mineral Research and Exploration Department of Technology as Chief Specialist Chemical Engineer, worked in Hisarbank and Güntekin İnşaat A.Ş. as a System Analyst between 1981-1982. Later, between 1982-1999, he served as Manager of Software Development at İşbank and Chief Executive Officer at İş Net A.Ş. between 1999-2003.

Mr. Sungur was elected as an Independent Member of İşbank Board of Directors on 31 March 2020 and 30 March 2023.



Sadrettin Yurtsever

Member of the Board

1964, Bingöl. Mr. Sadrettin Yurtsever graduated from Gazi University, Faculty of Education, Department of English Language Education. Mr. Yurtsever, who started his career at İşbank as a candidate officer in İzmir Branch in 1993, served in the same branch as Section Head and Sub-Manager. He served as Assistant Manager in SME Loans Underwriting Division of Denizli Region in 2006, İzmir Central II. Region Sales Division Assistant Regional Manager in 2007, Regional Manager in the same division in 2011, Branch Manager of Bornova/İzmir Commercial Branch in 2013 and Mediterranean/Antalya Corporate Branch in 2018.

Mr. Yurtsever, who was elected to İşbank Board of Directors on 31 March 2020 and 30 March 2023, serves as the Chairperson of the Corporate Governance Committee and as the member of the Audit Committee, T.R.N.C. Internal Systems Committee, the Remuneration Committee, the Risk Committee, the Corporate Social Responsibility Committee, the Operational Risk Committee, the Sustainability Committee and the Board of Directors Operating Principles Committee.



Şebnem Aydın

Member of the Board

1974, Samsun. Ms. Aydın graduated from Uludağ University, Faculty of Economics and Administrative Sciences, Business Administration Department. She started her career as a candidate Officer at Suluova/Amasya Branch in 1997 and was appointed as Section Head at Bafra/Samsun Branch in 1999, Sub-Manager at Samsun Branch in 2004 and Sub-Manager at Bafra/Samsun Branch in the same year. She was appointed as Branch Manager at Buğdaypazarı/Samsun Branch in 2007, at Gazi/Samsun Branch in 2011 and at Samsun Branch in 2013 and then served as Branch Manager at Çarşı-Bakırköy/İstanbul Branch in 2018 and Regional Manager of İstanbul-Bayrampaşa Region in 2022.

In addition her duties at the Bank, between 2020 and 2023 Ms. Aydın served as a Board Member of İşbank Pension Fund.

Ms. Aydın, who was elected to İşbank Board of Directors on 30 March 2023, serves as the member of the Credit Committee, the Corporate Governance Committee, the Corporate Social Responsibility Committee and the Sustainability Committee.



Gökhan Şen

Independent Member of the Board

1983, İstanbul. Mr. Gökhan Şen graduated from Marmara University Actuary Department and completed his master's degree in finance at the same university. Mr. Şen, who started his career as an Investment Advisor at Ata Investment in 2006, served as Fund and Portfolio Manager in 2009, Research Manager at Bloomberg HT in 2010, International Markets Research Manager at Ak Yatırım in 2013, as Economics Coordinator in 2015, and as Editor-in-Chief between 2019-2021.

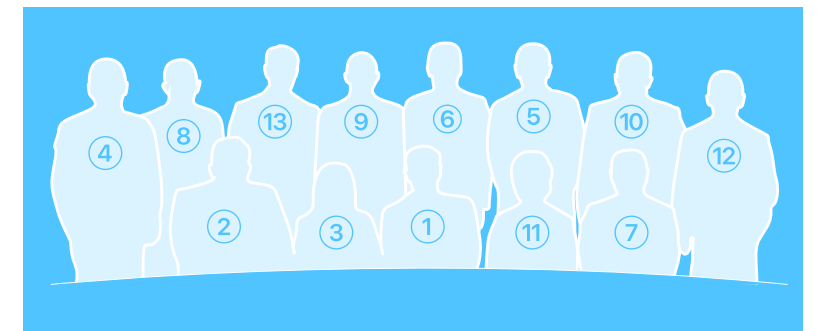
Mr Şen, who is the founder of GBUK Consultancy and a columnist at Habertürk, has been working as a Coordinator at Ciner Cam and Ciner Group since 2022.

Mr. Şen was elected as an Independent Member of İşbank's Board of Directors on 30 March 2023.

Executive Committee



- ① **Hakan Aran**
Chief Executive Officer
- ② **N. Burak Seyrek**
Deputy Chief Executive
- ③ **Ebru Özşuca**
Deputy Chief Executive
- ④ **Ozan Gürsoy**
Deputy Chief Executive
- ⑤ **Sezgin Yılmaz**
Deputy Chief Executive
- ⑥ **Sabri Gökmenler**
Deputy Chief Executive
- ⑦ **Sezgin Lüle**
Deputy Chief Executive
- ⑧ **Can Yücel**
Deputy Chief Executive
- ⑨ **Sezai Sevgin**
Deputy Chief Executive
- ⑩ **Suat E. Sözen**
Deputy Chief Executive
- ⑪ **İzlem Erdem**
Deputy Chief Executive
- ⑫ **Tufan Kurbanoğlu**
Deputy Chief Executive
- ⑬ **Mehmet Celayir**
Deputy Chief Executive



Executive Committee

1 1968, Antakya. Hakan Aran graduated from the Faculty of Engineering, Computer Engineering Department of the Middle East Technical University. He completed his master's degree in Business Administration at Başkent University, and he is currently continuing his PhD in Banking at Istanbul Commerce University.

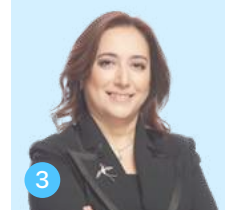
Beginning his career at İşbank as a Software Specialist in 1990, Mr. Aran was appointed as the Head of Software Development Department in 2005. He was promoted to the position of Deputy Chief Executive responsible for operations, digital banking, and technology in 2008 and took part in important transformation programs of the Bank. Appointed as İşbank's 17th Chief Executive Officer on 01 April 2021, Mr. Aran also serves as the Chairperson of the Credit Committee, Human Resources Committee and Information Technology Strategy Committee and as member of the Risk Committee and Operational Risk Committee.



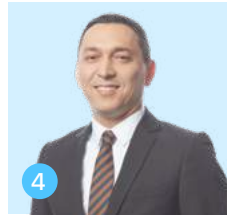
Hakan Aran
Chief Executive Officer



N. Burak Seyrek
Deputy Chief Executive



Ebru Özşuca
Deputy Chief Executive



Ozan Gürsoy
Deputy Chief Executive



Sezgin Yılmaz
Deputy Chief Executive



Sabri Gökmenler
Deputy Chief Executive



Sezgin Lüle
Deputy Chief Executive

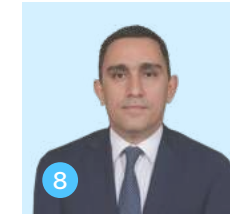
1974, Adana. Mr. Ozan Gürsoy graduated from Middle East Technical University, Faculty of Economic and Administrative Sciences, Department of Public Administration and completed his master's degree in international Banking and Finance at the University of Birmingham, UK in 2003. In 1996, Mr. Gürsoy joined the Board of Inspectors as an Assistant Inspector, became Assistant Manager in the Corporate Loans Underwriting Division in 2006, and then served as Unit Manager at the same division. Mr. Gürsoy became Commercial Banking Product Division Manager in 2011, Gebze Corporate Branch Manager in 2016, and was appointed as Deputy Chief Executive on August 26, 2019.

1975, Kırcaali. Mr. Sezgin Yılmaz graduated from Uludağ University, Faculty of Economics and Administrative Sciences, Department of Economics, and started his career as a Candidate Officer at the Bursa Branch in 1997. After serving in various positions at the Bank, Mr. Yılmaz was appointed as Regional Manager of SME Loans Underwriting Division in Kayseri in 2012 and Regional Manager of the SME Loans Underwriting Division in the İzmir Central I. Region in 2015. He then served as sales manager of İzmir Central II. Region, Support Services and Procurement Division Head, and Procurement Division Head, respectively. Mr. Yılmaz, who was elected to İşbank Board of Directors on March 29, 2019, was appointed as Deputy Chief Executive on August 26, 2019.

1968, Ankara. Mr. Sabri Gökmenler graduated from the Computer Engineering Department of Middle East Technical University in 1991. He completed his master's degree in the same department in 1995 and the Advanced Management Program at Harvard Business School in 2018. Mr. Gökmenler, who began his career at İşbank in 1991 as a Software Specialist, served in Softtech, a subsidiary of İşbank, from 2004 onwards. He became the Head of the IT Architecture & Security Management Division of İşbank in 2008 and Head of the Information Technologies Division in 2012. Mr. Gökmenler was appointed as Deputy Chief Executive on January 28, 2021.

1976, Trabzon. Mr. Sezgin Lüle graduated from the Industrial Engineering Department of Boğaziçi University's Faculty of Engineering in 1998. He completed his master's degree in international Banking and Finance at the University of Birmingham, UK in 2004 and the Advanced Management Program at Harvard Business School in 2019. Mr. Lüle began his career in the Organization Division of İşbank as an Assistant Organization and Method Specialist in 1998 and became an Assistant Inspector on the Board of Inspectors in 1999. He served as Assistant Manager and Unit Manager at the Board of Project and Change Management between 2008-2011. He became the Head of the Corporate Architecture Division in April 2017. Mr. Lüle was appointed as Deputy Chief Executive on January 28, 2021.

8 1978, Ankara. Mr. Can Yücel graduated from the Economics Department of Middle East Technical University, Faculty of Economic and Administrative Sciences. He attended the Advanced Management Programme at Harvard Business School. He began his career as an Assistant Inspector on the Board of Inspectors in 1999. Then he served as Assistant Manager in the SME Loans Underwriting Division in 2008, Assistant Manager in the Corporate Loans Underwriting Division in 2009, Unit Manager in the same division in 2011 and Head of the Corporate Loans Underwriting Division in 2016. Mr. Yücel became Branch Manager of the Başkent Corporate/Ankara Branch in 2020 and was appointed as Deputy Chief Executive on August 26, 2021.



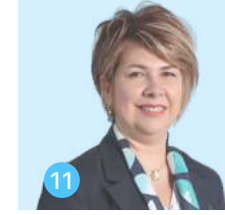
Can Yücel
Deputy Chief Executive



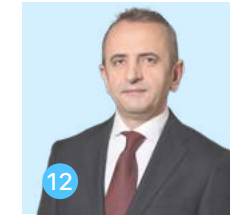
Sezai Sevgin
Deputy Chief Executive



Suat E. Sözen
Deputy Chief Executive



İzlem Erdem
Deputy Chief Executive



Tufan Kurbanoğlu
Deputy Chief Executive



Mehmet Celayir
Deputy Chief Executive

9 1968, İstanbul. Mr. Sezai Sevgin graduated from Marmara University, Faculty of Economic and Administrative Sciences, in 1990. In the same year, he began his career as an Assistant Inspector on the Board of Inspectors. Appointed to İşbank AG in 1997, Mr. Sevgin became an Assistant Manager at Paris Branch in 1998 and Branch Manager at the same branch in 2002. He was appointed as the Group Manager of Corporate Banking Marketing Division in 2004, Head of the Commercial Banking Marketing Division in 2007, and Branch Manager of the Gebze Corporate Branch in 2011 and the Maslak Corporate Branch in 2013. He was appointed as the General Manager of Bayındır Healthcare Group in 2015. Mr. Sevgin was appointed as Deputy Chief Executive on December 28, 2021.

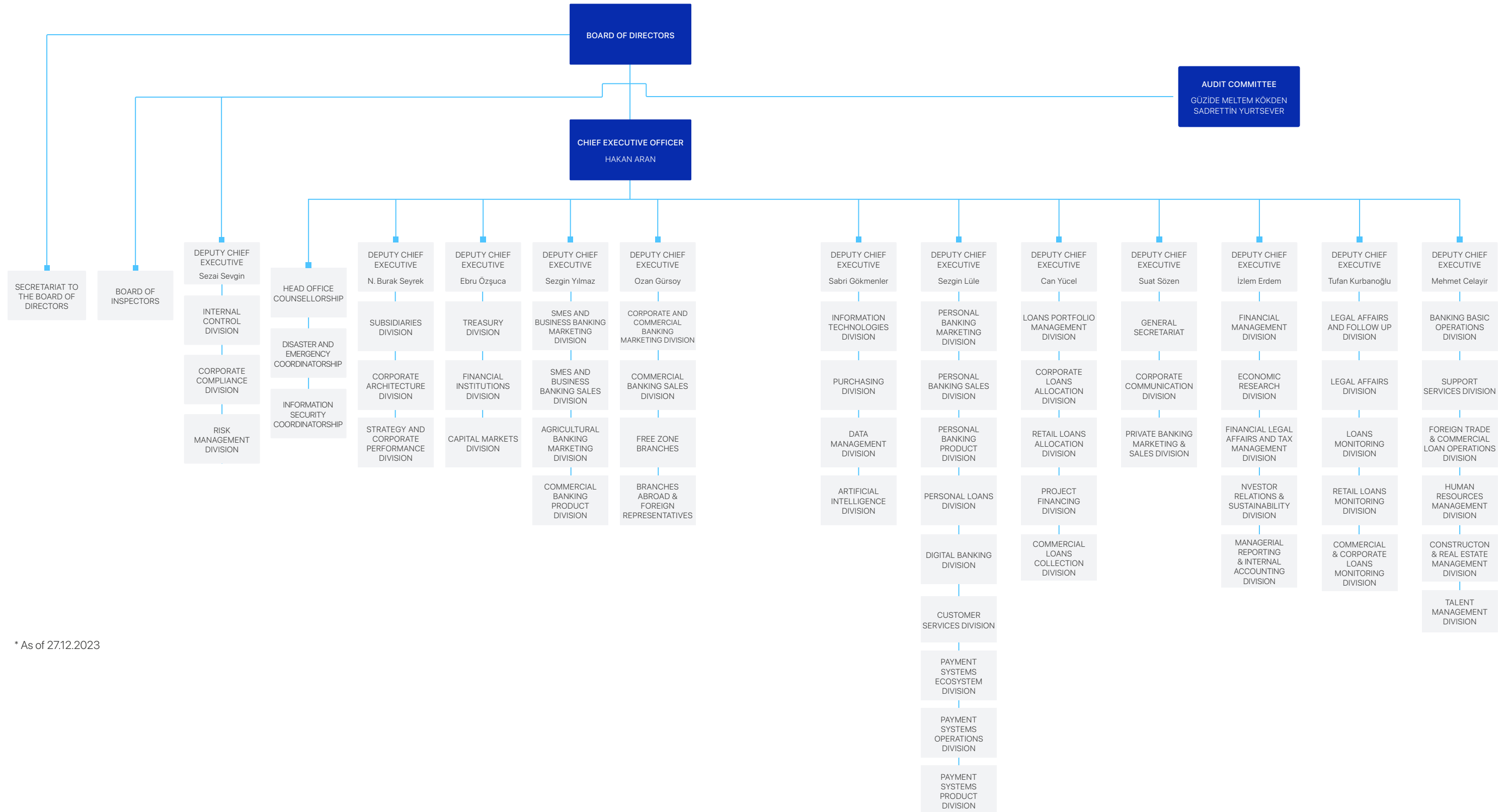
10 1970, Kars. Mr. Sözen graduated from Gazi University, Department of Economics in 1991 and started working as an Assistant Specialist at the Training Department in the same year. He became a Specialist at the Human Resources Division in 1998, a Credit Specialist at the Yıldız Posta Boulevard Branch in 2000, an Assistant Manager at the same Branch in 2002, and worked in the Commercial Loans Division between 2004-2006. Mr. Sözen was promoted to Unit Manager of the Corporate Communications Division in 2006, became the Head of the same division in 2008, and then Corporate Communications Coordinator and General Secretary in 2017. Mr. Sözen was appointed as Deputy Chief Executive on March 25, 2022.

1968, İstanbul. Ms. İzlem Erdem graduated from the English Economics Department of Marmara University, Faculty of Economics and Administrative Sciences, in 1990. She attended the Advanced Management Program at Harvard Business School in 2016. She joined İşbank in 1990 as Assistant Economics Specialist at Economic Research Division and was appointed as Assistant Manager in the same division in 1998. Serving in the Capital Markets Division after 2000, she became Unit Manager in the same division in 2004. She was appointed as Head of the Economic Research Division in 2008 and started to serve as Chief Economist in 2018. She was appointed as Deputy Chief Executive on March 25, 2022.

1971, Kars. Mr. Tufan Kurbanoğlu graduated from the Public Administration Department of Middle East Technical University, Faculty of Economic and Administrative Sciences and began his career as an Assistant Inspector on the Board of Inspectors in 1993. Mr. Kurbanoğlu was promoted to Assistant Manager in the Commercial and Corporate Loans Monitoring and Follow-up Division in 2002, Unit Manager in the same division in 2006, and Regional Manager in the Retail Loans Monitoring and Follow-up Division in 2011. In 2014, Mr. Kurbanoğlu was appointed as Division Manager of the Commercial and Corporate Loans Monitoring and Follow-up and he was appointed as the Deputy Chief Executive on March 25, 2022.

1970, Bingöl. Mr. Mehmet Celayir graduated from İstanbul University, Faculty of Economics, Department of International Relations. Mr. Celayir started his career as an Officer at Elazığ Branch in 1996. After serving in various positions in the Bank, he was promoted to the Branch Manager of Cizre/Şirnak Branch in 2004. He was appointed as Assistant Regional Manager of SME Loans Underwriting Division of Diyarbakır Region in 2006 and Regional Manager of the same division in 2009. He then served as Branch Manager of Mersin Commercial Branch, Head of Commercial Banking Sales Division and Branch Manager of Gaziantep Corporate Branch in the respective order. Mr. Celayir was appointed as Deputy Chief Executive on December 14, 2022.

Organization Chart



* As of 27.12.2023

Information on Board of Directors Meetings in 2023

At İşbank, the Board meetings are held at least once a month, but interim meetings may be held if necessary. Meeting agendas are prepared in accordance with the proposals of the Head Office divisions. In addition, various reports requested by the Board of Directors from the Bank’s management are discussed during the meetings, as well as non-agenda items proposed by the Board members. The agenda and related documents are distributed to the members ahead of the meeting.

As of 2023, 15 Board of Directors meetings were held, and 15 of these meetings were fully attended. 1.030 pages of minutes were recorded for the said meetings, which lasted 45 hours in total. A total of 159 files were reviewed, consisting of 130 files for loan underwriting and 29 files for other issues related to loans, based on the work carried out by convening meetings or by individual review and signature of the file by each Board Member, which resulted in 115 loan decisions. A total of 437 files were reviewed on non-credit matters, and 437 resolutions were taken. Consequently, 762 Board resolutions were taken in 2023, including 210 that were passed during the meetings.

İşbank Committees

Assessments on İşbank Committees

The Board of Directors has established several governance committees in place to support the activities of the Board in various areas of expertise. İşbank’s committees presented their decisions and reports to the Board of Directors in 2023 as required within the scope of their activities, and the necessary decisions were taken as a result of the assessment of the Board of Directors.

Audit Committee

According to its operating principles, the Audit Committee is in charge of holding meetings at least twice a year, provided that the intervals do not exceed six months; the Committee is obliged to inform the Board of Directors of the results of the activities carried out and of the measures to be taken on the basis of these results, as well as of the necessary practices to be implemented. Moreover, the Audit Committee is required to make recommendations on any other issues it deems important for the Bank to safely carry out its activities. The Audit Committee works in collaboration with the Remuneration Committee and the Risk Committee.

The Audit Committee is in charge of:

- Ensuring that the Bank’s internal systems function efficiently and sufficiently, that these systems and the accounting and reporting systems operate within the framework of the relevant regulations and the Bank’s policies, and that the information produced has integrity,
- Carrying out preliminary assessments necessary for the selection of independent audit firms, rating, valuation, and support service institutions, regularly monitoring the activities of these institutions selected by the Board of Directors, periodically evaluating them in accordance with the provisions of the law, and providing information to the Board of Directors,
- Reviewing the assessments of the independent audit firms, evaluating independent audit results, and consulting with independent auditors,
- Informing the Board of Directors about findings of the independent auditors and internal systems divisions and about measures taken by the top management and by the units reporting to the top management,
- Ensuring that internal audit functions of subsidiaries subject to consolidation are coordinated in line with the relevant regulations,
- Receiving information and reports about the internal systems and the functioning of divisions within the scope of internal systems, about their operations including consolidated risks, and about related policies and regulations,
- Preparing the Bank’s financial reports in accordance with the relevant legislation, regulations, and standards,
- Making assessments to ensure whether required procedures and principles have been implemented for detecting, measuring, monitoring, and controlling potential and existing risks incurred by the Bank and ensuring that risk framework and risk culture, in line with the Bank’s structure and operations, are established within the Bank,
- Ensuring that the internal capital adequacy evaluation process (ISEDES) includes all risks in a consolidated manner, and audit and control processes are established to provide required assurance on its adequacy and accuracy,
- Evaluating the level of professional education and competence of managers and personnel performing duties in the divisions within the scope of internal systems, making suggestions to the Board of Directors regarding the selection of managers, and presenting opinions to the Board of Directors during their dismissal,
- Establishing communication channels to make sure that information will be provided directly to the Audit Committee, the internal audit unit, or the Bank inspectors in case of Bank fraud,
- If required, requesting information, documents, or reports from all Bank units, support service contractors, and independent auditors and, subject to Board approval, receiving consultancy from specialists in their respective fields,

- Informing or reporting to the Board on the results of its own operations, on the measures needed to be taken to ensure the Bank’s operations continue to be carried out in a safe and sound manner within the framework of the relevant legislation and Bank’s policies, and on its evaluations, opinions, and recommendations on any other issues that it deems important,
- Fulfilling other responsibilities determined by the related legislation and the duties given by the Board within this framework.

Committee Structure

Chairperson: Vice Chairperson of the Board of Directors Güzide Meltem Kökden

Member: Board Member Sadrettin Yurtsever

In 2023, the Audit Committee held 55 meetings with the full participation of its members and adopted 82 resolutions.

TRNC Internal Systems Committee

The TRNC Internal Systems Committee has been established within the framework of TRNC Banking Law and related regulations. The Committee holds meetings at least twice a year, provided that the intervals do not exceed six months; the Committee is obliged to inform the Board of Directors of the results of the activities carried out and of the measures to be taken on the basis of these results, as well as of the necessary practices to be implemented by the branches that operate under the TRNC office, and other important issues in order for these branches to operate in a secure way.

The TRNC Internal Systems Committee is in charge of ensuring the efficiency and sufficiency of the internal systems provided by the Bank in relation to the operation of the branches under the TRNC office, ensuring the operation of the internal systems, accounting, and reporting systems in accordance with the law and related regulations, ensuring the integrity of the produced information, carrying out preliminary assessment of independent audit firms and other companies providing services directly related to other banking operations to be selected by the Board, and regularly monitoring and coordinating these companies that are selected and contracted by the Board.

Committee Structure

Chairperson: Vice Chairperson of the Board of Directors Güzide Meltem Kökden

Member: Board Member Sadrettin Yurtsever

In 2023, the TRNC Internal Systems Committee held 10 meetings with the full participation of its members and adopted 11 resolutions.

Credit Committee

The Credit Committee consists of three members: the Chief Executive Officer or the Deputy Chief Executive, who is also the chairperson of the Committee, and two members of the Board of Directors. In addition, two additional Committee members who will stand in if necessary.

The Credit Committee decides on loan allocation within its authorization limit, on demands to change the terms of loan allocation within its authorization limit, and carries out other duties given by the Board related to loans.

When the loan proposal files are submitted, the Credit Committee acts by consensus on the loan allocation after each Member has reviewed and signed the files. Unanimous Credit Committee resolutions are implemented immediately, while majority resolutions are implemented after approval by the Board of Directors.

Committee Structure

Chairperson of the Committee and Regular Member: Chief Executive Officer Hakan Aran

Member: Chairperson of the Board of Directors Adnan Bali

Member: Board Member Şebnem Aydın

Alternate Member: Vice Chairperson of the Board of Directors Güzide Meltem Kökden

Alternate Member: Board Member Fazlı Bulut

In 2023, 70 files under the authority of the Credit Committee were evaluated, and 55 resolutions were adopted with the full participation of the members.

Credit Revision Committee

In accordance with the Bank’s Credit Risk Policy, the Credit Revision Committee is established at the end of each year. Its purpose is to evaluate the Bank’s relationships with its credit customers by reviewing the commercial loan portfolio and deciding on the limits to be applied to the aforementioned persons and institutions in the upcoming year.

Committee Structure

Member: Chairperson of the Board of Directors Adnan Bali

Member: Vice Chairperson of the Board of Directors Güzide Meltem Kökden

Member: Board Member Sadrettin Yurtsever

Member: Board Member Şebnem Aydın

The Credit Revision Committee completed its review of certain companies and groups under the authority of the Board of Directors and the Credit Committee on 30.03.2023.

Corporate Governance Committee

The Corporate Governance Committee, consisting of a chairman and four members, is in charge of monitoring the Bank’s compliance with corporate governance principles, making improvements in corporate governance practices and suggestions to the Board, and carrying out the duties of the Corporate Governance Committee and Nomination Committee as set out in the applicable legislation. The Committee is also the highest authority in charge of the Bank’s sustainability activities.

Committee Structure

Chairperson: Board Member Sadrettin Yurtsever

Member: Board Member Fazlı Bulut

Member: Board Member Şebnem Aydın

Member: Investor Relations and Sustainability Division Manager Nilgün Yosef Osman

Member: Investor Relations and Sustainability Division Unit Manager Özge Han Mercimekçi

In 2023, the Corporate Governance Committee held 3 meetings with the full participation of its members and took 3 decisions.

Sustainability Committee

The Sustainability Committee was formed to develop the Bank’s sustainability strategy and policies and submit them to the Board of Directors for approval, to establish sustainability targets and action plans and ensure coordination within the Bank for their implementation, to ensure that sustainability issues are incorporated into the Bank’s strategic business plans, to track the progress of the metrics and targets, and to perform other similar tasks. The Committee is the highest authority in charge of the Bank’s sustainability activities.

Committee Structure

Chairperson: Chairperson of the Board of Directors Adnan Bali

Members: Board Members Şebnem Aydın and Sadrettin Yurtsever; Executive Committee Members İzlem Erdem, N. Burak Seyrek, Can Yücel, Ozan Gürsoy, Sezgin Yılmaz, Sezgin Lüle, Mehmet Celayir, Sabri Gökmenler, Sezai Sevgin, Suat E. Sözen, Hürdoğan İrmak, Nilgün Yosef Osman

As of year-end 2023, the Sustainability Committee held 2 meetings once with the full participation of the members and once with one less member and adopted 4 resolutions.

Remuneration Committee

The Remuneration Committee was formed to perform functions and activities related to monitoring and controlling the Bank’s remuneration policies on behalf of the Board of Directors. The Committee has two members. The Remuneration Committee convenes at least twice a year, with a gap of no more than six months between the meetings, and submits to the Board of Directors the results of its activities as well as its opinions on other issues it deems important.

Within the framework of compliance to Corporate Governance Principles, the Remuneration Committee is in charge of monitoring and checking remuneration management policies on behalf of the Board of Directors, as well as ensuring that remuneration is complying with the Bank’s ethical values, internal balances, and strategic goals. The Committee is also in charge of evaluating remuneration policy and practices within the risk management framework, reviewing the remuneration policy, and submitting proposals as required to the Board of Directors, as well as carrying out other responsibilities outlined in applicable legislation and the tasks assigned to it by the Board of Directors within this framework.

Committee Structure

Chairperson: Chairperson of the Board of Directors Adnan Bali

Member: Board Member Sadrettin Yurtsever

In 2023, the Remuneration Committee held 11 meetings with the full participation of its members and adopted 14 resolutions.

Board of Directors Operating Principles Committee

The Board of Directors Operating Principles Committee is in charge of submitting its findings, opinions, and recommendations regarding the interpretation and implementation of applicable legal provisions, including especially the İşbank Board of Directors Operating Principles and Procedures and the Directions on İşbank Board of Directors Operating Principles.

Committee Structure

Chairperson: Chairperson of the Board of Directors Adnan Bali

Member: Board Member Durmuş Öztek

Member: Board Member Sadrettin Yurtsever

Risk Committee

The Risk Committee prepares risk management strategies and policies for İşbank, both consolidated and unconsolidated, submits them to the Board of Directors for approval, and oversees their implementation. The Committee serves as a common communication platform for the Bank’s Executive divisions to assess the risks to which the Bank is exposed, makes suggestions on actions to be taken, and approaches to be followed.

The Risk Committee continues its activities by being responsible for:

- Preparing risk strategies and policies and submitting them to the Board for approval,
- Evaluating the outputs of the İSEDES and the Action Plan, which are created at least on an annual basis, and presenting the evaluation results to the Board of Directors via the Audit Committee,
- Evaluating the determination of corporate crisis levels on Action Plan indicator violations and reporting the evaluation results to the Board of Directors via the Audit Committee,
- Monitoring the effective use of the outputs of the internal capital adequacy assessment process in the planning and decision-making processes of the Bank,
- Discussing and deciding on issues raised by the Risk Management Division to the attention of the Committee,
- Recommending the risk level limits for exposures/possible exposures to the Board, monitoring their violations, and making recommendations to the Board to eliminate them,
- Recommending changes in the risk policies to the Board,
- Monitoring the risk management processes, i.e. risk identification, definition, measurement, assessment, control, and reporting processes carried out by the Risk Management Division,
- Monitoring the accuracy and reliability of the risk measurement methodologies and their results,
- Making proposals to the Board regarding articulation and amendment of the Bank’s risk appetite statement,
- Taking measures to establish a risk culture in the Bank, developing supervisory processes, understanding all of the risks arising from the activities of the Bank, and supervising their integration into the Bank’s risk management system.

The Risk Committee also contributes to the development of group risk policies through consolidated group meetings that include the Bank’s financial and non-financial subsidiaries. Consolidated sessions are organized quarterly. Burak Seyrek, the Deputy General Manager responsible for the Subsidiaries Division, and Murat Doğan, the Division Manager, also attend the consolidated activities of the Risk Committee.

Committee Structure

Chairperson: Chairperson of the Board of Directors Adnan Bali

Member: Vice Chairperson of the Board of Directors Güzide Meltem Kökden

Member: Board Member Sadrettin Yurtsever

Member: Chief Executive Officer Hakan Aran

Member: Deputy Chief Executive Sezai Sevgin

Member: Deputy Chief Executive Ebru Özşuca

Member: Deputy Chief Executive İzlem Erdem

Member: Deputy Chief Executive Can Yücel

Member: Risk Management Division Manager Hürdoğan İrmak

Member: Internal Control Division Manager Engin Yalçın

Member: Corporate Compliance Division Manager Süleyman H. Özcan

In 12 meetings held by the Risk Committee in 2023, the risk management activities of İşbank and its subsidiaries under the Consolidated Risk Policies were evaluated, the risk reports presented to the Committee were reviewed, and 28 decisions were made regarding the risk management systems and processes.

Operational Risk Committee

The Operational Risk Committee, which was formed to determine the strategies and policies for managing operational risks that the Bank may face, improve the operational risk management framework, and strengthen the governance model for operational risks, convenes at least twice a year. The Committee collaborates with the Risk Committee and reports operational outcomes to the Board via the Audit Committee.

Information on Risk Management Policies Applied per Risk Types

Committee Structure

Chairperson: Vice Chairperson of the Board of Directors Güzide Meltem Kökden

Member: Board Member Sadrettin Yurtsever

Member: Chief Executive Officer Hakan Aran

Member: Deputy Chief Executive Sabri Gökmenler

Member: Deputy Chief Executive Burak Seyrek

Member: Deputy Chief Executive Sezgin Lüle

Member: Deputy Chief Executive Mehmet Celayir

Member: Deputy Chief Executive Sezai Sevgin

Member: Chairperson of the Board of Inspectors Gürler Özkök

Member: Internal Control Division Manager Engin Yalçın

Member: Corporate Compliance Division Manager Süleyman H. Özcan

Member: Risk Management Division Manager Hürdoğan Irmak

Member: Information Security Division Manager Bülent Akdemir

Member: Risk Management Division Operational Risk Unit Manager Burcu Nasuhoğlu

In 2023, the Operational Risk Committee held 3 meetings with the participation of all members and adopted 4 resolutions.

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee evaluates developments related to current activities, collaboration conditions, requests, and project proposals submitted to the Bank and monitors the results. The Committee is made up of 50% non-executive managers and 12.5% independent members.

Committee Structure

Member: Board Member Şebnem Aydın

Member: Board Member Fazlı Bulut

Member: Board Member Durmuş Öztekin

Member: Board Member Sadrettin Yurtsever

Member: Deputy Chief Executive Sezgin Yılmaz

Member: Deputy Chief Executive Can Yücel

Member: Deputy Chief Executive Suat E. Sözen

Member: Head of the Corporate Communications Division Gül Meltem Atılğan

In 2023, 16 positive decisions were taken in 5 meetings held with the participation of all members of the Corporate Social Responsibility Committee.

In addition to banking activities, the financial and non-financial risks to which the Group is exposed must be analyzed as a whole, monitored, and reported in accordance with banking-specific risk management principles and the Group's risk management perspective. This is more than just a legal reporting requirement that must be met; it has become the industry standard for corporate governance.

The Bank's risk management process, which is organized around risk management regulations and helps to establish a common risk culture throughout the organization, is designed to prioritize "good corporate governance", ensure the separation of risk monitoring and controlling units from executive functions, identify risks in accordance with international regulations, and facilitate measurement, analysis, monitoring, reporting, and control functions.

The Board of Directors' main responsibilities include the risk management process and the functions that comprise it. The Risk Management Division, which acts through the Risk Committee and is a functional component of the risk management function, not only carries out regulatory and internal capital adequacy activities to ensure compliance with the Basel framework and international best practices, but also develops and validates risk measurement methodologies and optimizes the capital adequacy management process.

Capital Adequacy Policy

The Capital Adequacy Policy sets out the principles and procedures that need to be followed when defining the level of capital, both consolidated and unconsolidated, that the Bank must hold against potential losses that could arise from financial risks associated with both on- and off-balance sheet items, in addition to non-financial risks resulting from the Bank's operations. It also specifies how that level of capital is maintained and monitored, taking into consideration the minimum capital levels determined in accordance with the regulations and the internal capital adequacy assessment process.

Credit Risk Policy

Credit risk is defined as the likelihood that the Bank would incur losses due to a counterparty's failure to complete its obligations under an agreement with the Bank in a timely manner, whether partially or entirely. The Credit Risk Policy sets the methodology and responsibility for managing, controlling, and monitoring credit risk as well as other factors related to credit risk limits.

İşbank identifies, measures, and manages credit risks throughout its products and activities, taking into account the transactions defined as credit in Article 48 of the Banking Law. The Board of Directors reviews the Bank's credit risk policies and strategies at least once a year. The General Manager, Deputy General Managers, and the Division Managers involved in loan processes are in charge of carrying out the credit risk policies as approved by the Board of Directors.

İşbank's credit risk profile is regularly monitored. Current risk

indicator trends and changes are reported to senior management at regular intervals. Concentration of credit risks must be avoided. Its concentration in the credit portfolio monitored by ensuring a balanced combination of revenue, risk, and capital cost. For this purpose, the Board of Directors adheres to credit risk limits, which can be defined for each debtor, sector, loan type, collateral, country, maturity, and currency.

In addition to the credit risk limits required by legal law, İşbank manages credit risk by implementing internal risk limits set by the Board of Directors. These limits restrict the maximum credit risk that the Bank can undertake depending on parameters such as risk groups and sectors. The method used to estimate these internal limits does not lead to credit risks concentration.

The Bank also uses credit decision support system tools to manage credit risk. The Bank ensures that the credit decision support systems and artificial intelligence applications can monitor credit risks on a portfolio basis, calculate unexpected losses, and accurately evaluate credit risk in pricing, performance management, sales, and marketing processes. The risks that the Bank may face in connection with any models in use are assessed and managed according to the principles and procedures outlined in the Model Risk Management Policy.

Asset and Liability Management Risk Policy

Asset-liability management risk is defined as the risk that the Bank would incur losses as a result of failing to effectively manage all financial risks associated with its assets, liabilities, and off-balance sheet transactions. Asset and liability management risk covers the market risk in the trading portfolio, structural interest rate risk of the banking portfolio, and liquidity risk.

The Board of Directors establishes all principles and procedures for creating and managing the Bank's asset-liability structure, as well as the "Risk Appetite Framework" for the capital allocation. The top priority is to keep the asset-liability management risk within the limits set out in the legislation and the internal risk limits. Within the Bank's risk appetite framework, the Board of Directors determines risk tolerance levels for each risk type on both a bank-only and consolidated basis, with the goal of limiting the amount of risk absorbed by the Bank. This process considers liquidity, target income level, and general risk factor expectations.

The Board of Directors and Audit Committee have to monitor and ensure best use of the Bank's capital. Therefore, they are in charge of checking the risks against the limits and taking appropriate actions.

The Asset-Liability Management Committee manages asset-liability risk in accordance with the Board of Directors' risk appetite framework and risk limits, as well as the principles and procedures set out in the policy.

The Risk Management Division is in charge of measuring asset-liability management risk, reporting the results, and monitoring compliance with risk limits. The severity of the risk is assessed based on various scenarios. Measurement results are tested to ensure their reliability and integrity. Asset-liability management risk is reported to both the Risk Committee and the Board of Directors via the Audit Committee.

The Risk Management Division, Asset-Liability Management Committee, and related executive units closely and continuously monitor compliance with risk limits . If the limits are exceeded, the Risk Management Division immediately reports the breach and its causes to the Board of Directors via the Audit Committee. The Board of Directors determines the course of action necessary to eliminate the breach.

The internal audit system audits asset-liability management processes and policy rule compliance. The Board of Directors establishes the principles that govern the audit process, audit reports, and implementation of action plans to eliminate the errors and gaps discovered during audits.

Stress Testing Policy

The Stress Testing Policy is intended to identify major risks and vulnerabilities that may occur as a result of both Bank-specific negative developments and unanticipated stress conditions associated with the general economic and financial environment.

The stress test program is described as a collection of stress test analyses performed to assess risks associated with the Bank's activities, as well as the methodologies, assumptions, and scenarios used in these analyses. To ensure that valid and accurate results are obtained, the stress test program is regularly monitored and updated based on the Bank's risk appetite framework, the current economic environment, and market conditions, as well as the Bank's products, strategies, and technological capabilities.

In accordance with the regulations and its internal procedures, the Bank implements a stress test program to assess the risks from both a holistic view (i.e. bank-wide stress tests) and on the basis of the major risk types (i.e. individual stress tests). The results are reported to senior management, the Board of Directors, and other relevant legal authorities.

The Board of Directors is in charge of executing the stress test program in its entirety. The Board of Directors ensures that the stress test program's outcomes are evaluated and used as inputs in making decisions in pertinent fields. The Risk Management Division is in charge of conducting the analyses included in the stress test program, reporting the outcomes of the stress tests, and ensuring compliance with the risk limits. The Risk Committee determines the scope of the stress test program, the risk factors to be included in the analyses, and the framework for stress parameters.

The internal audit system audits processes related to the stress test program as well as compliance with policy rules. The Board of Directors establishes the principles that govern the audit process, audit reports, and implementation of action plans to eliminate the errors and gaps discovered during audits.

Operational Risk Policy

Operational risk is defined as "the risk of loss, including legal risks, due to inadequate or faulty internal processes, people and systems or external factors". The Risk Management Division handles all central risk management activities related to the subject. These activities include detecting, identifying, measuring, analyzing, monitoring, reporting, and controlling operational risks; following national and international developments in operational risk management; improving existing techniques and methods; and performing the necessary regulatory reporting, notification, and follow-up. The Operational Risk Policy establishes the principles, procedures, and responsibilities of operational risk management.

Operational risks that may arise during activities are classified and monitored under the "Risk Catalog". The Risk Catalog serves as the main document for identifying and classifying all potential risks. It is updated to reflect better risk management practices and changing regulations.

Operational risk is managed using a triple defense line approach within the framework of the Board's approved risk management policies. Risk appetite and its internal limits for operational risks, as set by the Board, are regularly monitored.

When identifying operational risks, both internal and external factors that might negatively impact the Bank's operations are considered. Both qualitative and quantitative methods are used to measure and assess operational risks. During measurement and assessment, risks are prioritized based on their financial, legal, reputational, and operational implications for the Bank. Besides the calculations required by the law, internal measurement methods, impact-probability analysis, loss event data analysis, scenario analysis, stress tests, and risk indicators are also used to measure operational risks. The results are reported to the Board via the Operational Risk Committee and Risk Committee.

The Risk Management Division regularly monitors and reports to the Risk Committee, Operational Risk Committee, and the Board on all operational risks that the Bank may face in connection with banking and information systems processes; risk levels of new products, services, and activities, as well as the support and valuation services that the Bank receives; loss events occurring at the Bank that represent operational risks, and risk indicators.

Employees of the Bank act responsibly and understand that the principles and procedures laid out in the Bank's legislation, especially the operational risk policy, are intended to create a work environment that is sensitive to the presence of operational risks and reduces the likelihood of loss by incorporating control mechanisms for such risks.

Reputational Risk Policy

Reputational risk is defined as potential losses that may be caused by loss of trust in the Bank or damage to the Bank's reputation as a result of non-compliance with existing legal regulations or negative views of parties such as current or potential customers, partners, competitors, and supervisory authorities. The Reputational Risk Policy sets out the principles and procedures to be followed when identifying, assessing, controlling, monitoring, reporting, and managing sources of reputational risk that the Bank may face during its operations.

Sources of reputational risk are evaluated individually and collectively, and appropriate systems and controls are implemented to effectively manage risk factors. The Risk Management Division is in charge of conducting a multi-dimensional assessment of reputational risks and reporting the results to the Risk Committee, the Audit Committee, and the Board of Directors. All employees carry out their duties in a responsible manner, protecting the Bank's reputation.

Consolidated Risk Policies

The Consolidated Risk Policies oversee compliance with risk management principles for the Bank's subsidiaries. Subsidiaries follow their own risk management policies which consider the Consolidated Risk Policies and their own organizational structure. The subsidiaries' risk policies, which have been approved by their boards of directors, serve as the basis for their risk management systems and processes. The Risk Management Division regularly and closely monitors the risk levels of the subsidiaries and provides periodical reports to the Risk Committee and the Board.

Information Systems Risk Policy

The Information Systems Risk Policy aims to set out the principles to be adhered to for identifying, measuring, monitoring, controlling, reporting, and managing the risks associated with the information system management. With this policy, the Bank aims to effectively manage its information systems, which are vital in sustaining the Bank's activities, by incorporating the information system management into its corporate risk management practices. The provisions of this policy apply to the management of the Bank's information systems and all elements associated with these systems.

The risks associated with information technologies are basically evaluated as part of the Bank's operational risk management. Since these risks can amplify the other risks arising from banking activities, it is essential that the Bank measures, closely monitors, and controls them within a holistic risk management approach.

Model Risk Management Policy

The purpose of the Model Risk Management Policy is to set the principles and procedures for model risk management principles by addressing the whole lifespan of the models used by the Bank in its operations. With the policy, the Bank aims to manage, through a holistic approach, the model risk to which the models used by the Bank in its activities are exposed owing to errors, failures, or shortcomings in the lifecycle of the models.

The Bank manages model risk using a triple defense line structure, with the model owner, model development team, model implementation team, and model user providing the first line of defense, the model risk management team, validation team, and internal control providing the second line of defense, and the internal audit providing the third line of defense. Model risk management covers the entire lifecycle of a model. The policy describes the primary tasks in each step of the model lifecycle, as well as the responsibilities of the Bank's various divisions in relation to these tasks.

Climate Change Risk Policy

Climate change risk comprises both the risks of transitioning to a low-carbon economy and physical risks that may arise as a result of the impact of climate change on nature. The Climate Change Risk Policy sets out the principles and procedures for detecting, identifying, assessing, and/or measuring, monitoring, controlling, reporting, and managing climate change risks that the Bank may face as a result of its activities.

Aside from being a type of risk which the Bank may directly face, other risks that may arise during the performance of the Bank's activities may cause climate change risks. Therefore, the Climate Change Risk Policy is an integral part of the Bank's other Risk Policies.

The main purpose of climate change risk management is to ensure that the Bank's activities and practices are in line with its climate change strategy. Responsibility for managing climate change risks has been defined as a triple defense line. In basic terms, the role of the first line of defense is to identify, assess, and control the climate change risks that may affect the branches of activity for which they are responsible, as well as ensure that loan decisions are made while considering these risks during the lending process. The second line of defense determines the operating principles, rules, policies, and requirements in response to climate change risk. The third line of defense, within its current roles and responsibilities, reassures the Board of Directors that the structure described here functions properly.

Managers of Internal Systems

Second Line of Defense:

Name	Sezai Sevgin	Hürdoğan Irmak	Süleyman H. Özcan	Engin Yalçın
Duty	Deputy Chief Executive Responsible for Internal Systems:	Manager of the Risk Management Division	Manager of the Corporate Compliance Division	Internal Control Division Manager
Term of Office	2 years 2 months	6 years 2 months	3 years 6 months	1 year 2 months
Professional Experience	34 years	23 years	30 years	27 years
Divisions Previously Served	Board of Inspectors, İşbank AG Corporate Marketing Division Commercial Banking Marketing Division Gebze Corporate Branch Maslak Corporate Branch Bayındır Health Group	Corporate Loans Underwriting Division Board of Inspectors Risk Management Division	Board of Inspectors, Accounting Department, Board of Change Management, Strategy and Corporate Performance Management Division, Investor Relations Division	Board of Inspectors, Payment Systems Product Division, Deputy Chairperson of the Board of Inspectors, İş Merkezleri Yönetim ve İletişim A.Ş.
Educational Status	Bachelor's Degree	Bachelor's Degree	Bachelor's Degree	Bachelor's Degree

Third Line of Defense:

Name	Duty	Term of Office	Professional Experience	Divisions Previously Served	Educational Status
Gürler Özkök	Chairperson of the Board of Inspectors	2 years	30 years	Risk Management Department, Deputy Chairperson of the Board of Inspectors, Izmir Branch, Izmir Commercial Branch, Akdeniz Corporate and Maslak Corporate Branches	Postgraduate Degree Abroad

Audit Committee's Assessment on the Operation of Internal Audit, Internal Control, Compliance, and Risk Management Systems, and Information on its Activities in the Reporting Period

Internal Audit

The Board of Inspectors reports to the Board of Directors of İşbank and audits the Bank's Head Office divisions, banking processes, information systems, domestic and foreign branches, and the activities of consolidated subsidiaries, as well as support service organizations. The audits aim assure that the Bank's activities comply with legal regulations and the Bank's strategies, policies, principles, and goals. The work done prioritizes the assessment of the effectiveness of the processes for identifying risks and developing the necessary controls within the activities of the first and second lines of defense. Audits are conducted on-site or remotely in accordance with national and international quality standards, based on business needs through an agile working methodology, using a modern and risk-focused approach that uses the strength of the Board of Inspectors' deep-rooted audit culture and advanced information technologies.

The Board of Inspectors also conducts preliminary inspections, examinations, and investigations into suspected internal crimes. Furthermore, the Board of Inspectors audits customer complaint management, and customer complaints received directly by the Board of Inspectors through various channels, including the Ethics Line, are inspected on an individual basis.

The audit reports prepared as a result of the inspection activities are reported to senior management and relevant divisions via the Audit Committee, and the Board of Inspectors monitors the measures taken to address the findings. The Board of Directors closely monitors the activities of the Board of Inspectors through monthly activity reports submitted via the Audit Committee.

The Board of Inspectors conducts annual risk-based audits of İşbank's banking processes and information systems to provide the basis for the Management's Declaration to be submitted to an independent auditor in accordance with the "Regulation over External Audit Institutions' Information Systems and Banking Processes Audits" published by the Turkish Banking Regulation and Supervision Agency (BRSA). In this context, the Board of Inspectors reviews both the consolidated and unconsolidated financial statements prepared during the audit of the financial reporting processes within routine banking processes. In addition, during the regular audits of subsidiaries, the financial reports presented by the related companies to the Bank are reviewed in accordance legal regulations and basic accounting principles such as accuracy and completeness.

The Board of Inspectors also audits customer complaint management, and customer complaints received directly by the Board of Inspectors through various channels, including the Ethics Line, are inspected on an individual basis.

In 2023, audits were conducted in domestic and foreign branches, Head Office Divisions and Units, and subsidiaries.

The following audits were also conducted:

- Portfolio Custody Service,
- Sustainability Management System,
- Gender Equality in Remuneration,
- The Bank and Türkiye İş Bankası A.Ş. Group Compliance Program on Prevention of Laundering Proceeds of Crime and the Financing of Terrorism,
- Valuation Services Received by İşbank,
- Internal Capital Adequacy Assessment Process (İSEDES),
- Compliance with the Guidelines on Loan Allocation and Monitoring Processes.

The Bank's loans to the top 400 companies with the highest credit risk, which constitute 44% of the Bank's total loans, were also audited.

Compliance

At all levels of the Bank, compliance is the primary duty and responsibility of all managers and employees. The Corporate Compliance Division, which reports to the Board of Directors, monitors the corporate compliance functions and activities carried out in the Bank's Head Office divisions, domestic and overseas branches, and its subsidiaries through corporate compliance activities. The Corporate Compliance Division's goal is to ensure maximum contribution to the Bank's efforts to effectively manage and control compliance risk according to a materiality- and risk-based approach and to ensure that the Bank's activities are conducted and managed in accordance with applicable laws, regulations, and standards at all times. The Bank also oversees the effective implementation of the corporate compliance activities by its subsidiaries.


The Corporate Compliance Division, which consists of three sub-units, namely Regulatory Compliance, Fiscal Crimes, and Sanctions and International Obligations, carries out the necessary research, analysis, monitoring, assessment, information, implementation, coordination, and reporting activities regarding compliance issues and monthly and annually reports the results of these activities to the Board of Directors via the Audit Committee.

The duties and responsibilities of the Compliance Officer as specified in the Law on Prevention of Laundering Proceeds of Crime and other applicable regulations are fulfilled by the Head of the Corporate Compliance Division, who is the legal "Compliance Officer" of the Bank as well. The Corporate Compliance Division Manager is also a member of the Risk Committee and Operational Risk Committee and a consultant member of the Information Systems (BS) Steering Committee, Business and BS Continuity Committee, Information Security Committee, and Information Sharing Committee. The Head of the Corporate Compliance Division also serves as the "Compliance Officer" of the Financial Group, of which the Bank is the parent company, in accordance with the MASAK (Financial Crimes Investigation Board) regulations.

The activities related to the prevention of fiscal crimes and sanctions in our Bank are executed in a targeted and effective manner in accordance with applicable regulations and the Bank's Policy and Compliance Program developed for this purpose.

Officers and Assistant Specialists who have just joined İşbank, as well as employees who are promoted, receive a "Compliance with Combating Financial Crimes and Sanctions Policy Program" training as part of their career training program. Also, the Corporate Compliance Division shares information on Financial Crimes, Sanctions, International Obligations, and Legal Compliance activities as part of the Career as a Specialist Internship Program, which is designed to support the career development of our Senior Assistant Specialists. In addition to these trainings, an e-training titled "Combating Financial Crimes and Compliance Programme with Sanctions Policy" is provided to all employees whose duties at the Bank require them to be knowledgeable in this area. Furthermore, lectures on International Sanctions are given to the members of the Board of Inspectors in career training programs as part of the orientation training provided to employees of overseas organizations. The "International Sanctions" digital training course, designed to familiarize employees with the concept of sanctions, the framework of international sanctions, measures to be taken to avoid sanction violations, and various checkpoints, was made available on 09.11.2023, and 230 employees completed the course.

Employees of the Sanctions and International Obligations Unit participate in various events such as seminars, trainings, and conferences organized by international organizations such as SIBOS, ACAMS, correspondent banks, data providers, various authorities, or other institutions.

 The Compliance Risk Management Policy and Combating Financial Crimes and Sanctions Policy are available in the **"Investor Relations/Corporate Governance"** section of our website.

Internal Control

The main objective of the internal control system is to provide the greatest contribution to achieving the Bank's corporate targets, which are set in accordance with the Bank's vision, mission, and strategies, as well as stakeholder expectations. To this end, under the direction of the Board of Directors and with the contribution and support of all İşbank employees the performance necessary to ensure that every internal control system component functions in an integrated and effective manner is being meticulously carried out with professional care and attention.

The structure and operation of İşbank's internal control system and internal control activities ensure that the Bank's assets are protected, that its activities comply with the Law and other relevant legislations, the its internal policies, guidelines, and banking practices, accounting and financial reporting systems operate securely and with integrity, and information is delivered on time. With the use of advanced data analytics tools, the effectiveness of controls is centrally and continuously monitored.

The Internal Control Division, which is an independent function, regularly examines the design and operational effectiveness of the internal control activities carried out by the relevant units. Accordingly, the Internal Control Division carries out "on-site" and/or "remote" controls using a risk-oriented approach on the activities of the Bank's domestic and foreign branches and Head Office units, financial reporting and information systems, and internal control structures of the subsidiaries, that are going to be consolidated.

The Internal Control Division analyses the results of the reviews, eliminates existing shortcomings, develops suggestions to prevent the recurrence of errors, and monitors and tracks activities and reports them to the Audit Committee on a monthly basis.

The internal control activities implemented in 2023 to ensure the effective, reliable, and continuous execution of the Bank's activities and services, as well as the integrity, consistency, reliability, timeliness, and security of the information provided by the accounting and financial reporting system were found to be substantially disrupt-free.

In accordance with the Bank's Sustainability Policy, controls regarding the operations carried out within the scope of the Sustainability Management System are also performed. In addition, the Bank adheres to the international ISO 14001 Environmental Management System standards in terms of the assessment and management of environmental impacts, and the Internal Control Division carries out the "internal audit" activities defined within the standard.

İşbank provides various trainings to its internal control personnel in order to contribute to their professional development. The Internal Control Division also supports these trainings to increase awareness on internal control activities across the organization. The "Internal Control - Basic Concepts" digital training, explaining the concept of internal control, the scope of control processes, and the possible consequences of lack of control, was prepared in 2023, uploaded to the Bank's digital learning platform, and made available to employees.

Efficient Risk Management

The Bank's risk management process is organized around risk management regulations and helps establish a common risk culture across the organization. It prioritizes "good corporate governance", ensures segregation of units responsible for monitoring and controlling risk from executive functions, identifies risks in accordance with international regulations, and facilitates measurement, analysis, monitoring, reporting, and control functions.

The risks which the Bank may face are managed with a triple defense line. The first line of defense is comprised of the executive units and is in charge of identifying and assessing risks, ensuring continuous implementation of risk management, designing and implementing process controls, and reporting results in line with the Bank's risk appetite, rules, procedures, and risk strategies. The second line of defense is comprised of the Risk Management Division, Corporate Compliance Division, and Internal Control Division, which report to the Board of Directors. The Risk Management Division is in charge of creating and updating risk policies and the risk catalogue, setting and updating control targets for risks, measuring, monitoring, and reporting the risks, and developing a risk management framework. The Internal Control Division tests the effectiveness of controls, while the Corporate Compliance Division sets the policy for compliance risks and establishes the principles regarding the control targets for compliance risks.

In the third line of defense, the Board of Inspectors is in charge of conducting an independent audit of the risk management framework and control systems to ensure their effectiveness and adequacy.

The Risk Committee was established to share risk management principles within the Bank so that they are reflected in decision-making and implementation processes. The Committee is in charge of articulating the Bank's risk management strategies and policies , both on a consolidated and unconsolidated basis, submitting them to the Board of Directors for approval, and monitoring their implementation. The Operational Risk Committee, on the other hand, improves the operational risk management framework and strengthens the governance model regarding operational risks.

The Bank's risk management practices aim to create a common risk culture across the organization. Risk management activities are based on the regulations and good practices guidelines published by the Banking Regulation and Supervision Agency. Besides compliance with regulatory limits, the Bank also ensures capital and liquidity adequacy against all risks assumed by the Bank as part of the Internal Capital Adequacy Assessment Process.

The Risk Management Division is the Bank's main executing body of central risk management activities, carries out activities related to regulatory and internal capital adequacy to ensure compliance with the Basel framework and international best practices, develops and validates risk measurement methodologies, and optimizes the capital adequacy management process. The Bank's level of risk exposure is systematically monitored in accordance with the written risk policies and implementation procedures. The Bank runs the risk management process as per internal regulations approved by the Board of Directors, including Capital Adequacy, Credit Risk, Asset-Liability Management Risk, Operational Risk, Model Risk Management, Climate Change Risk, Stress Testing, Reputational Risk, Consolidated Risk, and Information Systems Management Policies.

Potential risks that may be encountered during activities are defined and classified in the Bank's "Risk Catalog", where risks are divided into two main groups: financial and non-financial risks. Financial and non-financial risks are reported monthly to the Risk Committee and the Board of Directors via the Audit Committee.

The Bank uses impact-probability analysis, loss event data analysis, scenario analysis, stress testing, and risk indicators in the measurements related to operational risks in addition to the risk prioritization. The risks defined in the Risk Catalog, as well as the management principles detailed in the risk policies, are reviewed at least once a year, and the corresponding definitions and principles are kept current.

To manage the Bank’s risk profile and conduct a prospective assessment, the scenario analysis method is used to assess the impact of potential large-scale operational risk-type loss events on the Bank’s risk profile. The scenario analysis allows for assessment of catastrophic events, also known as tail risks, which occur seldom but have a significant impact when they do. Scenario analysis results provide inputs to the operational risk management stress testing and top-down risk assessment studies, as well as operational risk internal capital requirement.

Various training programs are organized to extend the effective risk management approach throughout the entire Bank, increase risk management skills of employees, and raise their awareness on the subject. Employees who take on the role of Branch Manager for the first time receive holistic information on risk management, risk types, and the Bank’s Risk Catalog as part of the Branch Managers Development Program. And, in the “Environmental and Social Risk Management in Loans” training, information on the importance of environmental and social risk management for the financial sector, local legislation and international standards, and basic information on environmental and social risk assessment processes are shared. As of 2021, the Bank provides the digital training called “Risk Culture in Our Bank”. In addition, the “Credit and Risk Management Academy” was established to increase the knowledge level of employees who plan to work in the risk management area of lending processes in 2023 and to contribute to their onboarding processes. Employees were granted online access to the first training module which focuses on basic concepts such as risk and loan relationship, financial risks, and internal systems regulation. Furthermore, risk culture surveys are conducted to investigate employees' awareness of risk culture.

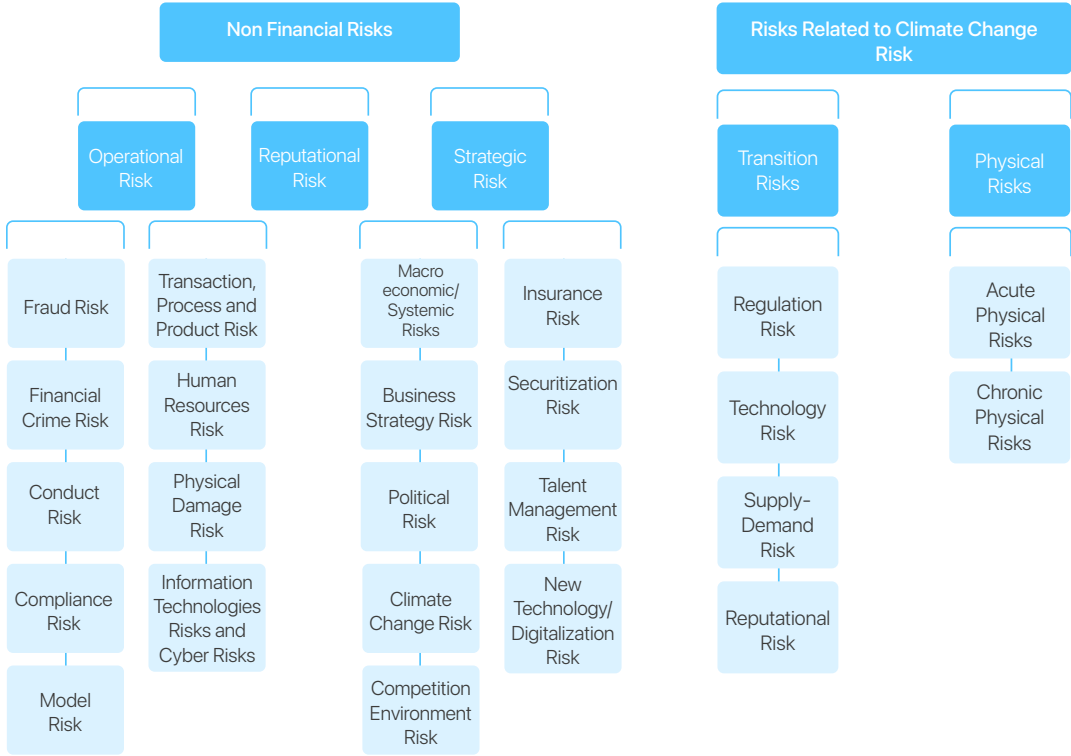
Management of Non-Financial Risks

Aside from financial risks, non-financial risks such as climate change risks, environmental management risks, internal behaviour/culture and ethics risks, and employee practice and employee relations risks are defined in the Bank’s Risk Catalog and addressed through risk management activities.

İşbank prioritizes using best practices to manage climate change risks. The Bank carries out project activities aimed at measuring and reporting on the climate change risks which it may be face, developing governance principles and procedures, and integrating such risks into the Bank’s strategy and lending processes. Climate change risk, classified as a strategic risk in the Bank’s risk catalog, is defined and exemplified using TCFD and international best practices, which include transition risks and physical risks. The Board of Directors approved and implemented the Climate Change Risk Policy , which sets out the principles and procedures to be followed for detecting, identifying, assessing and/or measuring, monitoring, controlling, reporting, and managing the climate change risks that the Bank may face in connection with its activities. The "Share of Sectors With High Climate Change Risk Within the Total Commercial Portfolio" indicator is monitored within the framework of the Bank's solo risk appetite in order to prevent an increase in the concentration of sectors with a high exposure to climate change risk within the portfolio and to provide guidance for portfolio composition in future periods.

The Bank uses a scenario approach to measure climate change risks. For high-risk sectors identified using the climate change heat map method, an impact analysis for climate risk events is carried out using the United Nations Environment Program – Finance Initiative (UNEP-FI) scenario analysis approach and NGFS reference scenarios.

Reputational risk refers to potential losses that may result from a loss of trust in the Bank or damage to the Bank’s reputation as a result of non-compliance with existing legal regulations or negative views held by parties such as current or potential customers, partners, competitors, and supervisory authorities. The Bank monitors reputational risk using the Reputation Index. The Bank designed this index to serve as an early warning system for aspects that might have an impact on the Bank’s reputation. Senior management receives assessment reports on the level of reputational risk at least once a quarter. Senior management is responsible for monitoring and improving compliance with the corporate governance concept, which underpins reputational risk.



İşbank Risk Management Policies

Capital Adequacy Policy	Stress Testing Policy	Consolidated Risk Policies	Climate Change Risk Policy
Credit Risk Policy	Operational Risk Policy	Information Systems Risk Management Policy	Asset and Liability Management Risk Policy
Reputational Risk Policy	Model Risk Management Policy		

Please visit page 155 for Information on Risk Management Policies Applied by Risk Types.

Business Ethics

İşbank’s business practices are based on high business ethics standards. With this understanding, the “Ethical Principles and Operational Rules” prepared in line with the Principles of Banking Ethics of the Banks Association, “Human Rights and Human Resources Policy” and İşbank’s Collective Labor Agreement serve as the basic guidelines in this area.

In accordance with the Ethical Principles and Operational Rules, there is an Ethics Hotline where employees, customers, and other related parties can report any violation of operational rules to the Bank’s the related units. The Internal Audit Division monitors all notifications submitted through the Ethics Hotline. Confidentiality of notifications is essential, and employees are not subjected to any disciplinary action, direct or indirect retaliation, or put at any disadvantage compared to their peers when reporting a violation. In 2023, the Ethics Hotline received a total of 6 complaints.

For behaviours deemed to be in violation of the Bank’s policies, the appropriate disciplinary action, up to termination of the employment contract, is taken according to the applicable provisions and procedures of the Human Resources Regulation and the Collective Labor Agreement.

Customer complaints can be submitted via e-mail, petition, or fax to digital channels, Branches, or directly to the Head Office or the Board of Inspectors. Customer complaints submitted to Branches and the Head Office units are transferred to the Customer Relations Platform and followed up on the relevant platform. Of these complaints those requiring assessment by the Board of Inspectors are transferred to the Board by the relevant Head Office divisions. Customer complaints submitted to the Board of Inspectors are reported to the Audit Committee on a weekly/monthly basis. In 2023, 53 complaints were reported to the Audit Committee.

The Bank organizes trainings to raise employee awareness on business ethics. During the “Getting to Know Our Bank” course, which is part of the “Starting My Career” trainings for new employees, the requirement to follow discipline regulations and "Ethical Banking Principles" is highlighted. During the training, Intern Assistant Inspectors receive “Ethical Principles” and “Anti-Bribery and Anti-Corruption” training. the Board of Inspectors’ “Internal Audit” courses cover banking ethical concepts as part of the Branch Managers Development Program, As I Rise in My Career and My Management Career trainings for managers and manager candidates. In 2023, 9,576 hours of ethics training was given to 1,974 employees.

Employees receive digital training on “Ethical Principles and Operational Rules”. The training includes detailed information on the Bank’s ethical principles and operational rules, our quality, compliance, and risk policies, the principles on Combating Financial Crimes and implementing Sanctions, Compliance with Competition Law and ensuring Information Security, as well as information on the “Ethics Hotline” where employees can report any violations or suspected violations of ethical principles.

The “Getting to Know Our Bank” course, part of the “Starting My Career” trainings for new employees at İşbank, especially on human rights, focuses on the principles set out in the Bank’s Human Rights and Human Resources Policy. Human rights are also covered in the “Law on Private Security Services and Individual Rights” course for private security officers as part of their refresher training. In 2023, 585 employees attended Private Security Refresher trainings. In addition, in 2023, the Support Services Division emailed the Bank’s “Human Rights and Human Resources Policy” text to all private security officers for their information.

During the reporting period, a total of 2,524 employees received a total of 6,034 person*hours of training in human rights.

The Management Development Conferences included seminars on basic human rights, such as “Empowering Equality”, “Sustainability; (Am) I Responsible for the Planet” and “Breaking Down the Walls of Violence Together”, as well as a seminar for managers on “Gender Equality, Diversity and Inclusion in Institutions: Why and How”.

One of the Bank’s top priorities is to ensure full compliance with competition law rules in all our relations with our customers, suppliers, competitors, business partners, and regulatory bodies. The Compliance Commitment Letter distributed to employees for this reason, as well as the “Competition Compliance Program” introduced at the end of 2021, demonstrate the priority placed on this topic. As part of the program, all Head Office division managers attended an online seminar held in 2023. In addition to the seminar, 93.01% of the target audience completed the “Competition Law Compliance Guide” digital training, one of the legal compliance trainings required of all employees.

In 2023, no lawsuits were brought against anti-competitive behaviour, antitrust, and monopolistic activities. The lawsuit alleging anti-competitive activities filed in previous years and resolved in 2023 was decided in favor of the Bank.

Anti-Bribery and Anti-Corruption

Anti-bribery and anti-corruption are among the material topics that İşbank manages without compromise. The Bank’s “Ethical Principles and Operational Rules” and “Anti-Bribery and Anti-Corruption Policy” serve as reference for anti-corruption, and the relevant rules are publicly disclosed on the Bank’s website. The relevant Head Office Division implements the Anti-Bribery and Anti-Corruption Policy, which is overseen by the Corporate Governance Committee. Compliance with the provisions of this policy is audited under the scope of internal audit. The Corporate Governance Committee determines principles for carrying out action plans to address audit findings.

Bribery and corruption risk is defined as the risk that the Bank will suffer losses as a result of a Bank employee abusing the power vested in them as part of their role at the Bank in order to, directly or indirectly, secure benefits for themselves or third parties, and failing to comply with anti-bribery and anti-corruption laws and internal regulations. bribery and corruption risk is measured and prioritized using a top-down risk assessment, impact-probability analysis, loss event data analysis, and scenario analysis activities.

The Board of Inspectors conducts routine audits according to Internal Audit Standards, where all risks, including anti-bribery and anti-corruption, are addressed on a regular basis, and the audit results are reported to authorized divisions of the Bank in accordance with the provisions of applicable legislation, and the outcomes of the reported findings are monitored. Aside from existing risks, factors that present potential risks are also identified, appropriate solutions are provided, and the entire process is monitored. If any violations of anti-corruption policies are discovered during the audits, appropriate action is taken in accordance with internal discipline regulations and legal regulations.

All findings, reports, and customer complaints involving corruption practices are meticulously handled and thoroughly investigated. At the conclusion of audits, the reports prepared to allow appropriate administrative decisions to be taken in accordance with the Bank’s Collective Labor Agreement and the legislation are forwarded to the relevant Head Office Divisions for action. In 2023, the scale of activities reviewed for corruption risks was found to be insignificant compared to the Bank’s total assets.

For behaviors deemed to be in violation of the Bank’s policies, the appropriate disciplinary action, up to termination of the employment contract, is taken according to the applicable provisions and procedures of the Human Resources Regulation and the Collective Labor Agreement. When circumstances necessitate legal action, the violation is brought to the attention of legal authorities.

Information on the details of the Bank’s Anti-Bribery and Anti-Corruption Policy was provided as part of the content titled “Anti-Bribery and Anti-Corruption” in the e-trainings “Compliance with Combating Financial Crimes and Sanctions Policy Program” and “Compliance with Combating Financial Crimes and Sanctions Policy Program - General Principles” assigned to all employees as legal compliance training. The Corporate Compliance Division determines and regularly updates their content. Regular communication is carried out to ensure that employees complete these trainings.

The "Getting to Know Our Bank" course, part of "Starting My Career" trainings for new employees at İşbank, emphasizes adherence to disciplinary regulations and the "Ethical Banking Principles".

Anti-Corruption and Anti-Bribery topics are covered in the “Compliance with Combating Financial Crimes and Sanctions Policy Program” course within the Starting My Career Training for our employees with the titles of Officer and Assistant Specialist, as well as the As I Rise in My Career Training for our employees who are promoted to Senior roles. The "Banking Law" course included in the Career as a Specialist training for Senior Assistant Specialists and the career training programs for employees promoted to Assistant Manager roles, provides information about the legal regulations governing corruption and other related offenses. In 2023, 19,889 people received a total of 2,667 person*hours of Anti-Corruption and Anti-Bribery training.

The sensitivities specified in the Anti-Bribery and Anti-Corruption Policy on the home page of İşbank’s purchasing platform are also observed in supplier selection. During the reporting period, no suppliers were discovered to be implicated in bribery and corruption incidents.

[Click here](#) for İşbank’s Ethical Principles and Operational Rules.

[Click here](#) for İşbank’s Anti-Bribery and Anti-Corruption Policy.

Contribution to Social Welfare

İşbank aims to use the added value it creates for the benefit of society via social responsibility activities that consider community needs and have a long-term and lasting impact. Since its foundation, the Bank has implemented projects in the fields of education, environment, culture, and arts.

Risks

- Loss of reputation due to failed projects and poor partner selection
- Decrease in brand awareness among younger generations due to projects that fail to meet current needs

Opportunities

- Being a trusted bank in the eyes of stakeholders and society with projects developed in line with society's needs
- Contribution to Sustainable Development Goals through projects
- Direct communication with customers thanks to increased financial literacy
- Contribution to corporate reputation

An Overview of İşbank

Looking Into the Future

How We Create Value

Relevant Stakeholders

▶ Society

Material Topics

▶ Contribution to Social Welfare

Contributed SDGs



Capital Elements

▶ Social-Relational Capital

Reliable Financial Actor

Responsible Operations

Good Corporate Citizen

Financial Reports and Annexes

Key Performance Indicators

	2021	2022	2023
Contribution to equal opportunities in education: 81 Students from 81 Cities	In 2021, the total number of graduates reached 297.	In 2022, the total number of graduates reached 361.	In 2023, the total number of graduates reached 428.
Supporting the upbringing of generations who read and question, and supporting the cognitive and cultural development of children: The amount of books donated during the "Show Your Report Card, Get Your Book" Campaign	The 14th campaign was held as a hybrid campaign within the framework of COVID-19 measures. In addition to the 3 electronic books donated, 1 book was also printed in a limited number.	500,000 physical copies of the book "The Adventures of Sherlock Holmes" were distributed to students as part of the 15th campaign, and children were also given digital versions of the book "The Secret Garden" through the kumbaradergisi.com site.	For the 16th campaign, "Çocuklar Soruyor Tarih Dede Anlatıyor" was printed in 500,000 copies and distributed digitally to children through the kumbaradergisi.com site.
Supporting the upbringing of generations who read and question, and supporting the cognitive and cultural development of children: Amount of books donated to schools and libraries	The number of books sent to schools reached 31,615 which were distributed to 1,734 schools as of year-end 2021.	The number of books sent to schools reached 56,000 which were distributed to 2,167 schools as of year-end 2022.	The number of books sent to schools reached 167,213 which were distributed to 4,084 schools as of year-end 2023.

Targets

2023 Target	Realizations in 2023	Targets for 2024 and Beyond
Continuing the campaign in a hybrid model in "Show Your Report Card, Get Your Book"	Printed books were sent to all domestic and TRNC Bank branches and museums.	Our campaign will continue both printed and online.
81 Students from 81 Provinces Project in cooperation with Darüşşafaka Cemiyeti	In 2023, the total number of graduates reached 428.	The project is still ongoing.

The Corporate Social Responsibility Committee reporting to the Board of Directors oversees İşbank's social investment programs. Collaborations with different stakeholder groups, particularly non-governmental organizations promote effective stakeholder engagement in social responsibility projects.

* The number reported as 296 in the previous period has been revised.

Projects in the Education

İşbank implements education projects aimed at educating new generations to uphold Atatürk's ideas and elevate our nation to a modern society.



Chess

İşbank supports chess education to make it a popular and easily accessible activity for children. In 2005, the Bank became the main sponsor of the Turkish Chess Federation (TSF), assisting in the growth of chess as a popular sport in Türkiye.



İşbank Chess Classes

Chess classes are set up in primary and secondary schools to encourage students to play chess, focus teachers' and parents' attention to this sport, and address the absence of equipment in schools with limited resources.

As of 2023, there were 35,000 chess classes offered in schools throughout Türkiye.



The Northern Cyprus Chess Federation

İşbank is the main sponsor of TSF and the Northern Cyprus Chess Federation (KKSF) since 2013. Following the sponsorship, chess became a weekly club activity in primary schools in the Turkish Republic of Northern Cyprus (TRNC). All schools in the TRNC have a chess class.



Turkish Juniors and Stars Chess Championship

The "Turkish Juniors and Stars Chess Championship", which is held in Antalya every January, was held between January 21-28 in 2023. A total of 2,304 players competed at the 2023 Turkish Juniors and Stars Chess Championship.

A total of 220 players, 144 in the junior category and 76 in the senior category, ranked first and qualified to join the national team pool.



School Sports Chess Tournament

The 2023 Türkiye School Sports Chess Tournament was held at Aydın Mimar Sinan Sports Hall between June 7-11. In the tournament, 706 players from 138 school teams from 51 cities in Türkiye competed.



81 Students from 81 Cities

In the 2008-2009 academic year, İşbank collaborated with Darüşşafaka to launch the "81 Students from 81 Cities" project, which was one of the country's most comprehensive and long-term educational projects. İşbank covers all students' education expenses under the program.

Within the scope of the project, 66 students graduated from the school, and the total number of graduates reached 428 in 2023.


İşbank continues to support students who graduated from Darüşşafaka and passed the university entrance exam through the 81 Students from 81 Cities Project. Furthermore, within the scope of Koç University's "Anadolu Scholarship Holders" program, İşbank covers the education expenses for a select number of Darüşşafaka graduates each year.



Show Your Report Card, Get Your Book

İşbank started the "Show Your Report Card Get Your Book" at the end of the 2007-2008 academic year, which is one of the largest book campaigns in Türkiye to date.

The campaign aimed to support children's cognitive and cultural development, foster a generation of readers and questioners, and contribute to cordial communication between İşbank and children from an early age.

The book "Çocuklar Soruyor Tarih Dede Anlatıyor" was made available to students in printed form and digitally via  the Kumbara Magazine portal (www.kumbaradergisi.com) and the Kumbara Magazine mobile application for the 16th time at the end of the 2022-2023 academic year, commemorating the 100th anniversary of our Republic's founding. The books were sent to all Bank branches and museums in Türkiye and the TRNC.

During the campaign, books were also sent to children in regional boarding schools, affection houses, and closed youth jails, and juvenile reformatories. Furthermore, books printed in the Braille alphabet were sent to schools that teach visually impaired children.



Book Donation to Schools and Libraries

İşbank's Kültür Yayınları distribute books to schools and public libraries around Türkiye as part of their social responsibility activities to promote education. In 2023, 167,213 thousand books were distributed to 4,084 schools and libraries.



Kumbara Magazine

The magazines "Kumbara" and "Mini Kumbara" are published online with two distinct types of content for children aged 3-6 and 7-14 to provide high-quality, instructional, and amusing content. Kumbara Magazine, with an improved interface and increased content frequency, has also become an important platform for the Show Your Report Card, Get Your Book campaign.



Golden Youth Award

Every year since 1971, İşbank has given the "Golden Youth" award to students who pass the university entrance exam. So far, more than 3,900 students have received awards.



Artificial Intelligence Application and Research Center

The "Artificial Intelligence Application and Research Center" was established in collaboration with İşbank and Koç University to contribute to the scientific and academic activities in our country and carry out advanced studies in the field of artificial intelligence, which is of great importance globally. Koç University faculty members train experts for industry and academia at the Artificial Intelligence Center, which is housed inside of Koç University Faculty of Engineering. The also seek to solve the problems of the business world.



In our 100th Anniversary Year, the Internet for 100 Villages Project

In today's quickly digitalizing world, the Internet has grown in importance in areas such as information access, educational transformation, and agricultural and production efficiency. The "Internet for 100 Villages" Project, launched by the İşNet subsidiary, aims to promote economic and social development in rural areas. The project aims to provide internet connectivity to villages that lack one. Satellite internet is provided through installations in common locations such as schools and headman's offices.



Infectious Diseases Application and Research Center

During the global COVID-19 pandemic, İşbank and Koç University collaborated to establish the "Infectious Diseases Application and Research Center" in support our country's scientific and academic research in the field of public health.

The center established at Koç University and supported by İşbank aims to advance the scientific activities in our country in public health, conduct research on infectious diseases, provide diagnosis and treatment solutions for diseases, and develop prevention methods. The center coordinates projects throughout Koç University's Faculty of Medicine, Engineering, Science, Economics, and Administrative Sciences and Humanities Faculties and operates at the Koç University Hospital in Topkapı.

Projects in the Environmental Field

İşbank collaborates with non-governmental organizations on various projects to create a better world to live in, draw attention to environmental problems associated with deforestation, and promote environmental awareness in society, especially among children.

The Seas is Ours, The Future is Ours

One of İşbank's strategic priorities is sustainability and the Bank carries out various projects under the theme "The Seas is Ours, The Future is Ours." Thus, the Bank has carried out activities to raise public awareness about marine mucilage and its effects, as well as to identify solutions. the "Future of the Seas: Seagrass Meadows" project was implemented in collaboration with the Turkish Marine Research Foundation TÜDAV. The research focused on Posidonia oceanica seagrass meadows, which are crucial for the Marmara Sea. The project aims to map, clean, and protect Posidonia oceanica seagrass meadows. Furthermore, under the leadership of the METU Institute of Marine Sciences, the Sea Explorer, an unmanned underwater glider, which was provided to METU last year to support the marine studies of the whole academic and scientific community, continues its underwater research.

Together with the discoveries, comprehensive measurements are made in the seas and data that advances research are revealed.

TEMA Foundation Collaboration

Based on an agreement with the TEMA Foundation, the TEMA Foundation has committed to planting one young tree for each 100 kg of paper donated by İşbank. The Bank donated 567,014 kg of waste paper between March 2020 and March 2023, which translates to 5,670 saplings to be planted for this period.

Projects in the Field of Culture and Art

İşbank contributes to enriching the country's cultural and artistic life by bringing works from the global cultural and creative landscape to the country. The Bank also supports projects that evaluate the country's archaeological heritage, presenting it to new generations and preserving it for the future.

International Atatürk Conference

Founded by Gazi Mustafa Kemal Atatürk as our country's first national bank who believed that political independence after the War of Independence could only be achieved through economic independence, İşbank organized an international conference with the theme "A Look to the Next Century with Atatürk's Vision" to commemorate the Republic's 100th Anniversary.

The conference, hosted by the İşbank's Chairperson and CEO took place on September 28-29, 2023 in the İş Towers Hall. The Minister of Culture and Tourism delivered the opening speech, and notable speakers from Türkiye and abroad also attended. Notable lecturers, professors, and distinguished speakers from Türkiye and around the world addressed a wide variety of topics, from history to economy, science to culture and sports, with a past-to-future approach. The economy, modernity, women's rights, science, and a variety of other future-related topics were assessed within the framework of Atatürk's vision. Panels on "The Truest Mentor in Life is Science" and "The Rising New Generation, the Future is Yours" were organized.

Kültür Yayınları

Kültür Yayınları, which continues to publish on the principles of contributing to the development of Turkish, quality publishing, and instilling the habit of reading at an early age, brought 16,069,702 books to readers in 2023.

İş Sanat

On behalf of İşbank, İş Sanat implements long-term, audience-engaging sustainable projects in cultural domains of art, museology, archaeology, and history, in order to support our country's cultural development and to enhance knowledge in these domains by offering opportunities for the public to interact with art.

Performing Arts

In 2023, İş Sanat continued its activities in the field of performing arts by using tangible venues. Numerous performances featuring local and international artists from various performing arts genres were shown to audiences at various locations, including İş Towers Hall. These events included classical music concerts, local projects, recitals of stories and poetry, as well as theatrical production. Events were organized outdoors in Istanbul, Ankara, and Izmir with "Friday After Work", in various ancient cities with "Ancient Stage", and on the YouTube channel.

Art Galleries

In 2023, **Kibele Art Gallery** hosted its visitors with Berna Türemen's exhibition titled "Retrospective" between October 16-December 18, 2023.

Moreover, In 2023, Zeki Faik İzer's exhibition titled "Paris, İstanbul, Nice" was organized after Beril Anılanmert's "Seyir Defteri" exhibition at the Ankara Art Gallery.

Contributions in the Field of Archaeology

Archaeological studies are supported to unearth and preserve Türkiye's rich archaeological heritage, as well as to shed light on the history of civilization through scientific research. The archaeological activities supported are listed below.

- Zeugma Ancient City - House of Muses in Nizip
- Patara Ancient City in Kaş - Antalya
- Teos Ancient City in Seferihisar - Izmir
- Kaman excavations at Kalehöyük, Yassihöyük, and Büklükale in Kaman - Kırşehir
- Nysa Ancient City in Sultanhisar - Aydın
- Stratonikeia Ancient City in Yatağan - Muğla

Archaeological publications that are prepared by the editorship of excavation heads to ensure the academic studies are transferred to the future generations is published by Cultural Publications. Till today Zeugma, Patara, Teos and Nysa books were prepared.

Museology and Institutional History Studies

İşbank Museum (Eminönü, İstanbul)

İşbank Museum, which opened in November 2007, showcases the Bank's long-standing corporate history and Türkiye's economic development through banking equipment, documents, communication tools, photographs, advertising-promotional materials, and films.

The number of visitors in 2023 reached 397,086, bringing the total number of visitors since its opening to 2,146,413. The museum also continues to host its visitors with temporary exhibitions.

- The İstiklal Exhibition, which premiered in 2019 at İşbank Museum, was expanded with İzmir-specific additions, and "İstiklal Exhibition Towards the 100th Anniversary of the Great Victory" re-opened for visitors at İzmir Kültürpark Atlas Pavilion on August 30, 2021. The exhibition remained open until September 9, 2022, the 100th anniversary of the liberation of Izmir, and was visited by 111,112 people.
- On October 28, 2021, the exhibition titled "Bir Asrın Ardından / Cepheler, İnsanlar ve Büyük Zafer" (After a Century / Fronts, People, and the Great Victory) was opened at the museum. 328,575 people visited the exhibition from its opening date until the end of 2022.
- On March 22, 2023, the "Long Live the Republic Exhibition" was opened to the public in honor of our Republic's 100th anniversary. 323,990 visitors were hosted throughout the year.

İşbank Museum of Economic Independence (Ulus, Ankara)

İşbank transformed its historical building in Ulus, Ankara, which served for many years as the Bank's third Head Office, into a museum to share its experience with the public. This building is of great importance in terms of national economic history. In 2019, the "İşbank Museum of Economic Independence" opened in the historical Ulus building, a landmark in the capital. The museum houses the archives and recollections of the country's economic independence and development.

The "Long Live the Republic Exhibition" was opened simultaneously at the İşbank Museum and at the Economic Independence Museum. The number of unique visitors to the exhibition exceeded 87,000.

İşbank Painting and Sculpture Museum (Beyoğlu, Istanbul)

Following the restoration and construction works that began in 2020 to renovate the historic building in Beyoğlu into a museum, the İşbank Painting and Sculpture Museum opened its doors to art lovers on October 29, 2023, as a gift of İşbank to our country for the 100th anniversary of our Republic. Preparations for the museum were carried out in collaboration with founding curator Prof. Dr. Gül İrepoğlu, plastic arts consultant Prof. Rahmi Aksungur, and museological consultant Burçak Madran.

The total number of visitors reached 43,123 in 2023.



Donations and Sponsorships

In 2023, a total of TL 2.65 billion was donated to the projects of institutions and organizations such as Darüşşafaka Society, Koç University-Artificial Intelligence Application and Research Center, Common Sense Association, Koç University-Research Center for Infectious Diseases, Koç University Research and Application Center for Gender and Women’s Studies, and the Banks Association of Türkiye, of which TL 2.3 billion was donated to AFAD.

We are Together, You are Not Alone

İşbank announced that it has decided to write off all personal loan debts of its customers who lost their lives in the region of the February 2023 earthquakes. And it has also allocated TL 10 billion in resources for the first phase which will help heal the region’s wounds and mobilize production and employment.

İşbank Istanbul Marathon

İşbank is strengthening the celebrations by assuming the title sponsorship of the Istanbul Marathon for the 100th anniversaries of both our Republic and İşbank. The Istanbul Marathon, which unites Asia and Europe with the power of sports, as the only transcontinental marathon in the world, will be named “İşbank Istanbul Marathon” in 2023 to commemorate the Republic’s 100th anniversary and in 2024 for the 100th anniversary of İşbank. Beginning November 5, 2023, the events to be organized for two years will be held under the names “İşbank Istanbul Marathon” and “İşbank Istanbul Half Marathon”.

69th Sait Faik Abasıyanık Story Award

The 69th edition of the Sait Faik Abasıyanık Story Award, organized in collaboration with the Darüşşafaka Association and Kültür Yayınları to honor the memory of Sait Faik Abasıyanık, one of the greatest writers of our literature, was organized on the 100th anniversary of our Republic. The winner Ayşegül Devocioğlu was presented with her award at a ceremony. İşbank continued to be a supporter of this tradition and wishes to further strengthen it at the 100th anniversary of our Republic.

Our Corporate Governance Approach

Corporate governance underpins İşbank's operations and supports its ethical framework and decision-making processes. It plays an important role in increasing stakeholders’ trust by ensuring transparency, accountability, and compliance with regulations. By implementing strong governance practices, İşbank is able to effectively manage risks, optimize its operations, and strengthen its resilience and sustainability by quickly adapting to market changes. Strong governance practices are a factor of preference for investors seeking stable and well-governed institutions. Corporate governance enhances the Bank’s reputation and supports its long-term growth and success.

Corporate Governance Principles Compliance Statement

İşbank is subject to the provisions stipulated for banks in the Banking legislation and Capital Markets legislation regarding Corporate Governance Principles. The Bank carries out its activities in accordance with the compulsory principles of the Communiqué on Corporate Governance (Communiqué) published by the Capital Markets Board.

The Bank’s practices regarding the non-compulsory provisions of the principles stipulated in the Communiqué and additional information within the framework of Corporate Governance are included in the Corporate Governance Compliance Report and Corporate Governance Information Form, which are part of the Integrated Annual Report which is published with the approval of our Board of Directors. No changes are foreseen to be performed in the Bank’s managerial practices within the framework of the principles stipulated in the Communiqué. Within the year, efforts to develop the practices of the corporate governance principles of the Bank have continued.

The “Sustainability Principles Compliance Framework” section of our Integrated Annual Report includes the Bank’s practices and information regarding the principles within the scope of the regulation with the same title published by the Capital Markets Board.

Corporate Governance Compliance Report

Company Compliance Status						
	Yes	Partial	No	Exempted	Not Applicable	Explanation
Corporate Governance Compliance Report						
1.1. FACILITATING THE EXERCISE OF SHAREHOLDER RIGHTS						
1.1.2- Up-to-date information and disclosures which may affect the exercise of shareholder rights are available to investors at the corporate website.	X					
1.2. RIGHT TO OBTAIN AND REVIEW INFORMATION						
1.2.1 - Management did not enter into any transaction that would complicate the conduct of special audit.	X					
1.3. GENERAL ASSEMBLY						
1.3.2 - The company ensures the clarity of the General Assembly agenda, and that an item on the agenda does not cover multiple topics.	X					
1.3.7- Insiders with privileged information have informed the board of directors about transactions conducted on their behalf within the scope of the company's activities in order for these transactions to be presented at the General Shareholders' Meeting.					X	
1.3.8 - Members of the board of directors who are concerned with specific agenda items, auditors, and other related persons, as well as the officers who are responsible for the preparation of the financial statements were present at the General Shareholders' Meeting.	X					
1.3.10 - The agenda of the General Shareholders' Meeting included a separate item detailing the amounts and beneficiaries of all donations and contributions.	X					
1.3.11 - The General Shareholders' Meeting was held open to the public, including the stakeholders, without having the right to speak.		X				In addition to the shareholders of İşbank, the persons mentioned in "İşbank Internal Directive on Working Principles and Procedures of General Assembly" may attend the General Assembly
1.4. VOTING RIGHTS						
1.4.1 - There is no restriction preventing shareholders from exercising their shareholder rights.	X					
1.4.2 - The company does not have shares that carry privileged voting rights.	X					
1.4.3-The company withholds from exercising its voting rights at the General Shareholders' Meeting of any company with which it has cross-ownership, in case such cross-ownership provides management control.					X	

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Corporate Governance Compliance Report

Company Compliance Status						
	Yes	Partial	No	Exempted	Not Applicable	Explanation
1.5. MINORITY RIGHTS						
1.5.1 - The company pays maximum diligence to the exercise of minority rights.					X	
1.5.2 - The Articles of Association extend the use of minority rights to those who own less than one twentieth of the outstanding shares, and expand the scope of the minority rights.			X			In our Bank, minority rights are exercised in line with the related legislation.
1.6. DIVIDEND RIGHT						
1.6.1 - The dividend policy approved by the General Shareholders' Meeting is posted on the company website.	X					
1.6.2 - The dividend distribution policy comprises the minimum information to ensure that the shareholders can have an opinion on the procedure and principles of dividend distributions in the future.	X					
1.6.3 - The reasons for retaining earnings, and their allocations, are stated in the relevant agenda item.					X	
1.6.4 - The board reviewed whether the dividend policy balances the benefits of the shareholders and those of the company	X					
1.7. TRANSFER OF SHARES						
1.7.1 - There are no restrictions preventing shares from being transferred.	X					
2.1. CORPORATE WEBSITE						
2.1.1. - The company website includes all elements listed in Corporate Governance Principle 2.1.1.	X					
2.1.2 - The shareholding structure (names, privileges, number and ratio of shares, and beneficial owners of more than 5% of the issued share capital) is updated on the website at least every 6 months.	X					
2.1.4 - The company website is prepared in other selected foreign languages, in a way to present exactly the same information with the Turkish content.	X					
2.2. ANNUAL REPORT						
2.2.1 - The board of directors ensures that the annual report represents a true and complete view of the company's activities.	X					
2.2.2 - The annual report includes all elements listed in Corporate Governance Principle 2.2.2.	X					

Company Compliance Status						
	Yes	Partial	No	Exempted	Not Applicable	Explanation
3.1. CORPORATION'S POLICY ON STAKEHOLDERS						
3.1.1- The rights of the stakeholders are protected pursuant to the relevant regulations, contracts and within the framework of bona fides principles.	X					
3.1.3 - Policies or procedures addressing stakeholders' rights are published on the company's website.	X					
3.1.4 - A whistleblowing programme is in place for reporting legal and ethical issues.	X					
3.1.5 - The company addresses conflicts of interest among stakeholders in a balanced manner.	X					
3.2. SUPPORTING THE PARTICIPATION OF THE STAKEHOLDERS IN THE CORPORATION'S MANAGEMENT						
3.2.1 - The Articles of Association, or the internal regulations (terms of reference/manuals), regulate the participation of employees in management.		X				İşbank employees participate in the management of the Bank via their beneficiary status in İşbank Members' Supplementary Pension Fund, which holds 38,20% of İşbank shares.
3.2.2 - Surveys/other research techniques, consultation, interviews, observation method etc. were conducted to obtain opinions from stakeholders on decisions that significantly affect them.	X					
3.3. HUMAN RESOURCES POLICY						
3.3.1 - The company has adopted an employment policy ensuring equal opportunities, and a succession plan for all key managerial positions.	X					
3.3.2 - Recruitment criteria are documented.	X					
3.3.3 - The company has a policy on human resources development, and organises trainings for employees.	X					
"3.3.4 - Meetings have been organised to inform employees on the financial status of the company, remuneration, career planning, education and health."	X					
3.3.5 - Employees, or their representatives, were notified of decisions impacting them. The opinion of the related trade unions was also taken.	X					

Corporate Governance Compliance Report

Company Compliance Status						
	Yes	Partial	No	Exempted	Not Applicable	Explanation
3.3.6 - Job descriptions and performance criteria have been prepared for all employees, announced to them and taken into account to determine employee remuneration.	X					
3.3.7 - Measures (procedures, trainings, raising awareness, goals, monitoring, complaint mechanisms) have been taken to prevent discrimination, and to protect employees against any physical, mental, and emotional mistreatment.	X					
3.3.8 - The company ensures freedom of association and supports the right for collective bargaining.	X					
3.3.9 - A safe working environment for employees is maintained.	X					
3.4. RELATIONS WITH CUSTOMERS AND SUPPLIERS						
3.4.1-The company measured its customer satisfaction, and operated to ensure full customer satisfaction.	X					
3.4.2 - Customers are notified of any delays in handling their requests.	X					
3.4.3 - The company complied with the quality standards with respect to its products and services.	X					
3.4.4 - The company has in place adequate controls to protect the confidentiality of sensitive information and business secrets of its customers and suppliers.	X					
3.5. ETHICAL RULES AND SOCIAL RESPONSIBILITY						
3.5.1 - The board of the corporation has adopted a code of ethics, disclosed on the corporate website.	X					
3.5.2-The company has been mindful of its social responsibility and has adopted measures to prevent corruption and bribery.	X					
4.1. ROLE OF THE BOARD OF DIRECTORS						
4.1.1 - The board of directors has ensured strategy and risks do not threaten the long-term interests of the company, and that effective risk management is in place.	X					
4.1.2 - The agenda and minutes of board meetings indicate that the board of directors discussed and approved strategy, ensured resources were adequately allocated, and monitored company and management performance.	X					
4.2. ACTIVITIES OF THE BOARD OF DIRECTORS						
4.2.1-The board of directors documented its meetings and reported its activities to the shareholders.	X					

Company Compliance Status						
	Yes	Partial	No	Exempted	Not Applicable	Explanation
4.2.2 - Duties and authorities of the members of the board of directors are disclosed in the annual report.	X					
4.2.3-The board has ensured the company has an internal control framework adequate for its activities, size and complexity.	X					
4.2.4 - Information on the functioning and effectiveness of the internal control system is provided in the annual report.	X					
4.2.5 - The roles of the Chairman and Chief Executive Officer are separated and defined.	X					
4.2.7-The board of directors ensures that the Investor Relations department and the corporate governance committee work effectively. The board works closely with them when communicating and settling disputes with shareholders.	X					
4.2.8 - The company has subscribed to a Directors and Officers liability insurance covering more than 25% of the capital.		X				Our Bank's Board of Directors and Executives are insured against the risk of loss they may cause due to their faults while performing their duties within the scope of a liability insurance policy that names our Bank and our participations as the insured, however, the coverage of insurance is below the mentioned amount.
4.3. STRUCTURE OF THE BOARD OF DIRECTORS						
4.3.9 - The board of directors has approved the policy on its own composition, setting a minimal target of 25% for female directors. The board annually evaluates its composition and nominates directors so as to be compliant with the policy.	X					
4.3.10 - At least one member of the audit committee has 5 years of experience in audit/accounting and finance.	X					
4.4. BOARD MEETING PROCEDURES						
4.4.1-Each board member attend the majority of the board meetings in person or via an electronic board meeting system.	X					
4.4.2 - The board has formally approved a minimum time by which information and documents relevant to the agenda items should be supplied to all board members.	X					
4.4.3 - The opinions of board members that could not attend the meeting, but did submit their opinion in written format, were presented to other members.					X	
4.4.4 - Each member of the board has one vote.	X					

Corporate Governance Compliance Report

Company Compliance Status						Explanation
	Yes	Partial	No	Exempted	Not Applicable	
4.4.5 - The board has a charter/written internal rules defining the meeting procedures of the board.	X					
4.4.6 - Board minutes document that all items on the agenda are discussed, and board resolutions include director's dissenting opinions if any.	X					
4.4.7-There are limits to external commitments of board members. Shareholders are informed of board members' external commitments at the General Shareholders' Meeting.		X				The duties that İşbank Board members have outside the Bank are provided in the Annual Report which is presented in the General Assembly.
4.5. BOARD COMMITTEES						
4.5.5 - Board members serve in only one of the Board's committees.			X			Members of İşbank Board of Directors may take part in more than one committee within the context of the related legislation."
4.5.6 - Committees have invited persons to the meetings as deemed necessary to obtain their views.	X					
4.5.7 - If external consultancy services are used, the independence of the provider is stated in the annual report.					X	
4.5.8 - Minutes of all committee meetings are kept and reported to board members.	X					
4.6. FINANCIAL RIGHTS						
4.6.1-The board of directors has conducted a board performance evaluation to review whether it has discharged all its responsibilities effectively.	X					
4.6.4-The company did not extend any loans to its board directors or executives, nor extended their lending period or enhanced the amount of those loans, or improve conditions thereon, and did not extend loans under a personal credit title by third parties or provided guarantees such as surety in favour of them.		X				Restrictions related with the loans to be extended by İşbank to the Board members and employees are defined in article 50 of the Banking Law. In this context, İşbank does not extend loans to its Board members and employees other than those allowed by the law.
4.6.5 - The individual remuneration of board members and executives is disclosed in the annual report.		X				Total compensation of the Board members and managers with administrative responsibilities is disclosed. On the other hand, the net allowance amount paid to our Board members on an individual basis is determined at our General Assemblies and disclosed to the public together with the General Assembly minutes.

Corporate Governance Information Form

1. SHAREHOLDERS

1.1. Facilitating the Exercise of Shareholders Rights

The number of investor meetings (conference,seminar/ etc.) organised by the company during the year	In 2023, İşbank participated 7 conferences online for stock and bond investors. In these events, a total of 86 meetings were conducted. In addition to 4 investor events in teleconference and videoconference format, where investors participated via remote access, 121 meetings were held.
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1.2. Right to Obtain and Examine Information

The number of special audit request(s)	-
The number of special audit requests that were accepted at the General Shareholders' Meeting	-

1.3. General Assembly

Link to the PDP announcement that demonstrates the information requested by Principle 1.3.1. (a-d)	www.kap.org.tr/tr/Bildirim/1120213
Whether the company provides materials for the General Shareholders' Meeting in English and Turkish at the same time	General Assembly documents except the list of participants and the minutes of the meeting (invitation to the General Assembly, agenda, proxy statement, information document, dividend distribution proposal, etc.) are presented in Turkish and English simultaneously
The links to the PDP announcements associated with the transactions that are not approved by the majority of independent directors or by unanimous votes of present board members in the context of Principle 1.3.9	-
"The links to the PDP announcements associated with related party transactions in the context of Article 9 of the Communique on Corporate Governance (II-17.1)"	-
The links to the PDP announcements associated with common and continuous transactions in the context of Article 10 of the Communique on Corporate Governance (II-17.1)	-
The name of the section on the corporate website that demonstrates the donation policy of the company	İşbank Donation and Contribution Principles can be found on İşbank website, Home Page > About Us > Investor Relations > Corporate Governance > İşbank Donation and Contribution Principles.
The relevant link to the PDP with minute of the General Shareholders' Meeting where the donation policy has been approved	https://www.kap.org.tr/tr/Bildirim/270320
The number of the provisions of the articles of association that discuss the participation of stakeholders to the General Shareholders' Meeting	Article 47
Identified stakeholder groups that participated in the General Shareholders' Meeting, if any	Shareholders and shareholder representatives as well as Board members, independent auditor representatives and İşbank employees (within the context of the legislation) participated in the General Assembly held in 2023.

1.4. Voting Rights

Whether the shares of the company have differential voting rights	No
In case that there are voting privileges, indicate the owner and percentage of the voting majority of shares.	-
The percentage of ownership of the largest shareholder	38.20%

1.5. Minority Rights

Whether the scope of minority rights enlarged (in terms of content or the ratio) in the articles of the association	No
If yes, specify the relevant provision of the articles of association.	-

Corporate Governance Information Form

1.6. Dividend Right	
The name of the section on the corporate website that describes the dividend distribution policy	Home Page >About Us > Investor Relations > Corporate Governance > Dividend Distribution Policy
Minutes of the relevant agenda item in case the board of directors proposed to the general assembly not to distribute dividends, the reason for such proposal and information as to use of the dividend.	-
PDP link to the related general shareholder meeting minutes in case the board of directors proposed to the general assembly not to distribute dividends	-
General Assembly Meetings	
General Meeting Date	3/30/2023
The number of information requests received by the company regarding the clarification of the agenda of the General Shareholders' Meeting	0
Shareholder participation rate to the General Shareholders' Meeting	80.64%
Percentage of shares directly present at the GSM	0.06%
Percentage of shares represented by proxy	80.57%
Specify the name of the page of the corporate website that contains the General Shareholders' Meeting minutes, and also indicates for each resolution the voting levels for or against	Home > About Us > Investor Relations > Corporate Governance > Resolutions Made at the Annual General Meeting
Specify the name of the page of the corporate website that contains all questions asked in the general assembly meeting and all responses to them	Home > About Us > Investor Relations > Corporate Governance > Resolutions Made at the Annual General Meeting
The number of the relevant item or paragraph of General Shareholders' Meeting minutes in relation to related party transactions	-
The number of declarations by insiders received by the board of directors	682
The link to the related PDP general shareholder meeting notification	https://www.kap.org.tr/tr/Bildirim/1120213-1130098-1134105
2. DISCLOSURE AND TRANSPARENCY	
2.1. Kurumsal İnternet Sitesi	
Specify the name of the sections of the website providing the information requested by the Principle 2.1.1.	Home Page > About Us > Investor Relations
If applicable, specify the name of the sections of the website providing the list of shareholders (ultimate beneficiaries) who directly or indirectly own more than 5% of the shares.	Home > About Us > Investor Relations > Corporate Overview > Corporate Information > Ownership Structure
List of languages for which the website is available	Turkish and English

2.2. Annual Report	
The page numbers and/or name of the sections in the Annual Report that demonstrate the information requested by principle 2.2.2.	
a) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the duties of the members of the board of directors and executives conducted out of the company and declarations on independence of board members	Additional Information Regarding the Related Legislation
b) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on committees formed within the board structure	İşbank Committees
c) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the number of board meetings in a year and the attendance of the members to these meetings	Information about the Board of Directors Meetings in 2023
ç) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on amendments in the legislation which may significantly affect the activities of the corporation	No legislation change that would significantly impact İşbank activities has occurred
d) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on significant lawsuits filed against the corporation and the possible results thereof	Unconsolidated Financial Statements as at and for the Year Ended 31 December 2023 with Independent Audit's Report Thereon - Information on Other Provisions
e) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the conflicts of interest of the corporation among the institutions that it purchases services on matters such as investment consulting and rating and the measures taken by the corporation in order to avoid from these conflicts of interest	None
f) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the cross ownership subsidiaries that the direct contribution to the capital exceeds 5%	İşbank has no cross ownership subsidiaries.
g) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on social rights and professional training of the employees and activities of corporate social responsibility in respect of the corporate activities that arises social and environmental results	Responsible Operations - Decent Work / Good Corporate Citizen - Contribution to Social Welfare
3. STAKEHOLDERS	t
3.1. Corporation's Policy on Stakeholders	
The name of the section on the corporate website that demonstrates the employee remedy or severance policy	Compensation principles for Bank employees are determined by the Collective Bargaining Agreement which is shared with the employees through İşbank's Corporate Intranet Portal.
The number of definitive convictions the company was subject to in relation to breach of employee rights	None
The position of the person responsible for the alert mechanism (i.e. whistleblowing mechanism)	In addition to our employees, all other stakeholders can submit their complaints to the Board of Inspectors through the channels included in the Ethical Principles and Code of Conduct approved by the Board of Directors of our Bank. Following detailed and independent evaluations, complaints are directly examined by the Board of Inspectors or transferred to the relevant units of the Bank. İşbank also has an online communication platform through which employees may submit their requests and complaints to the Senior Management directly. Only a limited number of managers have access to the said platform.
The contact detail of the company alert mechanism	E-mail: etik@isbank.com.tr Phone: +90 212 316 14 44 Address: Türkiye İş Bankası A.Ş. Etik Hat İş Kuleleri Kule 1 Kat 34 34330 Levent-Beşiktaş/ İSTANBUL

Corporate Governance Information Form

3.2. Supporting the Participation of the Stakeholders in the Corporation's Management	
Name of the section on the corporate website that demonstrates the internal regulation addressing the participation of employees on management bodies	No information on this matter is available on our website.
Corporate bodies where employees are actually represented	"İsbank employees participate in the management of the Bank via their beneficiary status in İşbank Members' Supplementary Pension Fund, which holds 38.20% of İşbank shares. In addition, in accordance with the Occupational Health and Safety Law No. 6331, Occupational Health and Safety Board meetings are held in our buildings with 50 or more Bank employees, and employee representatives take part in these boards. Employee representatives are elected from the workplace employee representatives of the Basisen Union."
3.3. Human Resources Policy	
The role of the board on developing and ensuring that the company has a succession plan for the key management positions	Board of Directors create succession plans.
The name of the section on the corporate website that demonstrates the human resource policy covering equal opportunities and hiring principles. Also provide a summary of relevant parts of the human resource policy.	Home Page > About Us > Sustainability > Our Policies
Whether the company provides an employee stock ownership programme	Pay edindirme planı bulunmuyor (There isn't an employee stock ownership programme)
The name of the section on the corporate website that demonstrates the human resource policy covering discrimination and mistreatments and the measures to prevent them. Also provide a summary of relevant parts of the human resource policy.	Home Page > About Us > Sustainability > Our Policies
The number of definitive convictions the company is subject to in relation to health and safety measures	None
3.5. Ethical Rules and Social Responsibility	
The name of the section on the corporate website that demonstrates the code of ethics	Home Page > About Us > Investor Relations > Corporate Governance > Ethical Principles and Code of Conduct
The name of the section on the company website that demonstrates the corporate social responsibility report. If such a report does not exist, provide the information about any measures taken on environmental, social and corporate governance issues.	Home Page > About Us > Sustainability > Our Reports
Any measures combating any kind of corruption including embezzlement and bribery	Home Page > About Us > Sustainability > Our Policies

4. BOARD OF DIRECTORS-I

4.2. Activity of the Board of Directors	
Date of the last board evaluation conducted	Date of the Board of Directors' self-assessment questionnaire (08.12.2023)
Whether the board evaluation was externally facilitated	No
Whether all board members released from their duties at the GSM	Yes
Name(s) of the board member(s) with specific delegated duties and authorities, and descriptions of such duties	No delegation of authority in İşbank
Number of reports presented by internal auditors to the audit committee or any relevant committee to the board	124
Specify the name of the section or page number of the annual report that provides the summary of the review of the effectiveness of internal controls	Audit Committee's Assessment on the Operation of Internal Audit, Internal Control, Compliance and Risk Management Sytems and Its Activities in the Reported Period
Name of the Chairman	Adnan Bali
Name of the CEO	Hakan Aran
If the CEO and Chair functions are combined: provide the link to the relevant PDP annoucement providing the rationale for such combined roles	Chairman and General Manager seats are held by different persons
Link to the PDP notification stating that any damage that may be caused by the members of the board of directors during the discharge of their duties is insured for an amount exceeding 25% of the company's capital	Our Banks Board of Directors and Executives are insured against the risk of loss they may cause due to their faults while performing their duties within the scope of a liability insurance policy that names our Bank and our participations as the insured, however, the coverage of insurance is below the mentioned amount. On the other hand, this issue has not been disclosed on the Public Disclosure Platform
The name of the section on the corporate website that demonstrates current diversity policy targeting women directors	https://www.isbank.com.tr/bankamizi-taniyin/Documents/yatirimci-iliskileri/MR-TIS-KIB-22-00264_Cesitlilik_Politikasi.pdf
The number and ratio of female directors within the Board of Directors	2 / %18

Corporate Governance Information Form

Composition of Board of Directors						
Name, Surname of Board Member	Whether Executive Director Or Not	Whether Independent Director Or Not	The First Election Date To Board	Link To PDP Notification That Includes The Independency Declaration	Whether She/ He is the Director Who Ceased to Satisfy The Independence or Not	Whether The Director Has At Least 5 Years' Experience On Audit, Accounting And/Or Finance Or Not
ADNAN BALİ	Non-executive	Not independent director	4/1/2011		-	Yes
GÜZİDE MELTEM KÖKDEN	Non-executive	Independent director	3/30/2023		No	Yes
HAKAN ARAN	Executive	Not independent director	4/1/2021		-	Yes
FAZLI BULUT	Non-executive	Not independent director	3/29/2019		-	Yes
DURMUŞ ÖZTEK	Non-executive	Not independent director	3/31/2020		-	Yes
RECEP HAKAN ÖZYILDIZ	Non-executive	Not independent director	3/31/2020		-	Yes
MUSTAFA RIDVAN SELÇUK	Non-executive	Not independent director	3/31/2020		-	Yes
AHMET GÖKHAN SUNGUR	Non-executive	Independent director	3/31/2020	www.kap.org.tr/tr/Bildirim/916723	No	Yes
SADRETTİN YURTSEVER	Non-executive	Independent director	3/31/2020		No	Yes
ŞEBNEM AYDIN	Non-executive	Not independent director	3/30/2023		-	Yes
GÖKHAN ŞEN	Non-executive	Independent director	3/30/2023		No	Yes

4. BOARD OF DIRECTORS-II

4.4. Meeting Procedures of the Board of Directors

Number of physical or electronic board meetings in the reporting period	12 physical, 3 online
Director average attendance rate at board meetings	100%
Whether the board uses an electronic portal to support its work or not	Yes
Number of minimum days ahead of the board meeting to provide information to directors, as per the board charter	In accordance with article II/4/b of the Directive on Working Procedures and Principles of İşbank Board of Directors, a copy of the agenda and proposals is sent to the members before the meeting date at a reasonable time which allows them to make the necessary evaluations.
The name of the section on the corporate website that demonstrates information about the board charter	Articles of Association
Number of maximum external commitments for board members as per the policy covering the number of external duties held by directors	None

4.5. Board Committees

Page numbers or section names of the annual report where information about the board committees are presented	İşbank Committees
Link(s) to the PDP announcement(s) with the board committee charters	www.kap.org.tr/tr/Bildirim/262622

Corporate Governance Information Form

Composition of Board Committees-I				
Names Of The Board Committees	Name Of Committees Defined As "Other" In The First Column	Name-Surname of Committee Members	Whether Committee Chair Or Not	Whether Board Member Or Not
Corporate Governance Committee		Sadrettin Yurtsever	Yes	Board member
Corporate Governance Committee		Fazlı Bulut	No	Board member
Corporate Governance Committee		Şebnem Aydın	No	Board member
Corporate Governance Committee		Nilgün Yosef Osman	No	Not board member
Corporate Governance Committee		Özge Han Mercimekçi	No	Not board member
Audit Committee		Güzide Meltem Kökden	Yes	Board member
Audit Committee		Sadrettin Yurtsever	No	Board member
Remuneration Committee		Adnan Bali	Yes	Board member
Remuneration Committee		Sadrettin Yurtsever	No	Board member
Other	Credit Committee	Hakan Aran	Yes	Board member
Other	Credit Committee	Adnan Bali	No	Board member
Other	Credit Committee	Şebnem Aydın	No	Board member
Other	Credit Committee	Güzide Meltem Kökden (Yedek Üye)	No	Board member
Other	Credit Committee	Fazlı Bulut (Yedek Üye)	No	Board member
Other	Turkish Republic of Northern Cyprus Internal Systems Committee	Güzide Meltem Kökden	Yes	Board member
Other	Turkish Republic of Northern Cyprus Internal Systems Committee	Sadrettin Yurtsever	No	Board member
Other	Credit Revision Committee	Adnan Bali	No	Board member
Other	Credit Revision Committee	Güzide Meltem Kökden	No	Board member
Other	Credit Revision Committee	Sadrettin Yurtsever	No	Board member
Other	Credit Revision Committee	Şebnem Aydın	No	Board member
Other	Corporate Social Responsibility Committee	Şebnem Aydın	No	Board member
Other	Corporate Social Responsibility Committee	Sezgin Yılmaz	No	Not board member
Other	Corporate Social Responsibility Committee	Sadrettin Yurtsever	No	Board member
Other	Corporate Social Responsibility Committee	Fazlı Bulut	No	Board member
Other	Corporate Social Responsibility Committee	Durmuş Öztekin	No	Board member
Other	Corporate Social Responsibility Committee	Can Yücel	No	Not board member
Other	Corporate Social Responsibility Committee	Suat E. Sözen	No	Not board member
Other	Corporate Social Responsibility Committee	Gül Meltem Atılgan	No	Not board member
Other	Risk Committee	Adnan Bali	Yes	Board member
Other	Risk Committee	Güzide Meltem Kökden	No	Board member

Composition of Board Committees-I				
Names Of The Board Committees	Name Of Committees Defined As "Other" In The First Column	Name-Surname of Committee Members	Whether Committee Chair Or Not	Whether Board Member Or Not
Other	Risk Committee	Sadrettin Yurtsever	No	Board member
Other	Risk Committee	Hakan Aran	No	Board member
Other	Risk Committee	Ebru Özşuca	No	Not board member
Other	Risk Committee	İzlem Erdem	No	Not board member
Other	Risk Committee	Can Yücel	No	Not board member
Other	Risk Committee	Sezai Sevgin	No	Not board member
Other	Risk Committee	Hürdoğan İrmak	No	Not board member
Other	Risk Committee	Süleyman H. Özcan	No	Not board member
Other	Risk Committee	Engin Yalçın	No	Not board member
Other	Operational Risk Committee	Güzide Meltem Kökden	Yes	Board member
Other	Operational Risk Committee	Hakan Aran	No	Board member
Other	Operational Risk Committee	Sadrettin Yurtsever	No	Board member
Other	Operational Risk Committee	N. Burak Seyrek	No	Not board member
Other	Operational Risk Committee	Mehmet Celayir	No	Not board member
Other	Operational Risk Committee	Sabri Gökmenler	No	Not board member
Other	Operational Risk Committee	Sezgin Lüle	No	Not board member
Other	Operational Risk Committee	Sezai Sevgin	No	Not board member
Other	Operational Risk Committee	Gürler Özkök	No	Not board member
Other	Operational Risk Committee	Süleyman H. Özcan	No	Not board member
Other	Operational Risk Committee	Engin Yalçın	No	Not board member
Other	Operational Risk Committee	Hürdoğan İrmak	No	Not board member
Other	Operational Risk Committee	Bülent Akdemir	No	Not board member
Other	Operational Risk Committee	Burcu Nasuhoğlu	No	Not board member
Other	Sustainability Committee	Adnan Bali	Yes	Board member
Other	Sustainability Committee	Sadrettin Yurtsever	No	Board member
Other	Sustainability Committee	Şebnem Aydın	No	Board member
Other	Sustainability Committee	İzlem Erdem	No	Not board member
Other	Sustainability Committee	N. Burak Seyrek	No	Not board member
Other	Sustainability Committee	Can Yücel	No	Not board member
Other	Sustainability Committee	Ozan Gürsoy	No	Not board member
Other	Sustainability Committee	Sezgin Yılmaz	No	Not board member

Corporate Governance Information Form

Composition of Board Committees-I				
Names Of The Board Committees	Name Of Committees Defined As "Other" In The First Column	Name-Surname of Committee Members	Whether Committee Chair Or Not	Whether Board Member Or Not
Other	Sustainability Committee	Sezgin Lüle	No	Not board member
Other	Sustainability Committee	Mehmet Celayir	No	Not board member
Other	Sustainability Committee	Sabri Gökmenler	No	Not board member
Other	Sustainability Committee	Sezai Sevgin	No	Not board member
Other	Sustainability Committee	Suat E. Sözen	No	Not board member
Other	Sustainability Committee	Hürdoğan İrmak	No	Not board member
Other	Sustainability Committee	Nilgün Yosef Osman	No	Not board member
Other	Board of Directors Operating Principles Committee	Adnan Bali	Yes	Board member
Other	Board of Directors Operating Principles Committee	Sadrettin Yurtsever	No	Board member
Other	Board of Directors Operating Principles Committee	Durmuş Öztek	No	Board member

4. BOARD OF DIRECTORS-III

4.5. Board Committees-II

Specify where the activities of the audit committee are presented in your annual report or website (Page number or section name in the annual report/website)	Information about the activities of Audit Committee which was established within the context of the related legislation is presented in "İşbank Committees" section of the Annual Report.
Specify where the activities of the corporate governance committee are presented in your annual report or website (Page number or section name in the annual report/website)	İşbank Committees
Specify where the activities of the nomination committee are presented in your annual report or website (Page number or section name in the annual report/website)	At İşbank, functions of Nomination Committee are fulfilled by Corporate Governance Committee.
Specify where the activities of the early detection of risk committee are presented in your annual report or website (Page number or section name in the annual report/website)	Information about the activities of Risk Committe is presented in "İşbank Committees" section of the Annual Report.
Specify where the activities of the remuneration committee are presented in your annual report or website (Page number or section name in the annual report/website)	Information about the activities of Remuneration Committe which was established within the context of the related legislation is presented in "İşbank Committees" section of the Annual Report.

4.6. Financial Rights

Specify where the operational and financial targets and their achievement are presented in your annual report (Page number or section name in the annual report)	Reliable Financial Actor, Responsible Operations
Specify the section of website where remuneration policy for executive and non-executive directors are presented.	Home Page > About Us > Investor Relations > Corporate Governance > Remuneration Policy
Specify where the individual remuneration for board members and senior executives are presented in your annual report (Page number or section name in the annual report)	Additional Information Regarding the Related Legislation

Composition of Board Committees-II

Names Of The Board Committees	Name of committees defined as "Other" in the first column	The Percentage Of Non-executive Directors	The Percentage Of Independent Directors In The Committee	The Number Of Meetings Held In Person	The Number Of Reports On Its Activities Submitted To The Board
Corporate Governance Committee		60%	20%	3 online	-
Audit Committee		100%	100%	55	12
Remuneration Committee		100%	50%	11	-
Other	Credit Committee	80%	20%	-	-
Other	Turkish Republic of Northern Cyprus Internal Systems Committee	100%	100%	10	2
Other	Credit Revision Committee	100%	50%	6 physical	1
Other	Corporate Social Responsibility Committee	50%	14%	2 physical, 4 online	9
Other	Risk Committee	64%	18%	12	14
Other	Operational Risk Committee	57%	14%	3	-
Other	Sustainability Committee	18%	0%	-	-
Other	Board of Directors Operating Principles Committee	100%	0%	-	-

Sustainability Principles Compliance Framework

COMPLIANCE STATUS						
	Yes	No	Partial	Irrelevant	Explanation	Definition
A. General Principles						
A1. Strategy, Policies and Targets						
A1.1	Material environmental, social and corporate governance (ESG) issues, risks and opportunities have been determined by the partnership's Board of Directors.	x				Home Page >About Us > Sustainability > Our Policies
	ESG policies (e.g. Environmental Policy, Energy Policy, Human Rights and Employee Policy etc.) have been created and disclosed to the public by the Board of Director of the corporation	x				Home Page >About Us > Sustainability > Our Policies
A1.2	Short and long- term targets set within the scope of ESG policies were disclosed to the public.	x			Global Tendencies, Risks, Opportunities and Forecasts, page :24-27 Value Creation Model, page :32-35 Reliable Financial Actor, page 56 Responsible Operations, page 106 Good Corporate Citizen page 130 2023 CDP Climate Change Report, 20-32	
A2. Application / Monitoring						
A2.1	The committees and/or units responsible for the implementation of ESG policies and the highest level officials in the partnership related to ESG issues and their duties have been identified and disclosed to the public.	x				Home Page >About Us > Sustainability > Our Organization Committees Operating at İşbank,İşbank Committees, Sustainability Committee, page 152
	Activities carried out within the scope of policies by the responsible committe and/ or unit were reported to the board of directors at least once a year.	x				2023 CDP Climate Change Report, page 2-4
A2.2	Creates and discloses implementation and action plans aligned with ESG targets.	x			Value Creation Model, page :32-35 Reliable Financial Actor, page 56 Responsible Operations, page 106 Good Corporate Citizen page 130 2023 CDP Climate Change Report, page 20-32 2023 CDP Water Security Report, page 30-32	
A2.3	The ESG Key Performance Indicators (KPI) and the level of reaching these indicators on a yearly basis were disclosed to the public.	x				Key Performance Indicators, page 59, 81, 91, 109, 117, 133, 167
A2.4	Discloses efforts for improving sustainability performance with respect to work processes or products and services.	x			Responsible Products and Services, page 72-74 Products and Services Contributing to a Green Economy, page :87-89, Financial Inclusion page:75-78 Home > About Us > Sustainability > Responsible Products and Services > Products and Services Contributing to Society	
A3. Reporting						
A3.1	In the annual reports information on the sustainability performance, goals and actions of the partnership is given in an understandable accurate and adequate manner	x				Global Tendencies, Risks, Opportunities and Forecasts, page :24-27 How Do We Create Value? Sustainability at İşbank, page 31 Reliable Financial Actor, page 56 Responsible Operations, page 106 Good Corporate Citizen page 130

COMPLIANCE STATUS						
	Yes	No	Partial	Irrelevant	Explanation	Definition
A3.2	Provides information about which of the United Nations (UN) 2030 Sustainable Development Goals its activities are related to	x				Contribution to Sustainable Development Goals, page :54-55
A3.3	Makes disclosures regarding the lawsuits filed and/ or conluded against the company on account of ESG issues, which are material with respect to ESG issues, which are material with respect to ESG policies and/or have material impact on operations	x				https://www.kap.org.tr/tr/Bildirim/977504-973221-952353-947832-945276-928647-1012970-1031025-1038508-1053513-1065379-1070878
A4. Verifications						
A4.1	ESG Key Performance measurements are verified by an independent third party and publicly disclosed.	x				Non-Financial Data Reporting Guide and Independent Assurance Report, page 459-465
B. Environmental Principles						
B1	Discloses its policies and practices, action plans in relation to environmental management systems (known by the ISO 14001 standard) and programs	x				Reducing the negative impacts of our operations, page :108 Home > About Us > Sustainability > Our Policies
B2	Publicly discloses the limitations over the reporting scope, reporting period, reporting date, reporting conditions of the environmental reports to be prepared for providing environmental management information.	x				About the Report, page 6-7 Non-Financial Data Reporting Guide and Independent Assurance Report, page 459-465
B3	It's stated in A2.1.	x				
B4	Environmental targets included in scope of performance incentive systems on the basis of stakeholders (such as members of the Board of Director, managers and employees) have been disclosed to the public.	x				2023 CDP Climate Change Report, page 5-6
B5	How the priority environmental issues are integrated into business goals and strategies has been publicly disclosed.	x				How Do We Create Value? Sustainability at İşbank, page 31 Global Tendencies, Risks, Opportunities and Forecasts, page 24-27 Reliable Financial Actor, page 56 Responsible Operations, page 106 Good Corporate Citizen page 130 2023 CDP Climate Change Repor, page 15-18
B6	It's stated in A2.4	x				
B7	It has been publicly disclosed how environmental issues are managed and integrated into business objectives and strategies throughout the partnership value chain, including the operational process, including suppliers and customers including suppliers and customers.	x				Responsible Procurement, page 113-115 Home > About Us > Sustainability > Our Policies > Supplier Code of Conduct
B8	Whether relevant organizations and non- governmental organizations on the environment are involved in	x				Initiatives Supported in the Field of Sustainability, Page 52-53 Corporate Memberships, page 445 Home > About Us > Sustainability > Memberships and Initiatives
B9	Periodically reports information about its environmental impacts comparatively in the light of environmental indicators; Greenhouse gas emissions Scope-1(Direct), Scope-2 (Indirect from purchased energy), Scope-3 (Other indirect), air quality, energy management, water and wastewater management, waste management, biodiversity implications)	x				Reducing the negative impacts of our operations, page 108 Home > About Us > Sustainability > Memberships and Initiatives
B10	Discloses the standards, protocols, methodology and base year detailsfor collecting and calculating its data	x				Reducing the negative impacts of our operations, page 108 Non-Financial Data Reporting Guide and Independent Assurance Report, page 459-465

COMPLIANCE STATUS							
		Yes	No	Partial	Irrelevant	Explanation	Definition
B11	Discloses the status of environmental indicators for the reporting year in comparison with previous years (increase or decrease)	x					Reducing the negative impacts of our operations, page 108 Home > About Us > Sustainability > Responsible Banking > Our Environmental Impact 2023 CDP Climate Change Report, page 36-45
B12	Sets and discloses its short-term and long-term targets for mitigating its environmental impacts. Also provides information about the progress achieved, if applicable, in the reporting period with respect to the targets it has set previously	x					Reducing the negative impacts of our operations, page 108 2023 CDP Climate Change Report, page 20-32
B13	A strategy to combat the climate crisis has been created and the planned actions have been publicly announced.	x					Climate Action, page 80 Home > About Us > Sustainability > Responsible Banking > Combating Climate Change 2023 CDP Climate Change Report, page 15-18
B14	Programs or procedures have been established and disclosed to the public in order to prevent or minimize the potential negative impact of products and/or services on the environment.	x					Climate Action, page 80 Home > About Us > Sustainability > Responsible Products and Services > Products Contributing to the Green Economy
	Actions have been taken to reduce greenhouse gas emissions of third parties (e.g. suppliers, subcontractors, dealers, etc.) and these actions have been disclosed to the public.	x					Sustainable Procurement, page 113-115 Home > About Us > Sustainability > Our Policies > Supplier Code of Conduct
B15	The environmental benefits/benefits and cost savings of initiatives and projects aimed at reducing environmental impacts have been disclosed to the public	x					Reducing the negative impacts of our operations, page 108
B16	Energy consumption (natural gas, diesel, gasoline, LPG, coal, electricity, heating, cooling, etc.) data are publicly disclosed as Scope -1 and Scope -2.)	x					Reducing the negative impacts of our operations, page 108 Home > About Us > Sustainability > Responsible Banking > Our Environmental Impact
B17	Public disclosure was made about the electricity, heat, steam and cooling produced in the reporting year.	x					Reducing the negative impacts of our operations, page 108 Home > About Us > Sustainability > Responsible Banking > Our Environmental Impact
B18	Studies on increasing the use of renewable energy and the transition to zero or low carbon electricity have been made and publicly announced.	x					Reducing the negative impacts of our operations, page 108
B19	Renewable energy production and usage data is publicly disclosed.	x					Reducing the negative impacts of our operations, page 108 Home > About Us > Sustainability > Responsible Banking > Our Environmental Impact
B20	Energy efficiency projects have been carried out and the amount of energy consumption and emission reduction achieved through energy efficiency projects has been disclosed to the public.	x					Reducing the negative impacts of our operations, page 108 Home > About Us > Sustainability > Responsible Banking > Our Environmental Impact
B21	Water consumption, if any, amounts of water drawn, recycled and discharged from underground or above ground, its sources and procedures have been disclosed to the public.	x					Reducing the negative impacts of our operations, page 108 Home > About Us > Sustainability > Responsible Banking > Our Environmental Impact Non-Financial Data Reporting Guide and Independent Assurance Report, page :459-465 2023 CDP Water Security Report page 19-23

COMPLIANCE STATUS							
		Yes	No	Partial	Irrelevant	Explanation	Definition
B22	It has been publicly disclosed whether its operations or activities are included in any carbon pricing system (Emissions Trading System, Cap & Trade or Carbon Tax).				x	İşbank's operations or activities are not included in the carbon pricing system. It is known that legal authorities are working on establishing a local carbon trading system. All national and international developments are followed closely and development opportunities are evaluated in this area	
B23	Information on carbon credits accumulated or purchased during the reporting period has been disclosed to the public.		x			İn terms of the sum of Scope-1 and Scope-2 emissions calculated in accordance with the International GHG Protocol, İşbank aims to conduct its activities as carbon-neutral by 2026. In 2021, İşbank started to procure renewable energy, and by 2022, it had reached 100% electricity consumption from renewable energy.	
B24	Discloses the details if carbon pricing is applied within the Company		x			At this stage, there is no carbon pricing practice in our bank. On the other hand, all activities of our Bank are in a continuous development with the ESG focus, and the implementation of the carbon pricing practice will be evaluated in the following period..	
B25	The platforms where the partnership discloses its environmental information are publicly disclosed.	x					Initiatives Supported in the Field of Sustainability, page :52-53 2023 CDP Climate Change Report 2023 CDP Water Security Report Our Environmental Impact Türkiye İş Bankası (isbank.com.tr)
C. Social Principles							
C1. Human Rights and Employee Rights							
C1.1	Forms a Human Rights and Employee Rights Policy with a commitment to fully comply with the Universal Declaration of Human Rights, ILO Conventions which Turkey has confirmed and the legal framework and regulations governing the operation of corporate life in Turkey. Discloses the policy in question and the roles and responsibilities associated with its implementation.	x					Home > About Us > Sustainability > Our Policies > Human Rights And Human Resources Policy
C1.2	Incorporates equitable workforce, improvement of working standards, women's employment and inclusion (Xt discriminating on the basis of gender, race, religion, language, marital status, ethnicity, sexual orientation, gender identity, family responsibilities, union activities, political affiliation, disabilities, social and cultural differences, etc.) in its policy concerning employee rights, while looking out for the effects of supply and value chain.	x					Home > About Us > Sustainability > Our Policies > Human Rights And Human Resources Policy Home > About Us > Sustainability > Our Policies > Supplier Code Of Conduct Home > About Us > Sustainability > Our Policies > Gender Equality Policy
C1.3	Describes the measures taken throughout the value chain for the protection of groups sensitive to certain ecoXmic, environmental, social factors (low-income groups, women, etc.) or securing miXrity rights / equal opportunities.	x					Home > About Us > Sustainability > Our Policies > Supplier Code Of Conduct Sustainable Procurement, page 113-115 Financial Inclusion, page 75-78 Equal Opportunity and Diversity, page 123-125
C1.4	Reports developments regarding discrimination, inequality, human rights violations, forced labor and corrective practices. Explain the regulations to prevent child labor.	x					Equal Opportunity and Diversity ve Gender Equality, page 123-125 GRI Content Index, page 466-469
C1.5	Explains policies regarding investment in employees (training, development policies), compensation, vested benefits, right to unionize, work / life balance solutions and talent management. Determines dispute resolution processes by creating mechanisms for employee complaints and dispute resolution. It regularly explains the activities carried out to ensure employee satisfaction.	x					Decent Work, page 116 Home > About Us > Investor Relations > Corporate Governance > Remuneration Policy Home > About Us > Investor Relations > Corporate Governance > Ethical Principles and Code of Conduct

COMPLIANCE STATUS							
		Yes	No	Partial	Irrelevant	Explanation	Definition
C1.5	Determines the dispute resolution processes by establishing mechanisms for employee complaints and resolution processes.	x					Compliance with Operating Principles, page 126 Home > About Us > Investor Relations > Corporate Governance > Ethical Principles and Code of Conduct
	Explains the activities to ensure employee satisfaction within the reporting period.	x					Decent work, page 116
C1.6	Establishes and discloses occupational health and safety policies.	x					Home > About Us > Sustainability > Our Policies > Occupational Health and Safety Policy
	Discloses the measures taken to prevent workplace accidents and for protecting occupational health along with statistical data on accidents.	x					Employee Health and Safety, page 127 Human Resources Data, page 452
C1.7	Establishes and discloses personal data protection and data security policies.	x					Home > Privacy Policy Home > About Us > Investor Relations > Corporate Governance > Personal Data Protection Policy
C1.8	Establishes and discloses a code of ethics.	x					Home > About Us > Investor Relations > Corporate Governance > Ethical Principles and Code of Conduct
C1.9	Explains the work within the scope of social investment, social responsibility, financial inclusion and access to finance.	x					Contribution to Social Welfare, page 166 Financial Inclusion, page 75-78
C1.10	Organizes information meetings and training programs on ESG policies and practices for employees.	x					Talent Management, page 128-129 Equal Opportunity and Diversity ve Gender Equality page 123-125 Human Resources data, page 450-451
C2. Stakeholders, International Standards and Initiatives							
C2.1	Establishes and discloses a customer satisfaction policy for management and resolution of customer complaints.	x					https://www.isbank.com.tr/en/contact-us https://www.isbank.com.tr/en/contact-form https://www.isbank.com.tr/iletisim-formu-takip Client Oriented, page 70-72
C2.2	Information about the communication with stakeholders (which stakeholder, subject and frequency) is publicly disclosed.	x					Stakeholders, page 38-40
C2.3	Explains the international reporting standards adopted in its reporting.	x					About the Report, page 6-7 Initiatives Supported in the Field of Sustainability, page :52-53 2023 CDP Climate Change Report, page 2, 8-9
C2.4	Discloses the principles adopted regarding sustainability, international organizations, committees and principles that it is a signatory or member of.	x					Initiatives Supported in the Field of Sustainability, page 52-53 İşbank's Sustainability Journey, page 50-52
C2.5	Makes improvements and conducted studies in order to to qualify for inclusion in sustainability indices of Borsa İstanbul and/or international index providers.	x					Initiatives Supported in the Field of Sustainability, page 52-53
D. Corporate Governance Principles							
D1	Seeks stakeholders' opinions while determining the measures and strategies related with sustainability.	x					How Do We Create Value? Sustainability in İşbank, page 31 Transparent and Ethical Management, page 132 2023 CDP Climate Change Report
D2	Implications on raising the awareness of sustainability and its importance through conducting social responsibility projects, awareness activities and training programs.	x					Contribution to Social Welfare, page 166

Dividend Distribution Policy

The principles regarding the Bank's dividend distribution are regulated in Article 58 of the Articles of Incorporation. According to this:

"After deducting all general expenses from the income arising from the operations of the Bank within a year, including premiums, bonuses and similar payments to the personnel of the Bank, and funds for all kinds of depreciations, as well as necessary provisions, the net profit obtained shall partly be set aside as reserve fund and partly distributed in the order, manner, and at the rates indicated below.

a) 1- 5% to legal reserve fund,

2- 5% as provision for probable future losses,

3- 10% as first extraordinary reserve fund.

If the cause for the setting aside of a provision and fund for a probable future loss and/or risk no longer exists, the remainder of these accounts added to the net profit after the allocation made in subparagraph (a) shall be added to the first contingency reserve fund in section (a/3).

b) An amount equal to 6% of the paid-in capital represented by Group A, B, and C shares shall be distributed to shareholders as the "first dividend" from the amount remaining after the reserves mentioned in paragraph (a) above are set aside from the net profit. Should the profit realized in any year be insufficient to provide for the first dividend of 6% referred to above, the balance shall be allocated and distributed from the extraordinary reserve fund. However, the amount allocated from the reserve fund in this way shall constitute a debt that must be allocated from the net profit of subsequent years.

c) After the reserved fund referred to in paragraph (a) and the first dividend referred to in paragraph (b) above, the balance shall be distributed as follows:

10% to the founder shares (limited to the portion of TL 250 thousand –two hundred and fifty thousand– of paid-in capital)

20% to the employees of the Bank, and

10% shall be set aside as the second extraordinary reserve fund.

d) After the amounts set forth in paragraphs (a), (b) and (c) have been set aside and distributed, the balance remaining by considering paragraph (e) shall be distributed to the shareholders as a "second dividend" in the manner stated below.

1- The net total of the dividends to be distributed to the holders of Group A shares as first and second dividends under paragraphs (b) and (d) may not exceed 60% of the capital paid up by them, the net total of the dividends to be distributed to holders of Group B shares may not exceed 30% of the capital paid up by them, and the net total of the dividends to be distributed to holders of Group C shares may not exceed 25% of the capital paid up by them.

2-After the amounts set forth in paragraphs (a), (b) and (c) have been set aside and distributed, should the balance be insufficient to distribute the second dividend in the manner specified by the paragraph (1) above, total dividends to be paid to the three Groups of shares shall be calculated separately in the distribution of the second dividend by considering twice the amount of the paid-in capital represented by Group A shares, the full amount of the paid-in capital represented by Group B shares, and 5/6 (five-sixths) of the amount of paid-in capital represented by Group C shares.

e) The amount that needs to be added to the statutory reserve under paragraph 2/c of Article 519 of the Turkish Commercial Code shall be set aside.

f) The General Assembly shall, upon proposal of the Board of Directors, decide whether the balance remaining after the distribution and allocation of the net profit as specified above shall be transferred to the extraordinary reserve funds, carried over to the following year, or up to 80% of such balance be distributed in net to the shareholders by dividing the same by the number of shares and the remaining balance be transferred to the extraordinary reserve funds or carried over to the following year. In the calculation of the dividends to be paid to all three Groups of shares; Group A shares will be considered as 40 times the share quantity, Group B shares will be considered as 1.5 times of the share quantity, and Group C shares will be considered as the same quantity due to the reason that 20 shares each with a nominal value of TL 500 (this amount is related to the period prior to the Law No. 5083 regarding the Monetary Unit of the Turkish Republic on which the rate of change has not been applied) have been changed with shares with a nominal value of 1 Kurus."adet payın 1 Kuruş nominal değerde pay ile değiştirilmesi nedeniyle A grubu pay sayısının 40 katı, B grubu pay sayısının 1.5 katı, C grubu pay sayısı ise aynen dikkate alınır.

The dividends are distributed within the scope of the related legislation in a manner and at a time determined by the General Assembly.

Profit Distribution Offer

The Dividend Distribution Offer of the Board of Directors (depending on the permission to be obtained and the completion of the procedures) will be submitted for the review of our shareholders on the official website of our Bank, www.isbank.com.tr, on the EGKS portal of MKK and on the Public Disclosure Platform.

Summary Report of the Board of Directors

Esteemed Shareholders,

Welcome to our Bank’s 100th Ordinary General Assembly Meeting. As we present the Board of Directors' Report, the Balance Sheet and the Income Statement covering the results of our activities in fiscal year 2023 for your review and approval, we respectfully greet all of you here today.

In 2023, geopolitical uncertainties persisted, while the relatively weak course of global economic growth continued with divergence among countries. Although inflation lost momentum on a global scale, it continued to hover above central banks' targets. Maintaining their rate hikes throughout the year, major central banks preferred to wait to monitor the effects of the tightening steps taken in the last quarter of the year.

The Türkiye economy grew by 4.5 per cent in 2023 thanks to the continued strong course of consumption expenditures and the recovery in investment expenditures following the earthquake disaster. Despite the favourable performance of budget revenues, particularly tax revenues, increased budget expenditures due to the earthquake disaster and high inflation caused the budget deficit to widen rapidly in 2023.

The banking sector maintained its strong outlook in 2023 and continued to support economic activity. TL loan volume, including loans extended to the financial sector, increased by 53.5% to TL 7,293 billion as of 29 December 2023. In USD terms, FX loan volume decreased by 3.5% to 121.6 billion USD in the same period. Thus, total loan volume expanded by 52.9% to TRY 10,859 billion as of 29 December 2023. According to exchange rate adjusted figures, total loan volume expanded by 34.7% in this period.

According to the Weekly Bulletin published by the Banking Regulation and Supervision Agency, as of 29 December 2023, TL deposits including banks' deposits increased by 85.9% compared to the same period of 2022 and reached 8,308 billion TRY. In USD terms, FX deposit volume decreased by 8.2% to 191.3 billion USD in this period. The volume of FX-protected deposits, which peaked at TL 3.4 trillion in August, started to decline following the announcement of the exit strategy on 20 August and fell to TL 2.6 trillion as of 29 December. Thus, as of 29 December 2023, total deposit volume increased by 66.5% compared to the same period of the previous year and reached TL 13,919 billion. Adjusted for the exchange rate effect, the annual increase in total deposit volume was 42.1%.

As of 31.12.2023 compared to the end of the previous year,

Our loans increased by 51.1% to TL 1,147.4 billion,

- Our deposits increased by 78.5% to TL 1,662.2 billion,
- Our total assets increased by 74.2% to TL 2,453.8 billion,
- Shareholders' equity increased by 39.9% to TL 267.8 billion

has arrived.

In 2023, the Bank maintained its effective risk management and smooth growth policy in credit allocation processes, and its non-performing loans ratio stood at 2.1% at year-end. In 2023, while maintaining its leadership among private banks in total deposits, the Bank continued to utilise non-deposit funding opportunities in domestic and foreign markets in order to diversify resources and extend the maturity structure of liabilities by considering the cost of funding.

Maintaining its strong capital structure, the Bank's capital adequacy ratio stood at 21.6% at the end of 2023, well above the legal limit. The Bank generated a net profit of TL 72.3 billion in 2023, while return on average equity and return on assets were 33.3% and 3.8%, respectively.

Our Esteemed Shareholders,

We hereby submit our Annual Report, Balance Sheet and Income Statement pertaining to our activities during 2023 for your review and approval. We would like to take this opportunity to express our gratitude to our stakeholders for their steadfast trust in our Bank, to the institutions of the Republic of Türkiye for their support, and to our employees for their dedicated efforts. We extend our respects to you, our valued shareholders, for having honored this General Assembly Meeting with your attendance.

İŞBANK BOARD OF DIRECTORS

Ordinary General Assembly Meeting:

As per the resolution of the Board of Directors of İşbank, the Ordinary General Assembly Meeting of the Bank will be held on Friday, 29 March 2024, at 11:00 at the İş Towers Head Office Auditorium, 34330 Levent/İstanbul.

Agenda of the Ordinary General Assembly

1. Opening Ceremony, establishment of the Council of Chairmanship
2. Discussion of 2023 Annual Report of the Board of Directors, Financial Statements, the Independent Auditors' Reports and ratification of the Annual Report of the Board of Directors and Financial Statements
3. Discharge of the Board of Directors from their responsibilities for the transactions and accounts of the year 2023
4. To decide on the distribution of the profit for the year 2023, subject to the permission to be obtained and the completion of the procedures
5. To decide on transferring the value increase arising from the revaluation transactions made within the framework of the provisional Article 32 of the Tax Procedure Law No. 213 from the extraordinary reserves account to the special fund account
6. Determination of the allowance for the members of the Board of Directors
7. Selection of the Independent Audit Company
8. Permitting the Members of the Board of Directors as per articles 395 and 396 of the Turkish Commercial Code
9. Submission for approval of the election of a member for the Board of Directors vacated by Mr Gökhan Şen in accordance with Article 363 of the Turkish Commercial Code
10. Presenting information to the shareholders about the donations
11. Presenting information to the shareholders on the subjects held in Capital Markets Board Corporate Governance Communique principle no. 1.3.6
12. Presenting information about our bank's decarbonization plan

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Türkiye İş Bankası Anonim Şirketi:

Audit of Unconsolidated Financial Statements

Qualified Opinion

We have audited the accompanying unconsolidated financial statements of Türkiye İş Bankası A.Ş. (the Bank), which comprise the statement of balance sheet as at December 31, 2023, and the unconsolidated statement of income, unconsolidated statement of profit or loss and other comprehensive income, unconsolidated statement of changes in shareholders' equity, unconsolidated statement of cash flows and a summary of significant accounting policies and other explanatory notes to the unconsolidated financial statements.

In our opinion, except for the effects of the matter on the unconsolidated financial statements described in the Basis of for Qualified Opinion paragraph, the accompanying unconsolidated financial statements present fairly, in all material respects, the unconsolidated financial position of Türkiye İş Bankası A.Ş. as at December 31, 2023 and unconsolidated financial performance and unconsolidated its cash flows for the year then ended in accordance with the Banking Regulation and Supervision Agency ("BRSA") Accounting and Financial Reporting Legislation which includes "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette no.26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency and circulars and interpretations published by BRSA and Turkish Financial Reporting Standards ("TFRS") for those matters not regulated by the aforementioned regulations.

Basis of Qualified Opinion

As explained in Section Five Part II-i.4.5, IV.e and IV.f the accompanying unconsolidated financial statements as at December 31, 2023 include a free provision at an amount of TL 10,000,000 thousands of which TL 8,475,000 thousands was provided in prior years and TL 2,000,000 thousands and TL 3,525,000 thousands were reversed and provided, respectively in the current period by the Bank management for the possible effects of the negative circumstances which may arise from the possible changes in the economy and market conditions which does not meet the recognition criteria of "Turkish Accounting Standard" (TAS) 37 "Provisions, Contingent Liabilities and Contingent Assets".

Our audit was conducted in accordance with "Regulation on independent audit of the Banks" published in the Official Gazette no.29314 dated April 2, 2015 by BRSA (BRSA Independent Audit Regulation) and Independent Auditing Standards ("ISA") which are the part of Turkish Auditing Standards issued by the Public Oversight Accounting and Auditing Standards Authority ("POA") and the International Auditing and Accounting Standards Board (IAASB). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with of Code of Ethics for Independent Auditors (Code of Ethics) published by POA and International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and have fulfilled our other responsibilities in accordance with the code of ethics and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the unconsolidated financial statements of the current period. Key audit matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section we have determined the matters described below to be the key audit matters to be communicated in our report.

Türkiye İş Bankası Anonim Şirketi

Unconsolidated Financial Statements

As at and For the Year Ended

December 31, 2023

With Independent Auditor's Report Thereon

(Convenience Translation of Unconsolidated Financial Statements and Related Disclosures and Footnotes Originally Issued in Turkish)

Independent Auditor’s Report

Key Audit Matter	How the Key Audit Matter is addressed in our audit
Financial impact of TFRS 9 “Financial Instruments” standard and impairment on financial assets and related important disclosures	
<ul style="list-style-type: none">- As presented in Section III disclosure VIII, the Bank recognizes expected credit losses of financial assets in accordance with TFRS 9 Financial Instruments standard. We considered impairment of financial assets as a key audit matter since:- Amount of on and off-balance sheet items that are subject to expected credit loss calculation is material to the financial statements.- There are complex and comprehensive requirements of TFRS 9.- The classification of the financial assets is based on the Bank’s business model and characteristics of the contractual cash flows in accordance with TFRS 9 and the Bank uses significant judgment on the assessment of the business model and identification of the complex contractual cash flow characteristics of financial instruments.- Policies implemented by the Bank management include compliance risk to the regulations and other practices.- Processes of TFRS 9 are advanced and complex.- Judgements and estimates used in expected credit loss, complex and comprehensive.- Disclosure requirements of TFRS 9 are comprehensive and complex.	<p>Our audit procedures included among others include:</p> <ul style="list-style-type: none">- Evaluating the appropriateness of accounting policies as to the requirements of TFRS 9, Bank’s past experience, local and global practices.- Reviewing and testing of processes which are used to calculate expected credit losses by involving our Information technology and process audit specialists.- Evaluation of the reasonableness and appropriateness of key judgments and estimates determined by management and the methods, judgments, and data sources used in calculating expected loss, taking into account the standard requirements, industry and global practices.- Reviewing the appropriateness of criteria in order to identify the financial assets having solely payments of principal and interest and checking the compliance to the Bank’s Business model.- Evaluating the alignment of the significant increase in credit risk determined during the calculation of expected credit losses, default definition, restructuring definition, probability of default, loss given default, exposure at default and macro-economic variables that are determined by the financial risk management experts with the Bank’s past performance, regulations, and other processes that has forward looking estimations.- Assessing the completeness and the accuracy of the data used for expected credit loss calculation.- Testing the mathematical accuracy of expected credit loss calculation on sample basis.- Evaluating the judgments and estimates used for the individually assessed financial assets.- Evaluating the necessity and accuracy of the updates made or required updates after the modeling process- Auditing of TFRS 9 disclosures.

Independent Auditor’s Report

Pension Fund Obligations	
<p>Employees of the Bank are members of “Türkiye İş Bankası A.Ş. Mensupları Emekli Sandığı Vakfı”, (“the Fund”), which is established in accordance with the temporary Article 20 of the Social Security Act No. 506 and related regulations. The Fund is a separate legal entity and foundation recognized by an official decree, providing all qualified employees with pension and post-retirement benefits. As disclosed in the “Section Three Note XVII” to the financial statements, Banks will transfer their pension fund to the Social Security Institution and the authority of the “Council of Ministers” on the determination of the mentioned transfer date is changed as “President” in the Decree Law No. 703 published in the Official Gazette numbered 30473 and dated July 9, 2018. According to the technical balance sheet report as of 31 December 2023 prepared considering the related articles of the Law regarding the transferrable benefit obligations for the non- transferrable social benefits and payments which are included in the articles of association, the Fund has an actuarial and technical deficit which is fully provisioned for.</p> <p>The valuation of the Pension Fund liabilities requires judgment in determining appropriate assumptions such as defining the transferrable social benefits, discount rates, salary increases, demographic assumptions, inflation rate estimates and the impact of any changes in individual pension plans. The Bank Management uses Fund actuaries to assist in assessing these assumptions.</p> <p>Considering the subjectivity of key assumptions and estimate used in the calculations of transferrable liabilities and the effects of the potential changes in the estimates used together with the uncertainty around the transfer date and given the fact that technical interest rate is prescribed under the law, we considered this to be a key audit matter.</p>	<p>It has been addressed whether there have been any significant changes in regulations governing pension liabilities, employee benefits plan during the period, that could lead to adjust the valuation of employee benefits.</p> <p>Support from actuarial auditor of our firm, has been taken to assess the appropriateness of the actuarial assumptions and calculations performed by the external actuary. We further focused on the accuracy and adequacy of the Bank’s provision provided for the deficit and also disclosures on key assumptions related to pension fund deficit.</p>
Derivative Financial Instruments	
<p>Derivative financial instruments including foreign exchange contracts, currency and interest rate swaps, currency and interest rate options, futures and other derivative financial instruments which are held for trading are initially recognized on the statement of financial position at fair value and subsequently are re-measured at their fair value. Details of related amounts are explained in “Section Five Note I.c.” and “Section Five Note II.b”.</p> <p>Fair value of the derivative financial instruments is determined by selecting most convenient market data and applying valuation techniques to those particular derivative products. Derivative Financial Instruments are considered by us as a key audit matter because of the subjectivity in the estimates, assumptions and judgments used.</p>	<p>Our audit procedures included among others involve reviewing policies regarding fair value measurement accepted by the bank management fair value calculations of the selected derivative financial instruments which is carried out by valuation experts of our firm and the assessment of used estimations and the judgements and testing the assessment of operating effectiveness of the key controls in the process of fair value determination.</p>

Independent Auditor’s Report

Responsibilities of Management and Directors for the Unconsolidated Financial Statements

Bank management is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with the BRSA Accounting and Reporting Legislation and for such internal control as management determines is necessary to enable the preparation of the financial statement that is free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated financial statements, management is responsible for assessing the Bank’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Unconsolidated Financial Statements

In an independent audit, the responsibilities of us as independent auditors are:

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with BRSA Independent Audit Regulation and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with BRSA Independent Audit Regulation and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. (The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.)

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank’s internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with government with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the unconsolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

- In accordance with Article 402 paragraph 4 of the Turkish Commercial Code (“TCC”) no 6102; no significant matter has come to our attention that causes us to believe that the Bank’s bookkeeping activities and financial statements for the period January 1 – December 31, 2023, are not in compliance with the TCC and provisions of the Bank’s articles of association in relation to financial reporting.**
- In accordance with Article 402 paragraph 4 of the TCC; the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.**

The engagement partner who supervised and concluded this independent auditor’s report is Fatma Ebru Yücel.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi

A member firm of Ernst & Young Global Limited

Fatma Ebru Yücel, SMMM

Partner

February 13, 2024

Istanbul, Turkey

Türkiye İş Bankası A.Ş.

THE UNCONSOLIDATED FINANCIAL REPORT AS AT AND FOR THE YEAR ENDED DECEMBER 31, 2023

Headquarters Address: İş Kuleleri, 34330, Levent/Istanbul
Telephone: 0212 316 00 00
Fax: 0212 316 09 00
Web site: www.isbank.com.tr
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The unconsolidated financial report as at and for the year ended prepared in accordance with the communiqué of “Financial Statements and Related Disclosures and Footnotes to be announced to Public by Banks” as regulated by Banking Regulation and Supervision Agency, comprises the following sections:

GENERAL INFORMATION ABOUT THE BANK
UNCONSOLIDATED FINANCIAL STATEMENTS
EXPLANATIONS ON THE ACCOUNTING POLICIES
INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT
DISCLOSURES AND FOOTNOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS
OTHER EXPLANATIONS
INDEPENDENT AUDITOR’S REPORT

The unconsolidated financial statements for the year ended and related disclosures and footnotes in this report are prepared in accordance with the Regulation on the Procedures and Principles for Accounting Practices and Retention of Documents by Banks, “Banking Regulation and Supervision Agency” (BRSA) regulations, “Turkish Accounting Standards”, “Turkish Financial Reporting Standards” and the related statements and guidance and in compliance with the financial records of our Bank. Unless otherwise stated, the accompanying unconsolidated financial report is presented in thousands of Turkish Lira (TL) and has been subjected to independent audit and presented as the attached.

Sadrettin Yurtsever
Member of the Board and
the Audit Committee

Güzide Meltem Kökden
Deputy Chairperson of the Board
of Directors and Chairperson of the
Audit Committee

Adnan Bali
Chairperson of the Board of
Directors

Ali Tolga Ünal
Head of Financial Management
Division

İzlem Erdem
Deputy Chief Executive
In Charge of Financial Reporting

Hakan Aran
Chief Executive Officer

The authorized contact person for questions on this financial report:

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Website: www.isbank.com.tr



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Türkiye İş Bankası A.Ş.

Notes To The Unconsolidated Financial Statements For The Year Ended December 31, 2023

SECTION ONE: GENERAL INFORMATION ABOUT THE BANK

I. Explanations on the Establishment Date and Initial Status of the Bank, History Including the Changes in the Former Status

TÜRKİYE İŞ BANKASI A.Ş. ("the Bank") was established on August 26, 1924, to operate in all kinds of banking activities and to initiate and/or participate in all kinds of financial and industrial sector undertakings when necessary. There is no change in the Bank's status since its establishment.

II. Explanations on the Capital Structure, Shareholders who Directly or Indirectly, Solely or Jointly Undertake the Management and Control of the Bank, any Changes in the Period, and Information on the Bank's Risk Group

As of December 31, 2023, 38.20% of the Bank's shares are owned by T. İş Bankası A.Ş. Supplementary Pension Fund (Fund), 28.09% are owned by the Republican People's Party- CHP (Atatürk's shares) and 33.71% are on free float (December 31, 2022: Fund 37.31%, CHP 28.09%, Free float 34.60%).

III. Explanations on the Chairperson's, Directors', Auditors', Chief Executive Officer's and Deputy Chief Executives' Shares, if any, and the Areas of their Responsibility at the Bank

Chairperson and Members of the Board of Directors:

Name and Surname	Areas of Responsibility
Adnan Bali	Chairperson of the Board of Directors, Remuneration Committee, Chairperson of the Risk Committee, Sustainability Committee, Chairperson of the Board of Directors Operating Principles Committee, and the Member of the Credit Committee
Güzide Meltem Kökden	Deputy Chairperson of the Board of Directors, Chairperson of the Audit Committee, TRNC Internal Systems Committee and Operational Risk Committee, Member of the Risk Committee and Substitute Member of the Credit Committee
Hakan Aran	Chief Executive Officer and Board Member, Chairperson of the Credit Committee, Human Resources Committee and Information Systems Strategy Committee, Natural Member of the Risk Committee, Chairperson of the Executive Committee
Sadrettin Yurtsever	Director, Chairperson of the Corporate Governance Committee, Member of the Audit Committee, Remuneration Committee, TRNC Internal Systems Committee, Sustainability Committee Risk Committee, Member of the Operational Risk Committee Corporate Social Responsibility Committee, and the Member of the Board of Directors Operating Principles Committee
Fazlı Bulut	Director, Member of Corporate Social Responsibility Committee, Corporate Governance Committee and Substitute Member of the Credit Committee
Durmuş Öztek	Director, Member of Corporate Social Responsibility Committee, and the Member of the Board of Directors Operating Principles Committee
Şebnem Aydın	Director, Member of Corporate Governance Committee, Corporate Social Responsibility Committee, Credit Committee and Sustainability Committee
Recep Hakan Özyıldız	Director
Mustafa Rıdvan Selçuk	Director
Ahmet Gökhan Sungur	Director
Gökhan Şen	Director

Türkiye İş Bankası A.Ş.

Notes To The Unconsolidated Financial Statements For The Year Ended December 31, 2023

Chief Executive Officer and Deputy Chief Executives:

Name and Surname	Areas of Responsibility
Hakan Aran	Chief Executive Officer and Member of the Board of Directors, Credit Committee, Chairperson of Human Resources Committee and Information Technologies Strategic Committee Natural Member of Risk Committee, Member of Operational Risk Committee and Chairperson of the Executive Committee
Nevzat Burak Seyrek	I .Deputy General Manager, Affiliates Corporate Architecture, Strategy and Corporate Performance Management, Information Systems Strategy Committee, Operational Risk Committee and Sustainability Committee Member
Ebru Özsuca	Treasury, Economic Research, Capital Markets, Member of the Risk Committee
Ozan Gürsoy	Corporate and Commercial Banking Marketing, Commercial Banking Sales, Cross-Border Banking, Free Zone Branches, Member of the Sustainability Committee
Sezgin Yılmaz	SME and Business Banking Marketing, and Sales and , Agricultural Banking Marketing, Commercial Banking Product, Member of the Corporate Social Responsibility Committee and Sustainability Committee
Sabri Gökmenler	Information Technologies, Data Management, Acquisition, Artificial Intelligence, Member of Operational Risk Committee, Sustainability Committee, and Information Technologies Strategic Committee
Sezgin Lüle	Retail Banking Marketing, Sales and Product, Personal Loans,Digital Banking, Customer Relations, Payment Systems Ecosystem, Payment Systems Operations, Payment Systems Product, Member of Operational Risk Committee, and Member of the Sustainability Committee
Can Yücel	Retail, Commercial and Corporate Loans Allocation, Credit Portfolio Management, Project Finance, Member of the Corporate Social Responsibility Committee, Member of the Risk Committee and Sustainability Committee
Sezai Sevgin	Internal Control, Corporate Compliance, Natural Member of the Risk Committee, Information Technologies Strategic Committee, Member of the Operational Risk Committee and Sustainability Committee
İzlem Erdem	Member of Financial Management, Economic Research, Financial Law and Tax Management Consultancy, Investor Relations and Sustainability, Management Reporting and Internal Accounting, Risk Committee, Information Systems Strategy Committee and Sustainability Committee
Suat E. Sözen	General Secretariat, Corporate Communications, Private Banking Marketing and Sales, Corporate Social Responsibility Committee and Member of the Sustainability Committee
O. Tufan Kurbanoğlu	Office of legal counsel, Legal Affairs and Legal Proceedings, Loans Monitoring, Retail, Commercial and Corporate Loans and Retail Loans Proceeding
Mehmet Celayir	Banking Operations and Payment Operations, Support Services, External Operations and Commercial Loan Operations, Member of Operational Risk and sustainability Committee, Human Resources Management, Construction and Real Estate Management, Talent Management, Consumer Relations Coordination Officer,

Mrs. Gamze Yalcin and Mr. H. Cahit Çınar has left their duties at the Bank..

The Parent Bank's shares attributable to the Directors and members of the Audit Committee, to the CEO and the Deputy Chief Executives are of minor importance.

IV. Information on the Bank's Qualified Shareholders

Name Surname/Company	Shares	Ownership	Paid-in Capital	Unpaid Capital
T. İş Bankası A.Ş. Mensupları Munzam Sosyal Güvenlik ve Yardımlaşma Sandığı Vakfı (İşbank Members' Supplementary Pension Fund)	3,820,190	38.20%	3,820,190	
Cumhuriyet Halk Partisi – Republican People's Party - (Atatürk's Shares)	2,809,205	28.09%	2,809,205	

V. Summary Information on the Bank's Functions and Business Lines

In line with the relevant legislation and principles stated in the Articles of Incorporation of the Bank, the Bank's activities include operating in retail, commercial, corporate and private banking, foreign currency and money market operations, marketable securities operations, international banking services and other banking operations, as well as initiating or participating in all kinds of financial and industrial sector corporations as may be required.

VI. Existing or Potential, Actual or Legal Obstacles on the Transfer of Shareholders' Equity between the Bank and its Subsidiaries or the Reimbursement of Liabilities

None.

VII. Written Policies on Assessment of Ensuring Compliance on Market Discipline, Disclosure Obligations, Frequency and Accuracy of the Related Disclosures

The Bank has written policies on assessment of ensuring compliance on market discipline, disclosure obligations, frequency and accuracy of related disclosures. The mentioned policies which are agreed by Board of Directors' can be obtained from the Bank's website

Türkiye İş Bankası A.Ş.

Unconsolidated Balancesheet (Statement Of Financial Position)

ASSETS		Footnotes	THOUSAND TL					
			CURRENT PERIOD (31/12/2023)			PRIOR PERIOD (31/12/2022)		
			TL	FC	Total	TL	FC	Total
I.	FINANCIAL ASSETS (Net)		335,832,075	526,004,974	861,837,049	152,182,251	271,580,331	423,762,582
1.1	Cash and Cash Equivalents		167,328,854	399,143,819	566,472,673	22,339,070	199,486,876	221,825,946
1.1.1	Cash and Balances with Central Bank	V-I-a	165,816,798	357,686,072	523,502,870	21,699,372	177,230,281	198,929,653
1.1.2	Banks	V-I-ç	1,556,897	41,702,439	43,259,336	650,374	22,384,255	23,034,629
1.1.3	Money Market Placements		0	0	0	0	0	0
1.1.4	Expected Credit Loss (-)		44,841	244,692	289,533	10,676	127,660	138,336
1.2	Financial Assets at Fair Value Through Profit or Loss	V-I-b	3,967,140	19,307,990	23,275,130	4,703,224	9,607,720	14,310,944
1.2.1	Government Debt Securities		290,882	18,649,966	18,940,848	377,411	9,274,555	9,651,966
1.2.2	Equity Securities		17,029	658,024	675,053	498,961	333,165	832,126
1.2.3	Other Financial Assets		3,659,229	0	3,659,229	3,826,852	0	3,826,852
1.3	Financial Assets at Fair Value Through Other Comprehensive Income	V-I-d	164,070,992	89,048,452	253,119,444	124,642,997	45,953,397	170,596,394
1.3.1	Government Debt Securities		163,659,781	86,035,890	249,695,671	124,131,177	44,220,021	168,351,198
1.3.2	Equity Securities		160,992	1,845,500	2,006,492	160,992	935,061	1,096,053
1.3.3	Other Financial Assets		250,219	1,167,062	1,417,281	350,828	798,315	1,149,143
1.4	Derivative Financial Assets	V-I-c-i	465,089	18,504,713	18,969,802	496,960	16,532,338	17,029,298
1.4.1	Derivative Financial Assets at Fair Value Through Profit or Loss		465,089	18,504,713	18,969,802	496,960	16,532,338	17,029,298
1.4.2	Derivative Financial Assets at Fair Value Through Other Comprehensive Income		0	0	0	0	0	0
II	FINANCIAL ASSETS MEASURED AT AMORTISED COST (Net)		911,625,628	418,720,754	1,330,346,382	555,605,494	287,547,860	843,153,354
2.1	Loans	V-I-e	760,295,619	411,995,305	1,172,290,924	493,476,961	288,946,360	782,423,321
2.2	Lease Receivables	V-I-i	0	0	0	0	0	0
2.3	Factoring Receivables		0	0	0	0	0	0
2.4	Other Financial Assets Measured at Amortised Cost (Net)	V-I-f	176,381,503	19,641,458	196,022,961	85,116,372	8,257,625	93,373,997
2.4.1	Government Debt Securities		175,798,169	4,485,146	180,283,315	84,231,448	2,808,785	87,040,233
2.4.2	Other Financial Assets		583,334	15,156,312	15,739,646	884,924	5,448,840	6,333,764
2.5	Expected Credit Loss (-)		25,051,494	12,916,009	37,967,503	22,987,839	9,656,125	32,643,964
III.	ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	V-I-n	1,540,497	97	1,540,594	1,594,570	6,055	1,600,625
3.1	Held for Sale		1,540,497	97	1,540,594	1,594,570	6,055	1,600,625
3.2	Discontinued Operations		0	0	0	0	0	0
IV.	EQUITY INVESTMENTS		126,780,321	17,672,815	144,453,136	69,572,029	10,287,445	79,859,474
4.1	Investments in Associates (Net)	V-I-g	475,064	0	475,064	399,382	0	399,382
4.1.1	Associates Accounted by Using Equity Method		0	0	0	0	0	0
4.1.2	Unconsolidated Associates		475,064	0	475,064	399,382	0	399,382
4.2	Subsidiaries (Net)	V-I-ğ	126,305,257	17,672,815	143,978,072	69,172,647	10,287,445	79,460,092
4.2.1	Unconsolidated Financial Subsidiaries		49,792,804	17,672,815	67,465,619	27,085,925	10,287,445	37,373,370
4.2.2	Unconsolidated Non-Financial Subsidiaries		76,512,453	0	76,512,453	42,086,722	0	42,086,722
4.3	Joint Ventures (Net)	V-I-h	0	0	0	0	0	0
4.3.1	Joint Ventures Accounted by Using Equity Method		0	0	0	0	0	0
4.3.2	Unconsolidated Joint Ventures		0	0	0	0	0	0
V.	TANGIBLE ASSETS (Net)	V-I-j	34,144,908	85,878	34,230,786	17,131,994	64,954	17,196,948
VI.	INTANGIBLE ASSETS (Net)	V-I-k	6,385,519	13,135	6,398,654	3,506,177	8,256	3,514,433
6.1	Goodwill		0	0	0	0	0	0
6.2	Other		6,385,519	13,135	6,398,654	3,506,177	8,256	3,514,433
VII.	INVESTMENT PROPERTY (Net)	V-I-l	0	0	0	0	0	0
VIII.	CURRENT TAX ASSET		0	0	0	0	0	0
IX.	DEFERRED TAX ASSET	V-I-m	12,090,016	0	12,090,016	0	0	0
X.	OTHER ASSETS (Net)	V-I-o	49,288,424	13,598,258	62,886,682	31,917,998	7,317,254	39,235,252
	TOTAL ASSETS		1,477,687,388	976,095,911	2,453,783,299	831,510,513	576,812,155	1,408,322,668

Türkiye İş Bankası A.Ş.

Unconsolidated Balancesheet (Statement Of Financial Position)

LIABILITIES		Footnotes	THOUSAND TL					
			CURRENT PERIOD (31/12/2023)			PRIOR PERIOD (31/12/2022)		
			TL	FC	Total	TL	FC	Total
I.	DEPOSITS	V-II-a	880,582,226	781,596,468	1,662,178,694	386,133,818	544,943,471	931,077,289
II.	FUNDS BORROWED	V-II-c	3,321,720	117,444,390	120,766,110	3,366,612	68,088,714	71,455,326
III.	MONEY MARKETS		73,959,957	49,220,735	123,180,692	28,009,248	12,090,068	40,099,316
IV.	SECURITIES ISSUED (Net)	V-II-ç	1,297,610	67,188,434	68,486,044	2,157,957	26,156,146	28,314,103
4.1	Bills		389,926	735,314	1,125,240	1,755,212	0	1,755,212
4.2	Asset Backed Securities		0	0	0	0	0	0
4.3	Bonds		907,684	66,453,120	67,360,804	402,745	26,156,146	26,558,891
V.	FUNDS		0	0	0	0	0	0
5.1	Borrower Funds		0	0	0	0	0	0
5.2	Other		0	0	0	0	0	0
VI.	FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		0	0	0	0	0	0
VII.	DERIVATIVE FINANCIAL LIABILITIES	V-II-b-g	570,750	6,642,628	7,213,378	2,836,442	6,004,376	8,840,818
7.1	Derivative Financial Liabilities at Fair Value Through Profit or Loss		570,750	6,642,628	7,213,378	2,836,442	6,004,376	8,840,818
7.2	Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income		0	0	0	0	0	0
VIII.	FACTORING PAYABLES		0	0	0	0	0	0
IX.	LEASE PAYABLES (Net)	V-II-f	3,122,464	144,579	3,267,043	2,053,406	98,801	2,152,207
X.	PROVISIONS	V-II-ğ	37,199,142	2,721,737	39,920,879	29,136,548	1,402,544	30,539,092
10.1	Restructuring Provisions		0	0	0	0	0	0
10.2	Reserve for Employee Benefits		5,644,817	0	5,644,817	5,507,254	0	5,507,254
10.3	Insurance Technical Provisions (Net)		0	0	0	0	0	0
10.4	Other Provisions		31,554,325	2,721,737	34,276,062	23,629,294	1,402,544	25,031,838
XI.	CURRENT TAX LIABILITY	V-II-h	9,380,726	227,171	9,607,897	6,531,922	31,008	6,562,930
XII.	DEFERRED TAX LIABILITY	V-II-h	0	0	0	1,080,530	0	1,080,530
XIII.	LIABILITIES RELATED TO ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	V-II-i	0	0	0	0	0	0
13.1	Held for Sale		0	0	0	0	0	0
13.2	Discontinued Operations		0	0	0	0	0	0
XIV.	SUBORDINATED DEBT	V-II-i	2,324,411	37,546,571	39,870,982	2,277,824	31,280,921	33,558,745
14.1	Loans		0	0	0	0	0	0
14.2	Other Debt Instruments		2,324,411	37,546,571	39,870,982	2,277,824	31,280,921	33,558,745
XV.	OTHER LIABILITIES	V-II-e	89,075,939	22,418,157	111,494,096	49,847,129	13,419,108	63,266,237
XVI.	SHAREHOLDERS' EQUITY	V-II-j	269,335,765	(1,538,281)	267,797,484	196,315,737	(4,939,662)	191,376,075
16.1	Paid-in Capital		10,000,000	0	10,000,000	10,000,000	0	10,000,000
16.2	Capital Reserves		1,305,333	204	1,305,537	1,164,946	204	1,165,150
16.2.1	Share Premium		110,060	204	110,264	108,952	204	109,156
16.2.2	Share Cancellation Profits		0	0	0	0	0	0
16.2.3	Other Capital Reserves		1,195,273	0	1,195,273	1,055,994	0	1,055,994
16.3	Accumulated Other Comprehensive Income or Loss Not Reclassified Through Profit or Loss		44,925,817	0	44,925,817	20,188,138	(1,146)	20,186,992
16.4	Accumulated Other Comprehensive Income or Loss Reclassified Through Profit or Loss		29,752,683	(1,538,485)	28,214,198	44,848,370	(4,938,720)	39,909,650
16.5	Profit Reserves		110,787,175	0	110,787,175	58,410,937	0	58,410,937
16.5.1	Legal Reserves		10,567,141	0	10,567,141	6,168,857	0	6,168,857
16.5.2	Status Reserves		0	0	0	0	0	0
16.5.3	Extraordinary Reserves		100,220,034	0	100,220,034	52,242,080	0	52,242,080
16.5.4	Other Profit Reserves		0	0	0	0	0	0
16.6	Profit or Loss		72,564,757	0	72,564,757	61,703,346	0	61,703,346
16.6.1	Prior Periods' Profit or Loss		299,959	0	299,959	165,466	0	165,466
16.6.2	Current Period Profit or Loss		72,264,798	0	72,264,798	61,537,880	0	61,537,880
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,370,170,710	1,083,612,589	2,453,783,299	709,747,173	698,575,495	1,408,322,668

Türkiye İş Bankası A.Ş.

Unconsolidated Statement of Off-Balance Sheet Items

OFF-BALANCE SHEET ITEMS		Footnotes	THOUSAND TL					
			CURRENT PERIOD (31/12/2023)			PRIOR PERIOD (31/12/2022)		
			TL	FC	Total	TL	FC	Total
A. OFF-BALANCE SHEET CONTINGENCIES and COMMITMENTS (I+II+III)		V-III	944,903,668	1,360,649,227	2,305,552,895	453,428,754	823,573,068	1,277,001,822
I. GUARANTEES AND SURETYSHIPS			166,361,635	261,009,169	427,370,804	90,063,305	156,633,209	246,696,514
1.1	Letters of Guarantee		156,795,251	163,158,878	319,954,129	84,315,803	94,966,881	179,282,684
1.1.1	Guarantees Subject to State Tender Law		1,508,058	1,770,160	3,278,218	1,344,063	1,143,615	2,487,678
1.1.2	Guarantees Given for Foreign Trade Operations		16,505,345	65,374,380	81,879,725	11,143,447	40,608,395	51,751,842
1.1.3	Other Letters of Guarantee		138,781,848	96,014,338	234,796,186	71,828,293	53,214,871	125,043,164
1.2	Bank Acceptance		9,435,050	6,365,084	15,800,134	5,576,890	3,754,586	9,331,476
1.2.1	Import Letter of Acceptances		0	2,860,295	2,860,295	0	667,717	667,717
1.2.2	Other Bank Acceptances		9,435,050	3,504,789	12,939,839	5,576,890	3,086,869	8,663,759
1.3	Letters of Credit		131,334	85,253,610	85,384,944	170,612	53,075,611	53,246,223
1.3.1	Documentary Letters of Credit		116,178	53,169,024	53,285,202	133,794	33,011,590	33,145,384
1.3.2	Other Letters of Credit		15,156	32,084,586	32,099,742	36,818	20,064,021	20,100,839
1.4	Prefinancing Given as Guarantee		0	0	0	0	0	0
1.5	Endorsements		0	0	0	0	0	0
1.5.1	Endorsements to the Central Bank of Turkey		0	0	0	0	0	0
1.5.2	Other Endorsements		0	0	0	0	0	0
1.6	Purchase Guarantees for Securities Issued		0	0	0	0	0	0
1.7	Factoring Guarantees		0	0	0	0	0	0
1.8	Other Guarantees		0	6,231,597	6,231,597	0	4,836,131	4,836,131
1.9	Other Suretyships		0	0	0	0	0	0
II. COMMITMENTS			555,279,115	64,038,994	619,318,109	188,802,924	30,478,905	219,281,829
2.1	Irrevocable Commitments		552,192,438	56,358,660	608,551,098	186,639,578	22,139,127	208,778,705
2.1.1	Forward Asset Purchase Commitments		2,642,935	25,460,753	28,103,688	980	4,515,325	4,516,305
2.1.2	Forward Deposit Purchase and Sales Commitments		0	0	0	0	0	0
2.1.3	Capital Commitments to Associates and Subsidiaries		0	0	0	1,000,000	0	1,000,000
2.1.4	Loan Granting Commitments		118,244,588	3,632,293	121,876,881	65,197,193	2,105,002	67,302,195
2.1.5	Securities Underwriting Commitments		0	0	0	0	0	0
2.1.6	Commitments for Reserve Deposit Requirements		0	0	0	0	0	0
2.1.7	Commitments for Cheque Payments		9,204,813	0	9,204,813	5,447,537	0	5,447,537
2.1.8	Tax and Fund Liabilities from Export Commitments		22,019	0	22,019	22,490	0	22,490
2.1.9	Commitments for Credit Card Expenditure Limits		417,894,567	0	417,894,567	112,111,363	0	112,111,363
2.1.10	Commitments for Credit Cards and Banking Services Promotions		1,085,145	0	1,085,145	277,375	0	277,375
2.1.11	Receivables from Short Sale Commitments		0	0	0	0	0	0
2.1.12	Payables for Short Sale Commitments		0	0	0	0	0	0
2.1.13	Other Irrevocable Commitments		3,098,371	27,265,614	30,363,985	2,582,640	15,518,800	18,101,440
2.2	Revocable Commitments		3,086,677	7,680,334	10,767,011	2,163,346	8,339,778	10,503,124
2.2.1	Revocable Loan Granting Commitments		3,086,677	7,680,334	10,767,011	2,128,346	8,339,778	10,468,124
2.2.2	Other Revocable Commitments		0	0	0	35,000	0	35,000
III. DERIVATIVE FINANCIAL INSTRUMENTS			223,262,918	1,035,601,064	1,258,863,982	174,562,525	636,460,954	811,023,479
3.1	Derivative Financial Instruments Held for Risk Management		0	0	0	0	0	0
3.1.1	Fair Value Hedges		0	0	0	0	0	0
3.1.2	Cash Flow Hedges		0	0	0	0	0	0
3.1.3	Net Foreign Investment Hedges		0	0	0	0	0	0

Türkiye İş Bankası A.Ş.

Unconsolidated Statement of Off-Balance Sheet Items

		Footnotes	THOUSAND TL					
			CURRENT PERIOD (31/12/2023)			PRIOR PERIOD (31/12/2022)		
			TL	FC	Total	TL	FC	Total
3.2	Derivative Financial Instruments Held for Trading		223,262,918	1,035,601,064	1,258,863,982	174,562,525	636,460,954	811,023,479
3.2.1	Forward Foreign Currency Buy/Shell Transactions		42,825,798	144,959,423	187,785,221	9,076,327	53,207,947	62,284,274
3.2.1.1	Forward Foreign Currency Buy Transactions		30,202,278	64,272,380	94,474,658	6,486,754	24,879,081	31,365,835
3.2.1.2	Forward Foreign Currency Sell Transactions		12,623,520	80,687,043	93,310,563	2,589,573	28,328,866	30,918,439
3.2.2	Currency and Interest Rate Swaps		149,898,697	741,715,311	891,614,008	158,868,495	505,601,396	664,469,891
3.2.2.1	Currency Swap Buy Transactions		2,037,254	209,617,080	211,654,334	12,686,066	180,280,643	192,966,709
3.2.2.2	Currency Swap Sell Transactions		138,999,761	109,982,177	248,981,938	144,722,429	72,885,673	217,608,102
3.2.2.3	Interest Rate Swap Buy Transactions		4,430,841	211,058,027	215,488,868	730,000	126,217,540	126,947,540
3.2.2.4	Interest Rate Swap Sell Transactions		4,430,841	211,058,027	215,488,868	730,000	126,217,540	126,947,540
3.2.3	Currency, Interest Rate and Security Options		29,527,399	83,633,384	113,160,783	5,720,382	23,965,147	29,685,529
3.2.3.1	Currency Call Options		19,595,726	31,548,029	51,143,755	3,160,239	8,188,359	11,348,598
3.2.3.2	Currency Put Options		9,931,673	40,567,339	50,499,012	2,560,143	8,132,464	10,692,607
3.2.3.3	Interest Rate Call Options		0	5,759,008	5,759,008	0	3,822,162	3,822,162
3.2.3.4	Interest Rate Put Options		0	5,759,008	5,759,008	0	3,822,162	3,822,162
3.2.3.5	Securities Call Options		0	0	0	0	0	0
3.2.3.6	Securities Put Options		0	0	0	0	0	0
3.2.4	Currency Futures		1,011,024	983,012	1,994,036	897,321	743,203	1,640,524
3.2.4.1	Currency Buy Futures		1,010,147	854	1,011,001	192,908	559,500	752,408
3.2.4.2	Currency Sell Futures		877	982,158	983,035	704,413	183,703	888,116
3.2.5	Interest Rate Futures		0	0	0	0	0	0
3.2.5.1	Interest Rate Buy Futures		0	0	0	0	0	0
3.2.5.2	Interest Rate Sell Futures		0	0	0	0	0	0
3.2.6	Other		0	64,309,934	64,309,934	0	52,943,261	52,943,261
B. CUSTODY AND PLEDGES RECEIVED (IV+V+VI)			1,673,186,185	2,463,785,186	4,136,971,371	1,116,249,656	1,495,889,698	2,612,139,354
IV. ITEMS HELD IN CUSTODY			117,089,792	252,495,098	369,584,890	84,271,660	172,676,943	256,948,603
4.1	Customers' Securities Held		0	0	0	0	0	0
4.2	Investment Securities Held in Custody		41,835,247	4,612,715	46,447,962	34,788,786	4,899,694	39,688,480
4.3	Cheques Received for Collection		68,211,213	122,389,192	190,600,405	44,145,057	93,149,806	137,294,863
4.4	Commercial Notes Received for Collection		4,872,304	59,509,381	64,381,685	3,841,357	35,954,510	39,795,867
4.5	Other Assets Received for Collection		0	0	0	0	0	0
4.6	Assets Received for Public Offering		0	0	0	0	0	0
4.7	Other Items Under Custody		2,171,028	65,983,810	68,154,838	1,496,460	38,672,933	40,169,393
4.8	Custodians		0	0	0	0	0	0
V. PLEDGED ITEMS			1,556,096,393	2,211,290,088	3,767,386,481	1,031,977,996	1,323,212,755	2,355,190,751
5.1	Marketable Securities		86,209,507	2,892,895	89,102,402	67,423,981	800,624	68,224,605
5.2	Guarantee Notes		2,675,646	59,365,740	62,041,386	2,550,997	35,205,788	37,756,785
5.3	Commodity		333,823,180	299,866,550	633,689,730	235,924,378	132,452,520	368,376,898
5.4	Warranty		0	0	0	0	0	0
5.5	Real Estates		825,270,280	1,429,400,134	2,254,670,414	561,535,101	876,040,583	1,437,575,684
5.6	Other Pledged Items		308,117,780	419,764,769	727,882,549	164,543,539	278,713,240	443,256,779
5.7	Pledged Items-Depository		0	0	0	0	0	0
VI. ACCEPTED BILL, GUARANTEES AND SURETIES			0	0	0	0	0	0
TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)			2,618,089,853	3,824,434,413	6,442,524,266	1,569,678,410	2,319,462,766	3,889,141,176



Türkiye İş Bankası A.Ş.

Unconsolidated Income Statement

INCOME STATEMENT		Footnote	THOUSAND TL	
			CURRENT PERIOD (01/01-31/12/2023)	PRIOR PERIOD (01/01-31/12/2022)
I.	INTEREST INCOME	V-IV-a	222,485,981	123,454,753
1.1	Interest Income on Loans		149,492,535	82,579,909
1.2	Interest Income on Reserve Deposits		774,829	284,681
1.3	Interest Income on Banks		809,161	444,545
1.4	Interest Income on Money Market Placements		651,664	448,198
1.5	Interest Income on Marketable Securities Portfolio		70,564,918	39,658,335
1.5.1	Financial Assets At Fair Value Through Profit or Loss		423,512	235,962
1.5.2	Financial Assets At Fair Value Through Other Comprehensive Income		42,160,970	24,247,051
1.5.3	Financial Assets At Measured at Amortised Cost		27,980,436	15,175,322
1.6	Financial Lease Income		0	0
1.7	Other Interest Income		192,874	39,085
II.	INTEREST EXPENSE (-)	V-IV-b	155,412,822	48,251,300
2.1	Interest on Deposits		122,026,589	32,480,838
2.2	Interest on Funds Borrowed		7,034,230	2,993,523
2.3	Interest on Money Market Funds		7,964,658	3,677,551
2.4	Interest on Securities Issued		7,409,098	5,770,518
2.5	Financial Lease Expense		595,082	362,675
2.6	Other Interest Expenses		10,383,165	2,966,195
III.	NET INTEREST INCOME (I - II)		67,073,159	75,203,453
IV.	NET FEES AND COMMISSIONS INCOME		42,437,948	16,146,898
4.1	Fees and Commissions Received		51,584,591	20,770,884
4.1.1	Non-cash Loans		3,677,579	2,257,434
4.1.2	Other		47,907,012	18,513,450
4.2	Fees and Commissions Received		9,146,643	4,623,986
4.2.1	Non-cash Loans		1,680	1,461
4.2.2	Other		9,144,963	4,622,525
V.	DIVIDEND INCOME	V-IV-c	65,258	38,604
VI.	TRADING INCOME /(LOSS) (Net)	V-IV-ç	12,223,362	4,522,593
6.1	Gains /(Losses) on Securities Trading		7,319,325	3,314,827
6.2	Derivative Financial Transactions Gains/Losses		(6,033,727)	(13,543,440)
6.3	Foreign Exchange Gains / (Losses)		10,937,764	14,751,206
VII.	OTHER OPERATING INCOME	V-IV-d	13,586,616	6,080,548
VIII.	GROSS OPERATING INCOME (III+IV+V+VI+VII)		135,386,343	101,992,096
IX.	EXPECTED CREDIT LOSS (-)	V-IV-e	15,906,083	10,036,266
X.	OTHER PROVISION EXPENSES (-)	V-IV-e	4,164,824	5,768,178
XI.	PERSONNEL EXPENSE (-)		25,307,024	15,095,648
XII.	OTHER OPERATING EXPENSES (-)	V-IV-f	46,921,938	18,933,630
XIII.	NET OPERATING INCOME/(LOSS) (VIII-IX-X-XI-XII)		43,086,474	52,158,374
XIV.	AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER		0	0
XV.	PROFIT/LOSS FROM ASSOCIATES ACCOUNTED FOR USING THE EQUITY METHOD		33,996,027	21,790,674
XVI.	NET MONETARY POSITION GAIN/LOSS		0	0
XVII.	PROFIT/LOSS ON CONTINUING OPERATIONS BEFORE TAX (XIII+...+XVI)	V-IV-g	77,082,501	73,949,048
XVIII.	TAX PROVISION FOR CONTINUING OPERATIONS(±)	V-IV-ğ	4,817,703	12,411,168
18.1	Current Tax Provision		10,215,857	17,204,130
18.2	Deferred Tax Income Effect (+)		4,790,964	1,117,479
18.3	Deferred Tax Expense Effect (-)		10,189,118	5,910,441
XIX.	NET PERIOD PROFIT/LOSS FROM CONTUNUING OPERATIONS (XVI±XVII)	V-IV-h	72,264,798	61,537,880
XX.	INCOME ON DISCONTINUED OPERATIONS		0	0
20.1	Income on Assets Held for Sale		0	0
20.2	Gain on Sale of Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures)		0	0
20.3	Other Expense on Discontinued Operations		0	0
XXI.	EXPENSE ON DISCONTINUED OPERATIONS (-)		0	0
21.1	Expense on Assets Held for Sale		0	0
21.2	Gain on Sale of Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures)		0	0
21.3	Other Expense on Discontinued Operations		0	0
XXII.	PROFIT/LOSS ON DISCONTINUED OPERATIONS BEFORE TAX (XX-XXI)		0	0
XXIII.	TAX PROVISION FOR DISCONTINUED OPERATIONS (±)		0	0
23.1	Current Tax Provision		0	0
23.2	Deferred Tax Expense Effect (+)		0	0
23.3	Deferred Tax Income Effect (-)		0	0
XXIV.	NET PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)		0	0
XXV.	NET PERIOD PROFIT/LOSS (XIX+XXIV)	V-IV-ı	72,264,798	61,537,880
Earnings per Share(*)			0.289056590	0.246149305

(*) Expressed in exact TL.

Türkiye İş Bankası A.Ş.

Unconsolidated Statement of Profit or Loss and Other Comprehensive Income

PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	THOUSAND TL	
	CURRENT PERIOD (01/01-31/12/2023)	PRIOR PERIOD (01/01-31/12/2022)
I. PROFIT/LOSS FOR THE PERIOD	72,264,798	61,537,880
II. OTHER COMPREHENSIVE INCOME	13,043,373	43,834,286
2.1 Other comprehensive income that will not be reclassified to profit or loss	24,738,825	12,347,585
2.1.1 Revaluation Surplus on Tangible Assets	13,720,641	7,126,488
2.1.2 Revaluation Surplus on Intangible Assets	0	0
2.1.3 Gains / (Losses) on remeasurements of Defined Benefit Plans	88,357	(2,593,679)
2.1.4 Other Income/ Expense Items of Other Comprehensive Income not to be Reclassified to Profit Or Loss	11,006,113	8,119,452
2.1.5 Taxes Relating To Components Of Other Comprehensive Income not to be Reclassified To Profit Or Loss	(76,286)	(304,676)
2.2 Other Income/ Expense Items not be Reclassified to Profit or Loss	(11,695,452)	31,486,701
2.2.1 Exchange Differences on Translation	6,240,721	2,071,370
2.2.2 Valuation and/or Reclassification Profit or Loss from Financial Assets at Fair Value through Other Comprehensive Income	(30,300,163)	32,024,551
2.2.3 Income/ (Loss) Related with Cash Flow Hedges	0	0
2.2.4 Income/ (Loss) Related with Hedges of Net Investments in Foreign Operations	(1,121,189)	0
2.2.5 Other Income/ Expense Items of Other Comprehensive Income to be Reclassified to Other Profit or Loss	5,636,528	5,517,021
2.2.6 Taxes Relating To Components Of Other Comprehensive Income to be Reclassified To Profit Or Loss	7,848,651	(8,126,241)
III. TOTAL COMPREHENSIVE INCOME (I+II)	85,308,171	105,372,166

Türkiye İş Bankası A.Ş.

Unconsolidated Statement of Changes in Shareholders' Equity

CHANGES IN SHAREHOLDERS' EQUITY	Dipnot					Accumulated Other Comprehensive Income That will not be Reclassified in Profit / (Loss)				Accumulated Other Comprehensive Income That will be Reclassified in Profit / (Loss)			Profit Reserves	Prior Period Profit/ (Loss)	Net Current Period Profit/ (Loss)	Total Shareholder' s Equity
		Paid-in Capital	Share Premium	Share Certificate Cancellation Profits	Other Capital Reserves	Tangible assets accumulated revaluation reserve Increase / (Decrease)	Accumulated gains/(losses) on remeasurements of defined benefit plans	Other (1)		Exchange differences translation reserve	Accumulated gains/ (losses) due to revaluation and/or reclassification of financial assets measured at fair value through other comprehensive income	Other (2)				
PPRIOR PERIOD (31/12/2022)																
I. Beginning Balance		4,500,000	109,148		1,004,291	4,165,224	(854,655)	4,528,838		3,220,718	659,815	4,542,416	46,081,015	18,882,481		86,839,291
II. Adjustment in accordance with TAS 8																
2.1 The Effect of Adjustments																
2.2 The Effect of Changes in Accounting Policies																
III. New Balance (I+II)		4,500,000	109,148		1,004,291	4,165,224	(854,655)	4,528,838		3,220,718	659,815	4,542,416	46,081,015	18,882,481		86,839,291
IV. Total Comprehensive Income						6,119,976	(1,891,843)	8,119,452		2,071,370	23,898,310	5,517,021			61,537,880	105,372,166
V. Capital Increase in Cash																
VI. Capital Increase Through Internal Reserves		5,500,000											(5,500,000)			
VII. Paid-in Capital inflation adjustment difference																
VIII. Convertible Bonds																
IX. Subordinated Debt																
X. Increase /(Decrease) Through Other Changes			8		51,703								294,231	126,560		472,502
XI. Profit Distribution													17,535,691	18,843,575		(1,307,884)
11.1 Dividend Paid														(1,307,884)		(1,307,884)
11.2 Transfer to Reserves													17,535,691	(17,535,691)		
11.3 Other																
Ending Balance (III+IV..... X+XI)		10,000,000	109,156		1,055,994	10,285,200	(2,746,498)	12,648,290		5,292,088	24,558,125	10,059,437	58,410,937	165,466	61,537,880	191,376,075
CURRENT PERIOD (31/12/2023)																
I. Beginning Balance		10,000,000	109,156		1,055,994	10,285,200	(2,746,498)	12,648,290		5,292,088	24,558,125	10,059,437	58,410,937	61,703,346		191,376,075
II. Adjustment in accordance with TAS 8																
2.1 The Effect of Adjustments																
2.2 The Effect of Changes in Accounting Policies																
III. New Balance (I+II)		10,000,000	109,156		1,055,994	10,285,200	(2,746,498)	12,648,290		5,292,088	24,558,125	10,059,437	58,410,937	61,703,346		191,376,075
IV Total Comprehensive Income						13,487,763	244,949	11,006,113		6,240,721	(22,787,869)	4,851,696			72,264,798	85,308,171
V. Capital Increase in Cash																
VI. Capital Increase Through Internal Reserves																
VII. Paid-in - Capital inflation adjustment difference																
VIII. Convertible Bonds																
IX. Subordinated Debt																
X. Increase/(Decrease) Through Other Changes			1,108		139,279								(96,427)	33,308		77,268
XI. Profit Distribution													52,472,665	(61,436,695)		(8,964,030)
11.1 Dividend Paid														(8,964,030)		(8,964,030)
11.2 Transfer to Reserves													52,472,665	(52,472,665)		
11.3 Other																
Ending Balance (III+IV+ +X+XI)		10,000,000	110,264		1,195,273	23,772,963	-2,501,549	23,654,403		11,532,809	1,770,256	14,911,133	110,787,175	299,959	72,264,798	267,797,484

(1) Accumulated amounts of other comprehensive income of invesments accounted by the equity method, that will not be classified as other pprofit or loss and that will be classified as other profit or loss

(2) Accumulated amounts of other comprehensive income of invesments accounted by the equity method, that will be classified as other pprofit or loss and that will be classified as other profit or loss

Türkiye İş Bankası A.Ş.

Unconsolidated Statement of Cash Flows

		Footnotes	THOUSAND TL	
			CURRENT PERIOD (01/01-31/12/2023)	PRIOR PERIOD (01/01-31/12/2022)
A.	CASHFLOWS FROM BANKING OPERATIONS			
1.1	Operating Profit Before Changes in Operating Assets and Liabilities		32,546,281	29,321,468
1.1.1	Interest Received		182,278,174	103,691,818
1.1.2	Interest Paid		(131,447,615)	(43,427,261)
1.1.3	Dividend Received		2,423,241	1,451,063
1.1.4	Fees and Commissions Received		51,446,184	20,771,458
1.1.5	Other Income		11,287,992	4,926,359
1.1.6	Collections from Previously Written Off Loans and Other Receivables		4,952,565	3,384,340
1.1.7	Cash Payments to Personnel and Service Suppliers		(51,530,123)	(22,292,589)
1.1.8	Taxes Paid		(10,269,161)	(13,579,263)
1.1.9	Other	V-VI	(26,594,976)	(25,604,457)
1.2	Changes in Operating Assets and Liabilities		394,991,417	56,755,949
1.2.1	Net (Increase) / Decrease in Financial Assets at Fair Value Through Profit or Loss		(2,147,721)	(412,259)
1.2.2	Net (Increase) / Decrease in Due From Banks		(41,918,417)	(1,407,545)
1.2.3	Net (Increase) / Decrease in Loans		(302,252,747)	(188,170,365)
1.2.4	Net (Increase) / Decrease in Other Assets		(12,891,920)	(1,122,078)
1.2.5	Net Increase / (Decrease) in Bank Deposits		82,791,486	5,142,070
1.2.6	Net Increase / (Decrease) in Other Deposits		543,610,294	238,319,648
1.2.7	Net Increase/ (Decrease) in Financial Liabilities at Fair Value Through Profit or Loss		0	0
1.2.8	Net Increase / (Decrease) in Funds Borrowed		13,276,407	(14,214,342)
1.2.9	Net Increase / (Decrease) in Matured Payables		0	0
1.2.10	Net Increase / (Decrease) in Other Liabilities	V-VI	114,524,035	18,620,820
I.	Net Cash Provided From Banking Operations		427,537,698	86,077,417
B.	CASH FLOWS FROM INVESTING ACTIVITIES			
II.	Net Cash Provided from Investing Activities		(173,244,562)	(75,342,524)
2.1	Cash Paid for the Purchase of Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures)		(9,250,000)	(3,714,714)
2.2	Cash Obtained from Sale of Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures)		0	0
2.3	Cash Paid for the Purchase of Tangible Asset		(3,394,099)	(1,325,592)
2.4	Cash Obtained from the Sale of Tangible Asset		125,706	218,743
2.5	Cash Paid for Purchase of Financial Assets at Fair Value Through Other Comprehensive Income		(123,991,414)	(59,932,987)
2.6	Cash Obtained from Sale of Financial Assets at Fair Value Through Other Comprehensive Income		48,350,817	27,825,705
2.7	Cash Paid for Purchase of Financial Assets Measured at Amortised Cost		(120,829,692)	(55,070,273)
2.8	Cash Obtained from Sale of Financial Assets Measured at Amortised Cost (*)		39,873,429	19,171,942
2.9	Other	V-VI	(4,129,309)	(2,515,348)
C.	CASH FLOWS FROM FINANCING ACTIVITIES			
III.	Net cash provided from financing activities		5,862,857	(31,982,420)
3.1	Cash obtained from funds borrowed and securities issued		36,594,109	10,906,657
3.2	Cash used for repayment of funds borrowed and securities issued		(17,363,092)	(40,429,982)
3.3	Equity Instruments		0	0
3.4	Dividends Paid		(12,056,191)	(1,667,884)
3.5	Payments for Finance Leases		(1,311,969)	(791,211)
3.6	Other	V-VI	0	0
IV.	Effect of change in foreign exchange rate on cash and cash equivalents	V-VI	5,094,705	967,080
V.	Net increase in cash and cash equivalents		265,250,698	(20,280,447)
VI.	Cash and cash equivalents at beginning of the period		94,614,002	114,894,449
VII.	Cash and cash equivalents at end of the period		359,864,700	94,614,002
	(*) Includes Redeemed Financial Assets measured at amortized cost.			

Türkiye İş Bankası A.Ş.

Unconsolidated Statement of Profit Distribution Table

	THOUSAND TL	
	CURRENT PERIOD (01/01-31/12/2023)	PRIOR PERIOD (01/01-31/12/2022)
I.	DISTRIBUTION OF CURRENT YEAR PROFIT (1)	
1.1	CURRENT PERIOD PROFIT (2)	77,082,501
1.2	TAXES AND DUES PAYABLE (-)	4,817,703
1.2.1	Corporate Tax (Income Tax)	9,929,002
1.2.2	Income Tax Withholding	286,855
1.2.3	Other Taxes and Dues Payable (3)	(5,398,154)
A.	NET PROFIT FOR THE PERIOD (1.1-1.2)	72,264,798
1.3	PRIOR YEARS' LOSSES (-)	0
1.4	FIRST LEGAL RESERVES (-)	0
1.5	OTHER STATUTORY RESERVES (-)	0
B.	NET PROFIT ATTRIBUTABLE TO [(A-(1.3+1.4+1.5)]	72,264,798
1.6	FIRST DIVIDEND TO SHAREHOLDERS (-)	0
1.6.1	To Owners of Ordinary Shares	0
1.6.2	To Owners of Preferred Shares	0
1.6.3	To Preferred Shares (Preemptive Rights)	0
1.6.4	To Profit Sharing Bonds	0
1.6.5	To Holders of Profit / Loss Share Certificates	0
1.7	DIVIDENDS TO PERSONNEL (-)	0
1.8	DIVIDENDS TO THE BOARD OF DIRECTORS (-)	0
1.9	SECOND DIVIDEND TO SHAREHOLDERS (-)	0
1.9.1	To Owners of Ordinary Shares	0
1.9.2	To Owners of Privileged Shares	0
1.9.3	To Owners of Preferred Shares	0
1.9.4	To Profit Sharing Bonds	0
1.9.5	To Holders of Profit / Loss Share Certificates	0
1.10	STATUTORY RESERVES (-)	0
1.11	EXTRAORDINARY RESERVES	0
1.12	OTHER RESERVES	0
1.13	SPECIAL FUNDS	0
II.	DISTRIBUTION FROM RESERVES	
2.1	DISTRIBUTED RESERVES	0
2.2	DIVIDENDS TO SHAREHOLDERS (-)	0
2.2.1	To Owners of Ordinary Shares	0
2.2.2	To Owners of Privileged Shares	0
2.2.3	To Owners of Preferred Shares	0
2.2.4	To Profit Sharing Bonds	0
2.2.5	To Holders of Profit / Loss Share Certificates	0
2.3	DIVIDENDS TO PERSONNEL (-)	0
2.4	DIVIDENDS TO THE BOARD OF DIRECTORS (-)	0
III.	EARNINGS PER SHARE	
3.1	TO OWNERS OF ORDINARY SHARES (4)	0.2891
3.2	TO OWNERS OF ORDINARY SHARES (%)	723
3.3	TO OWNERS OF PREFERRED SHARES (4)	0
3.4	TO OWNERS OF PREFERRED SHARES (%)	0
IV.	DIVIDEND PER SHARE	
4.1	TO OWNERS OF ORDINARY SHARES (4)	0
4.2	TO OWNERS OF ORDINARY SHARES (%)	0
4.3	TO OWNERS OF PREFERRED SHARES (4)	0
4.4	TO OWNERS OF PREFERRED SHARES (%)	0

(1) The decision for dividend payment is made at the Annual General Meeting. Annual General Meeting has not been held as of the reporting date.

2) In accordance with "TAS 19 Employee Benefits". TL 165.466 allocated for the profit share to be distributed to the personel in 2022 and added to the profit distribution base of the same year, and TL 3.093.000 retained earnings added to the profit distribution base of the same year are added to the previous period's profit in the table.

(3) Deferred Tax Income.

(4) Expressed in exact TL.

Türkiye İş Bankası A.Ş.

Notes To The Unconsolidated Financial Statements For The Year Ended December 31, 2023

SECTION THREE: EXPLANATIONS ON ACCOUNTING POLICIES

I. Basis of Presentation:

The unconsolidated financial statements, related notes, and explanations in this report are prepared in accordance with the “Regulation on Accounting Applications for Banks and Safeguarding of Documents” and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency and circulars and interpretations published by Banking Regulation and Supervision Authority, (together referred as “BRSA Accounting and Financial Reporting Legislation”) and requirements of Turkish Financial Reporting Standards (TFRS) published the Public Oversight Accounting and Auditing Standards Authority for the matters not regulated by the aforementioned legislations.

TAS 29 Financial Reporting in Hyperinflation Economies requires entities whose functional currency is that of a hyperinflationary economy to prepare their financial statements in terms of the measuring unit current at the end of the reporting period. TAS 29 describes characteristics that may indicate that an economy is hyperinflationary, and it requires all entities that report in the currency of the same hyperinflationary economy apply this Standard from the same date. With the announcement made on November 23 2023, POA stated that, entities that is applying TFRS on their financial statements for the annual reporting period ending on or after 31 December 2023 should be presented by adjusting for the inflation effect in accordance with the relevant accounting principles in the TAS 29 standard, on the other hand, He explained that institutions or organizations authorized to regulate and supervise may determine different transition dates in their own fields for the implementation of TMS 29 provisions. In accordance with the BRSA's decision dated December 12 2023 and numbered 10744, the financial statements of banks and financial leasing, factoring, financing, savings financing and asset management companies dated 31 December 2023 will not be subject to the inflation adjustment required within the scope of TMS 29. and In accordance with the Decision No. 10825 dated January 11 2024 , it was decided to switch to inflation accounting as of January 1, 2025. Accordingly, TMS 29 was not applied and no inflation adjustment was made in the financial statements dated 31 December 2023.

TFRS 17 “Insurance Contracts” standard, published by POA on 16.02.2019 to be applied for accounting periods starting after 31.12.2023, determines the principles regarding the recognition, measurement, presentation, and disclosure of insurance contracts within the scope of the standard. The purpose of TFRS 17 is to ensure that entities display these contracts fairly. POA has decided to apply TFRS 17 on consolidated and individual financial statements of companies as of 01.01.2024. In this context, the relevant standard has not been applied in the financial statements dated 31.12.2023.

Within the scope of the project to change the benchmark interest rates carried out by the International Accounting Standards Board (IASB), the “Benchmark Interest Rate Reform - 2nd stage” which brings changes to various TAS / TFRS, effective as of January 1, 2021, was published in December 2020. As of June 30, 2023, the Secured Overnight Financing Rate (SOFR) has started to be used in open transactions with variable interest rates indexed to USD LIBOR. The mentioned changes did not have a significant impact on the Bank's financial statements as of December 31, 2023.

The accounting policies applied in the current period are in line with the prior period Unconsolidated financial statements. The accounting policies and valuation principles used in the preparation of financial statements are presented below in detail.

II. Strategy for Use of Financial Instruments and Foreign Currency Transactions

1. The Bank's Strategy on Financial Instruments

The Bank's main activities comprise private, retail, commercial and corporate banking, money market and securities market operations, as well as activities related to international banking services.

In conformity with the general liability structure of the banking system, the Bank's liabilities are mainly composed of short-term deposits and other medium and long-term liabilities. The liquidity risk that may arise from this liability structure can be easily controlled through deposit continuity, as well as widespread network of the correspondent banks, market maker status (The Bank is one of the market makers banks) and by the use of liquidity facilities of the Central Bank of Republic of Turkey (“CBRT”). As a result, the liquidity of the Bank and the banking system can be easily monitored. On the other hand, foreign currency liquidity requirements are met by the money market operations and currency swaps.

Most of the funds collected bear fixed interest, and by closely monitoring the developments in the sector, both fixed and floating rate placements are made based on the yields of alternative investment instruments.

Safety principle has always been the top priority in placements and the placements are focused on high yielding and low risk assets by considering their maturity structure. Accordingly, a pricing policy aiming at high return is implemented in the long-term placements and attention is paid to the maximum use of non-interest income generation opportunities. The Bank determines its lending strategy by taking into consideration the international and national economic data and expectations, market conditions, current and potential credit customers' expectations and tendencies, and risks such as; interest rate, liquidity, currency and credit risks. Furthermore, in conformity with this strategy, the Bank acts within the legal limits in terms of asset-liability management.

The primary objectives related to balance sheet components are set by the long-term plans shaped along with budgeting; and the Bank takes the required positions against the short-term currency, interest rates and price fluctuations in accordance with these plans and the course of the market conditions.

Foreign currency, interest rate and price fluctuations in the markets are monitored instantaneously. While taking positions, in addition to the legal limits, the Bank's own transaction and control limits are also effectively monitored in order to avoid limit overrides.

The Bank's asset-liability management is executed by the Asset-Liability Management Committee, within the risk limits determined by the Board of Directors, in order to keep the liquidity risk, interest rate risk, currency risk and credit risk within certain limits depending on the equity adequacy and to maximize profitability.

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Notes To The Unconsolidated Financial Statements For The Year Ended December 31, 2023

2. Foreign Currency Transactions

Foreign currency monetary assets and liabilities on the balance sheet are converted into Turkish Lira by using the prevailing exchange rates at the balance sheet date. Non-monetary items in foreign currencies carried at fair value are converted into Turkish Lira by the rates at the date of which the fair value is determined. Exchange rate differences arising from the conversions of monetary foreign currency items and the collections of and payments in foreign currency transactions are reflected to the income statement.

The Bank started to apply equity method for the foreign associates and subsidiaries which were followed with historical rates in accordance with the TAS 27 “Separate Financial Statements” In this context, foreign subsidiaries are accounted at current rates in the financial statement and the resulting exchange differences are accounted under equity.

The financial statements of the foreign branches of the Bank are prepared in the currency of the primary economic environment in which the entity operates (functional currency). The financial statements of foreign branches are expressed in TL which is the functional currency of the Bank and the presentation currency of the financial statements. Assets and liabilities of the foreign branches of the Bank are converted into TL by using the prevailing exchange rates at the balance sheet date. Income and expenses are converted by at exchange rates at the dates of the transactions. The exchange rate differences arising from the conversion are recorded in the shareholders' equity.

The Bank has been applying net investment hedging accounting to the portion of its net investment amounting to EUR 397 million in its subsidiary Isbank AG, headquartered in Germany and whose functional currency is the Euro, which it accounts for using the equity method, in order to protect against exchange difference risk since November 2023. The part of the demand euro deposit that is subject to hedge accounting has been determined as a hedging instrument. Currency-related changes in the portion of demand foreign currency deposits subject to hedge accounting are accounted for in equity under “Accumulated Other Comprehensive Income or Expenses Reclassified in Profit or Loss”.

III. Associates and Subsidiaries

The Bank accounts, its associates, and subsidiaries in accordance with equity method which described in TAS 28.

Under the equity method, Bank's share of net assets of the associates and subsidiaries is recognized in the Bank's financial statements. The profit or loss of the Bank includes the Bank's share of the profit or loss of the associates and subsidiaries and Bank's other comprehensive income or expenses include the Bank's share of other comprehensive income or expenses of the associates and subsidiaries. Mergers / acquisitions and change in share ratios of related associates and subsidiaries during the period are shown under the item “Increase / Decrease through Other Changes” in the statement of changes in shareholders' equity.

IV. Forward, Option Contracts and Derivatives Instruments

Derivative transactions of the Bank consist of foreign currency and interest rate swaps, forwards, foreign currency options and interest rate options. The Bank has no derivative instruments decomposed from the main contract.

The Bank classifies derivative transactions, which act as a hedge but does not meet qualification criteria for hedge accounting, as “Derivative Financial Assets at Fair Value through Profit or Loss” in accordance with the “TFRS 9 Financial Instruments” requirements.

Derivative transactions are recorded at their fair value at the date of contract, receivables and payables arising from these transactions are recorded in off-balance sheet accounts. Derivative transactions are measured at fair value at subsequent reporting dates and if the valuation difference is positive, they are classified as “Derivative Financial Assets at Fair Value through Profit or Loss”, if it is negative they are classified as “Derivative Financial Liabilities at Fair Value through Profit or Loss”. The differences arising from the valuation of derivative transactions are associated with the income statement.

On off-balance sheet items table, options which generated assets for the Bank are presented under “call options” line and which generated liabilities are presented under “put options” line.

V. Interest Income and Expenses

Interest income is calculated by using the effective interest rate method (the rate that equal the future cash flows of a financial asset or liability to its present net book value) to gross carrying amount of financial asset in conformity with “TFRS 9 Financial Instruments” except financial asset that is not a purchased or originated credit-impaired financial asset but subsequently has become credit-impaired.

Under the scope of TFRS 9 application, the Bank does not reverse the interest accruals and rediscounts of non-performing loans and other receivables and monitors the related amounts under interest income and calculates expected credit loss on these amounts according to the related methodology.

VI. Fees and Commission Income and Expenses

Wages and commissions those that are not an integral part of the effective interest rate of the financial instruments measured at amortized cost are accounted for in accordance with “TFRS 15 - Revenue from Customer Contracts”. Fees and commission income and expenses are recognized either on accrual basis or by using the effective interest method. Income earned in return for services rendered contractually or due to operations like sale or purchase of assets on behalf of a third-party real person or corporate body are recognized in income accounts in the period of collection.

VII. Financial Assets

The Bank within the scope of “TFRS 9 Financial Instruments”, classifies and accounts its financial assets as “Financial Assets at Fair Value Through Profit or Loss”, “Financial Assets at Fair Value Through Other Comprehensive Income” or “Financial Assets at Measured at Amortized Cost” by taking into account their business model and contractual cash flow characteristics. Financial assets are recognized or derecognized according to TFRS 9 “Recognition and Derecognition in Statement of Financial Position” requirements. The Bank recognizes a financial asset in its statement of financial position when it becomes a party to the contractual provisions of the financial instrument. Financial assets are measured at their fair value on initial recognition in the financial statements.

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The Bank has three different business models for classification of financial assets:

- Business model aimed at holding financial assets in order to collect contractual cash flows: Financial assets held under the mentioned business model are managed to collect contractual cash flows over the life of these assets. The Bank manages its assets held under this portfolio in order to collect certain contractual cash flows
- Business model aimed at collecting contracted cash flows of financial assets and selling: In this business model, the Bank intends both to collect contractual cash flows of financial assets and to sell these assets.
- Other business models: A business model in which financial assets; are not held within the scope of a business model aimed at collection of contractual cash flows and within the scope of a business model aimed at collecting and selling contracted cash flows, are measured by reflecting fair value in profit or loss.

The Bank is able to reclassify all affected financial assets in case it changes the business model that is used for the management of financial asset.

In the event of the termination of the rights related to the cash flows from a financial asset, the transfer of all risks and rewards of the financial asset to a significant extent or has no longer control of the financial assets, the Bank derecognizes the financial asset.

1. Financial Assets at Fair Value Through Profit or Loss

Financial assets except financial assets measured at amortized cost or at fair value through other comprehensive income, are measured at fair value through profit or loss. Financial assets at fair value through profit or loss are financial assets held for the purpose of generating profit from short-term fluctuations in price or similar factors in the market or being part of a portfolio for profitability in the short term, regardless of the acquisition reason or financial assets that are not held in a business model that aims at collecting and/or selling contractual cash flows of financial assets.

Financial assets at fair value through profit or loss are initially measured at fair value on the balance sheet and are subsequently re-measured at fair value. Gains or losses arising from the valuation are related to profit and loss accounts.

In some cases, restructuring, alteration or counterparty changes of contractual cash flows of loans may lead to derecognition of related loans in accordance with TFRS 9. When the change in the financial asset results from derecognizing the existing financial asset from the financial statements and the revised financial asset is recognized in the financial statements, the revised financial asset is considered as a new financial asset in accordance with TFRS 9. When it is determined that there are significant changes between the new conditions of the revised financial asset and the first conditions in related agreements, the Bank evaluates the new financial asset according to the current business models. When it is determined that the contractual conditions do not only result in cash flows that include principal and interest payments at certain dates, the financial asset is recognized at fair value and is subject to valuation. The differences arising from the valuation are reflected in the nominal accounts.

The Bank recognizes loans at fair value through profit or loss, if the contractual terms of the loan, do not result in cash flow including the principal payments and interest payments generated from principal amounts at certain dates. These loans are valued at their fair values after their recognition and the losses or gains arising from the valuation are included in the profit and loss accounts.

2. Financial Assets at Fair Value Through Other Comprehensive Income

Financial assets at fair value through other comprehensive income are financial assets that are held under a business model that aims both to collect contractual cash flows and to sell financial assets, and financial assets with contractual terms that lead to cash flows that are solely payments of principal and interest on the principle amount outstanding at specific dates.

Financial assets at fair value through other comprehensive income are initially recognized at their fair value including their transaction costs on the financial statements. The initial recognition and subsequent valuation of such financial assets, including the transaction costs, are carried out on a fair value basis and the difference between amortized cost and the cost of borrowing instruments is recognized in profit or loss by using the effective interest method. Dividend income arising from investments in equity instruments that are classified as at fair value through other comprehensive income is also recognized in income statements.

Gains and losses, except impairment gain or loss and foreign exchange gain or loss, arising from changes in the fair value of financial assets at fair value through other comprehensive income are reflected to other comprehensive income until derecognized or reclassified. When the value of the financial asset is collected or financial asset is disposed, the related fair value differences accumulated in the shareholders' equity are transferred to the profit or loss statement.

During the initial introduction to financial statements, amendments to the fair value of an investment in an equity instrument within the framework of TFRS 9 that are not held for trading or that are not valued in a financial statement of an entity that acquires business combinations under the "TFRS 3 Business Combinations" may be subject to an irreversible preference regarding these amendments being accounted in other comprehensive income. In such case dividends taken from mentioned investment will be accounted in financial statement as profit or loss.

3. Financial Assets Measured at Amortized Cost

Financial assets measured at amortized cost are those financial assets that are held within the framework of a business model aimed at collecting contractual cash flows over the life of the asset and which result in cash flows that include principal and interest on the principal amount outstanding at specific dates. Financial assets measured at amortized cost with the initial recognition at fair value including transaction costs are subject to valuation with their discounted cost value by using the effective interest rate method, after eliminating any provision for impairment if there is any. Interest income measured by using the effective interest rate method are recognized in the income statement as an "interest income".

The Bank evaluates its loans within the framework of current business models and can be classified as Financial Assets measured at Amortized Cost.

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The Bank also holds consumer price indexed government bonds ("CPI") in its securities portfolio, reclassified as financial assets measured at fair value through other comprehensive income, financial assets measured at fair value through profit or loss and financial assets measured at amortised cost. In the valuation of the mentioned securities, the estimated inflation curve created by using the CPI index announced by Turkish Statistical Institute ("TÜİK") and the "Annual CPI Expectation After 12 Months" from the CBRT Market Participants Survey is used. Future cash flows of securities are estimated by using the mentioned inflation data and valuation is made according to the effective interest method within the framework of the reference inflaiton index formula specified in the Undersecretariat of Treasury's Investor Guide of CPI.

VIII. Impairment of Financial Assets

In accordance with the "TFRS 9-Financial Instruments" and the regulation and related decision "Procedures and Principals regarding Classification of Loans and Allowances Allocated for Such Loans" issued by BRSA, the Bank recognizes expected credit loss allowance on financial assets at fair value through other comprehensive income, financial assets measured at amortized cost, impaired credit commitments and financial guarantee contracts.

Within the scope of TFRS 9, the expected credit loss is calculated according to the "three-stage" impairment model based on the change in the loan quality of financial assets after initial recognition and detailed in the following headings:

Stage 1:

An important determinant for calculating the expected credit loss in accordance with TFRS 9 is to assess whether there is a significant increase in the credit risk of the financial asset. Financial assets that have not experienced a significant increase in credit risk since the initial recognition are monitored in the stage one. Impairment for credit risk for the Stage 1 financial assets is equal to the 12-month expected credit losses.

Stage 2:

Financial assets that experienced a significant increase in the credit risk since initial recognition, are transferred to Stage 2. The expected credit loss of these financial assets are measured at an amount equal to the instrument's lifetime expected credit loss. In order to classify a financial asset in the stage 2, the following criteria is considered:

- Overdue between 30-90 days
- Restructuring of the loan
- Significant deterioration in the probability of default

In case of a significant deterioration in the probability of default, the credit risk is considered to be increased significantly and the financial asset is classified as stage 2. The absolute and gradual thresholds used to increase the probability of default are differentiated on the basis of portfolio and product group. In this manner, for the commercial portfolio, definition of increase in the probability of default is the comparison between the probability of default on loan's opening date, obtained from the integrated rating/score based on internal rating and probability of default of the same loan on reporting date, obtained from the integrated rating/score based on internal rating. For the individual portfolio, it is accepted that the probability of default is worsened in cases where the behavioral score falls below the thresholds determined on the basis of the product and the probability of default exceeds the thresholds determined on the basis of the product.

Stage 3:

Financial assets with sufficient and fair information for impairment at the reporting date, are classified in the third stage. Expected credit loss of these financial assets is measured at an amount equal to the lifetime expected credit loss. The following basic factors are considered for the classification of a financial asset in the third stage:

- More than 90 days past due
- Whether the credit rating is weakened, has suffered a significant weakness or cannot be collected or there is a certain opinion on this matter

While estimating the expected credit loss, statistical models, methods and tools are used in accordance with the relevant legislation and accounting standards. Expected credit loss is measured using reasonable and supportable information by taking current and forecasts of future economic information into consideration, including macroeconomic factors. Three scenarios, base scenario, optimistic scenario and the worst scenario, are used in forecasting studies made by macroeconomic models. The variables used in these macroeconomic estimates Industrial Production Index, Employment Ratio and Credit Default Swap indicators. The validity of the risk parameter estimates used in the calculation of expected credit losses is reviewed and evaluated at least annually within the framework of model validation processes. In 2023, loss at default models were updated in individual and commercial portfolios, and statistical models that estimate the loss at default parameter through decision trees differentiated according to risk variables in the relevant portfolios began to be used in expected credit loss calculations. Macroeconomic forecasts and risk delinquency data used in risk parameter models are re-evaluated every quarter to reflect the changes in economic conjuncture and are updated if needed. Except for demand or revolving loans, the maximum period for which expected credit losses are to be determined is the contractual life of the financial asset. For demand or revolving loans, maturity is determined by taking the future risk mitigation processes into account such as behavioral maturity analyses performed by the Bank and cancellation/revision of the Bank's credit limit.

While calculating the expected credit loss, aside from assessment of whether there is a significant increase in credit risk or not, basic parameters expressed as probability of default, loss given default and exposure at default are used.

Probability of Default: Represents the probability of default on the loan over a specified time period. In this context, the Bank has developed models to calculate 12-month and life-time default probabilities by using internal rating based credit rating models. As for the Group Companies historical probability of default data has also been observed.

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Loss Given Default (LGD): Defined as the damage caused by the default of borrower to the total balance of the exposure at the time of default. The LGD estimates are determined in terms of credit risk groups that are detailed in the Bank's data resources and system facilities. The model used for LGD forecasting based on the Bank's historical collection data, statistical models are used to explain the LGD ratios formed in past periods, taking into account the direct cost items in the collection process, using risk variables that differ for each credit risk group

Exposure at Default: For cash loans, the cash balance at the date of report, for non-cash loans the balance calculated using the Credit Conversion Factor (CCF) is represented by Exposure at Default.

Credit Conversion Factor: Calculated for non-cash loans (undrawn limit for revolving loans, commitments, non-cash loans etc.) The historical limit usage data of the Bank for revolving loans are analyzed and the limit amount that can be used until the moment of default is estimated. For non-cash loans, the cash conversion ratio of the loan amount is estimated by analyzing the product type and the past compensation amount of the bank.

Credit risks, which require qualitative assessments due to their characteristics and differ by grouping in this manner, are considered as individual within the internal policies. Calculations are made by the method of discounted cash flows with the effective interest rate expected from the relevant financial instrument. Discounted cash flows are estimated for 3 different scenarios in which parameters are differentiated, and individual expected credit loss is calculated by taking into consideration the cash deficit amounts weighted according to probabilities.

As mentioned above, the Bank allocated expected credit losses by reflecting additional provisions through individual assessments performed for the customers that operates in sectors where the impact might be high in accordance with the Bank's risk policies.

On the other hand, the possible effects of the earthquake disaster that occurred on 06.02.2023 on the loan portfolio have been the subject of expected loan loss calculations on the basis of loan classes, taking into account the current regulations and data on the subject.

Expected credit loss is reflected in the income statement. Released provisions in the current year are accounted under "Expected Credit Loss Expenses" and released provision which is carried from the prior year are accounted under "Other Operating Income".

Receivables evidenced through the Legal Process that collection is not possible can be written-off by fulfilling the requirements of the Tax Procedure Law. Besides, the loans for which specific provision is allocated and for which there is no reasonable expectation of recovery might be written-off.

IX. Offsetting Financial Instruments

Financial assets and financial liabilities shall be offset, and the net amount shall be presented in the balance sheet only when a party currently has a legally enforceable right to set off the recognized amounts or intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

X. Sale and Repurchase Agreements and Securities Lending Transactions

Marketable securities subject to repurchase agreements are classified under "Financial Assets at Fair Value through Profit and Loss", "Financial Assets at Fair Value through Other Comprehensive Income" or "Financial Assets Measured at Amortised Cost" in the Bank's portfolio and they are valued according to the valuation principles of the related portfolios.

Funds obtained from the repurchase agreements are recognized under "Funds from Repurchase Transactions" account in liabilities. For the difference between the sale and repurchase prices determined by the repo agreements for the period; expense accrual is calculated using the effective interest rate method.

Reverse repo transactions are recognized under the "Receivables from Reverse Repo Transactions" account. For the difference between the purchase and resale prices determined by the reverse repo agreements for the period; income accrual is calculated using the effective interest rate method.

XI. Non-current Assets Held for Sale and Discontinued Operations and Related Liabilities

Assets that meet the criteria to be classified as held for sale within the scope of "TFRS 5 – Non-current Assets Held for Sale and Discontinued Operations" are measured at the lower one of their fair value and their carrying amount which from the costs to sell are deducted and presented separately within the financial statements. In order to classify a tangible fixed asset as held for sale, the asset (or the disposal group) should be available for an immediate sale in its present condition subject to the terms of any regular sales of such assets (or such disposal groups) and the sale should be highly probable. For a highly probable sale, the appropriate level of management must be committed to a plan to sell the asset (or the disposal group), and an active programme to complete the plan should be initiated to locate a customer. Also, the asset (or the disposal group) should have an active market sale value, which is a reasonable value in relation to its current fair value. Events or circumstances may extend the completion of the sale more than one year. Such assets are still classified as held for sale if there is sufficient evidence that the delay in the sale process is due to the events and circumstances occurred beyond the control of the entity or the entity remains committed to its plan to sell the asset (or disposal group).

A discontinued operation is a component of a bank that either has been disposed of or is classified as held for sale. Gains or losses relating to discontinued operations are presented separately in the income statement.

XII. Goodwill and Other Intangible Assets

As at the balance sheet date, there is no goodwill recorded in the unconsolidated balance sheet of the Bank.

The Bank's intangible assets consist of software programs. The purchased items are presented with their acquisition costs less the accumulated amortization and impairment provisions. In case there is an indication of impairment, the recoverable amount of the related intangible asset is estimated within the framework of "TAS 36 –Impairment of Assets" and impairment provision is set aside in case the recoverable amount is below its acquisition cost.

The related assets are amortized by the straight-line method considering the estimated useful life. The amortization method and period are periodically reviewed at the end of each year.

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XIII. Tangible Assets

The Bank follows its real estates in use, which are recorded under tangible fixed assets, according to the revaluation model within the framework of "TAS 16 – Property, Plant and Equipment". The positive difference between the net book value of real estate property values and the renewed expertise values which are determined by the licensed valuation companies, are recorded under the shareholders' equity in current period.

In case there is an indication of impairment, the recoverable amount of the related intangible asset is estimated within the framework of "TAS 36 – Impairment of Assets" and impairment provision is set aside in case the recoverable amount is below its acquisition cost.

Tangible assets other than the land and construction in progress are amortized at the straight-line method, according to their estimated useful lives. The estimated useful life, residual amount and the method of amortization are reviewed every year for the possible effects of the changes that occur in the estimates and if there is any change in the estimates, they are recognized prospectively.

Assets held under finance lease are depreciated over the expected useful life of the related assets.

Assets subject to leasing are depreciated according to relevant contract periods.

Within the scope of the TFRS 16 standard, development costs related to leases that cannot be added to the cost of the right-of-use asset and are within the scope of exceptions in the mentioned standard are amortized in equal amounts, taking into account the useful-life period. However, in any case the useful life cannot exceed leasing term. When the lease period is not certain or longer than 5 years, the amortization period is recognized as 5 years.

The difference between the sales proceeds arising from the disposal of tangible assets or the inactivation of a tangible asset and the book value of the tangible assets are recognized in the income statement.

Regular maintenance and repair costs incurred for tangible assets are recognized as expense.

There are no pledges, mortgages and similar encumbrances on tangible assets.

The "Regulation on Procedures and Principles for the Trading of Precious Metals by Banks and the Disposal of Commodities and Real Properties acquired by Banks due to their Receivables" has been abolished by BRSA effective from January 1, 2017. Real properties acquired by Group due to their receivables and not treated in the scope of "TFRS 5 - Non-current Assets Held for Sale and Discontinued Operations" has been started to follow under "Other Assets" in accordance with the related accounting standard from the current period.

The depreciation rates used in amortization of tangible assets and their estimated useful lives are as follows:

	Estimated Economic Life (Year)	Depreciation Rate
Buildings	50	2%
Safe Boxes	2-50	2% - 50%
Other Movables	2-25	4% - 50%

XIV. Leasing Transactions

The bank accounts for its leases within the scope of the "TFRS 16-Leases" standard (TFRS 16). For contracts within the scope of TFRS 16, right-of-use assets and lease liabilities are reflected in the financial statements, and these are shown under "Tangible Assets" and "Leasing Transaction Liabilities ", respectively.

In accordance with TFRS 16, the right of use asset is first measured at cost. The cost of the right-of-use asset consists of the present value of the lease payments as of the date the lease obligation begins, the amount obtained by deducting all lease incentives received, and the sum of all initial direct costs incurred by the lessee. The bank measures right-of-use assets using the cost method. Fixed assets accounted for as right-of-use assets are depreciated taking into account the contract period.

In accordance with TFRS 16, the lease liability is calculated by discounting future lease payments using the Bank's borrowing interest rate at the date of initial application or contract. The interest on the lease liability for each period in the lease term is the amount found by applying a fixed periodic interest rate to the remaining balance of the lease liability. Interest expenses and exchange differences related to lease liabilities are associated with the profit or loss statement.

XV. Provisions and Contingent Liabilities

As of the end of the reporting period, a past event is deemed to give rise to a present obligation if, taking account of all available evidence, it is more likely than not that a present obligation exists, the entity recognizes a provision in the financial statements. As of the end of the reporting period where it is more likely that no present obligation exists at the end of the reporting period, the entity discloses a contingent liability on footnotes unless the possibility of an outflow of resources embodying economic benefits is remote.

In the financial statements, a provision is made for an existing commitment resulted from past events if it is probable that the commitment will be settled, and a reliable estimate can be made of the amount of the obligation.

Provisions are calculated based on the reliable estimates of management on the expenses to incur as of the balance sheet date to fulfill the liability by considering the risks and uncertainties related to the liability. In case the provision is measured by using the estimated cash flows required to fulfill the existing liability, the book value of the related liability is equal to the present value of the related cash flows.

If the amount is not reliably estimated and there is no probability of cash outflow from the Bank to settle the liability, the related liability is considered as "contingent" and disclosed in the notes to the financial statements.

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XVI. Contingent Assets

The contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the Bank. Since showing the contingent assets in the financial statements may result in the accounting of an income, which will never be generated, the related assets are not included in the financial statements, but if there is a possibility that an inflow of economic benefits of these assets may occur then it is explained in the footnotes of the financial statements. Nevertheless, the developments related to the contingent assets are constantly evaluated and if it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements of the period in which the change occurs.

XVII. Liabilities Regarding Employee Benefits

1. Severance Indemnities and Short-Term Employee Benefits

According to the related regulation and the collective bargaining agreements, the Bank is obliged to pay termination benefits for employees who retire, die, quit for their military service obligations, who have been dismissed as defined in the related regulation or (for the female employees) who have voluntarily quit within one year after the date of their marriage. Within the scope of “TAS 19-Employee Benefits”, the Bank allocates severance indemnity provisions for employee benefits by estimating the present value of the probable future liabilities. According to TAS 19, all actuarial gains and losses occurred are recognized under shareholder’s equity. The Bank also allocates provision for the unused paid vacation.

2. Retirement Benefit Obligations

Türkiye İş Bankası A.Ş. Emekli Sandığı Vakfı (“İşbank Pension Fund”), of which each Bank employee is a member, has been established according to the provisional Article 20 of the Social Security Act No. 506. As per provisional article numbered 23 of the Banking Law numbered 5411, it is ruled that Bank pension funds, which were established within the framework of Social Security Act, will be transferred to the Social Security Institution, within 3 years after the publication of such law. Methods and principles related to transfer have been determined as per the Cabinet decision dated 30 November 2006 numbered 2006/11345. However, the related article of the act has been cancelled upon the President’s application dated November 2, 2005, by the Supreme Court’s decision dated March 22, 2007, numbered E.2005/39, K.2007/33, which was published on the Official Gazette dated March 31, 2007, and numbered 26479 and the execution decision was ceased as of the issuance date of the related decision.

After the justified decree related to cancelling the provisional Article 23 of the Banking Law was announced by the Constitutional Court on the Official Gazette dated December 15, 2007 and numbered 26731, Turkish Grand National Assembly started to work on establishing new legal regulations, and after it was approved at the General Assembly of the TGNA, the Law numbered 5754 “Emendating Social Security and General Health Insurance Act and Certain Laws and Decree Laws”, which was published on the Official Gazette dated 8 May 2008 and numbered 26870, came into effect. The new law decrees that the contributors of the Bank pension fund, the ones who receive salaries or income from these funds and their rightful beneficiaries will be transferred to the Social Security Institution and will be subject to this Law within 3 years after the release date of the related article, without any need for further operation. The three-year transfer period can be prolonged for maximum 2 years by the Cabinet decision. However related transfer period has been prolonged for 2 years by the Cabinet decision dated March 14, 2011, which was published on the Official Gazette dated April 9, 2011, and numbered 27900. In addition, by the Law “Emendating Social Security and General Health Insurance Act”, which was published on the Official Gazette dated March 8, 2012 and numbered 28227, this period of 2 years has been raised to 4 years after that related transfer period has been prolonged for one more year by the Cabinet decision dated April 8, 2013, which was published on the Official Gazette dated 3 May 2013 and numbered 28636 also this period has revalidated one more year by the Cabinet decision dated February 24, 2014, which was published on the Official Gazette dated April 30, 2014 and numbered 28987. The Council of Ministers has been lastly authorized to determine the transfer date in accordance with the last amendment in the first paragraph of the 20th provisional article of Law No.5510 implemented by the Law No. 6645 on Amendment of the “Occupational Health and Safety Law and Other Laws and Decree Laws” published in the Official Gazette dated April 23, 2015, and numbered 29335. This authority was transferred to the President with the delegated legislation No.703 which was published in the repetitive Official Gazette No. 30473 dated July 9, 2018.

On the other hand, the application made on 19 June 2008 by the Republican People’s Party to the Constitutional Court for the annulment and motion for stay of some articles, including the first paragraph of the provisional article 20 of the Law, which covers provisions on transfers, was rejected in accordance with the decision taken at the meeting of the afore-mentioned court on 30 March 2011.

The aforementioned Law also states that;

- Through a commission constituted by the attendance of one representative separately from the Social Security Institution, Ministry of Finance, Turkish Treasury, State Planning Organization, Banking Regulation and Supervision Agency, Savings Deposit Insurance Fund, one from each pension fund, and one representative from the organization employing pension fund contributors, related to the transferred persons, the cash value of the liabilities of the pension fund as of the transfer date will be calculated by considering their income and expenses in terms of the lines of insurance within the context of the related Law, and technical interest rate of 9.8% will be used in the actuarial calculation of the value in cash,
- And that after the transfer of the pension fund contributors, the ones who receive salaries or income from these funds and their rightful beneficiaries to the Social Security Institution, these persons’ uncovered social rights and payments,
- despite being included in the trust indenture that they are subject to, will be continued to be covered by the pension funds and the employers of pension fund contributors.

In line with the new law, the Bank obtained a technical actuarial valuation report from the licensed actuary for the year ended December 31, 2023. In related period’s financial statements, Bank provided full provision for the total amount of technical and actual deficit stated in the actuarial report of the aforementioned period. The actuarial assumptions used in the related actuarial report are given in Section Five Note II-ı-4.1.

On the other hand, within the scope of the temporary article added to the Social Insurance and General Health Insurance Law No. 5510 dated 31.5.2006 by Law No. 7438 published in the Official Gazette No. 32121 dated 01.03.2023, those who request to receive a pension after the effective date of the relevant article are subject to the relevant regulations. Accordingly, those who will be granted old-age or retirement pensions are given the opportunity to benefit from old-age and retirement pensions if they meet other conditions other than age in the said provisions.

İşbank Members’ Supplementary Pension Fund has been founded to provide beneficiaries with additional social security and solidarity rights to compulsory social security benefits as per the provisions of the Turkish Commercial Code and Turkish Civil Code.

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XVIII. Taxation

1. Corporate Tax:

Pursuant to the amendment made in Article 32 of the Corporate Tax Law with the Law No. 7394, the corporate tax rate has been determined as 25%, starting from the declarations that must be submitted as of 01.07.2022 and being valid for the corporate earnings for the taxation period starting from 01.01.2022. On the other hand, the Law No. 7456 published in the Official Gazette No. 32249 dated 15.07.2023 and the Corporate Tax Law No. 32. in accordance with the amendment made to the article, the corporate tax rate has been determined as 30% starting from the returns that must be submitted as of 01.10.2023 and applying to corporate earnings of institutions for the year 2023 and subsequent taxation periods. The Corporate Tax rate valid for the period of December 31, 2023, is 30%.

As per the Corporate Tax law, temporary tax is calculated and in the first nine months of the year paid quarterly in line with the principles of the Income Tax Law and at the corporate tax rate. The temporary tax payments are deducted from the current period’s corporate tax.

Tax expense consists of current tax and deferred tax. The current tax liability is calculated over the portion of the period subject to taxation. The taxable profit differs from the profit stated in the income statement, as the income and expense items that can be taxable or deductible at other periods, and items that are not taxable or deductible are excluded. The current tax amounts payable is netted off with prepaid tax amounts and presented on the financial statements.

Within the framework of the Corporate Tax Law numbered 5520, 75% of the gains on the sale of the participation shares, which were held in the assets for a minimum of 2 whole years and 75% of the gains on the sale of immovable are exempt from tax provided that they are added to the capital as set forth by the Law or that they are kept in a special fund under liabilities for a period of 5 years. However, in accordance with Article 89 / a of the Law No. 7061 and Article 5.1.e and Article 5.1.f of the Corporate Tax Law, which were published in the Official Gazette dated December 5, 2017 and numbered 30261, the 75% applied in terms of immovable sales mentioned above has been reduced to 50% which is effective from the date of publication of the Law.

On the other hand, with the Law No. 7456 published in the Official Gazette dated 15.07.2023 and numbered 32249, the exception for 50% of the income arising from the sale of immovables in Article 5.1.e of the Corporate Tax Law has been abolished. However, pursuant to the temporary article 16 added to the Corporate Tax Law with the 22nd article of the Law No. 7456, the pre-amendment provisions will be taken into consideration for the immovables included in the assets of the institutions before 15.07.2023. The 50% rate will be applied as 25% for the real estate sales earnings to be made after 15.07.2023.

In accordance with the provision of Article 298/A of the Tax Procedure Law (TPL), the necessary conditions for inflation adjustment in the calculation of corporate tax as of the end of the 2021 calendar year have been met. However, the application of inflation adjustment in the calculation of corporate tax was postponed to 2023 with the regulation made with the “Law on the Amendment of the Tax Procedure Law and the Corporate Tax Law” numbered 7352 published in the Official Gazette dated 29.01.2022 and numbered 31734. Accordingly, VUK (Tax Procedure Law) financial statements for the 2021, 2022 and 2023 accounting periods, including the provisional tax periods, were not subjected to inflation adjustment, and the 2023 accounting period will not be subject to inflation adjustment as of the temporary tax periods will be subject to inflation adjustment regardless.

VUK Temporary 33. profit / loss differences arising from the inflation adjustment made on 31.12.2023 in accordance with the article and which must be shown in the profit/ loss accounts for previous years do not affect the corporate tax base. However, Some Laws and Decrees with the Force of Law No. 7491 regulate by Law on Amendments to Decrees with the Force of Law, the difference in profit / loss caused by the inflation adjustment that Banks will make in the 2024 and 2025 accounting periods, including the temporary tax periods, the difference in profit / loss caused by the inflation adjustment that Banks will make in the 2024 and 2025 accounting periods, the determination of Banks’ 2024 and 2025 accounting earnings.

With the arrangements in TPL Repeated 298 (Ç) and Provisional Article 32, taxpayers have been given the opportunity of revaluation within the scope defined within the framework of the General Communiqué of TPL No. 537. In this framework, it is possible for taxpayers who want to benefit from the revaluation application by enabling the revaluation of depreciable economic assets and immovables. The Bank revalues some of its depreciable assets that meet the relevant criteria within the scope of the opportunities provided.

2. Deferred Tax:

Deferred tax asset or liability is determined by calculating the tax effects of temporary differences between the carrying amounts of assets and liabilities in the financial statements and the amounts considered in the legal tax base account, by taking the legal tax rates into account. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Free provisions that are allocated for possible future risks are not subject to deferred tax calculation. No tax assets or liabilities are recognized for the temporary timing difference that affects neither the taxable profit nor the accounting profit and that arises from the initial recognition in the balance sheet, of assets and liabilities, other than the goodwill and mergers. The Bank calculates deferred tax for the provisions allocated for Stage 1 and Stage 2 expected credit loss.

The carrying values of deferred tax assets are reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is measured at enacted tax rates prevailing in the period or about to be enacted when the assets are realized or liabilities are settled, and the tax is recognized as income or expense in the income statement. Nonetheless, if the deferred tax is related to assets directly associated with the equity in the same or different period, it is directly recognized in the equity accounts.

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Pursuant to the amendment made in Article 32 of the Corporate Tax Law with the Law No. 7394, the corporate tax rate has been determined as 25%, starting from the declarations that must be submitted as of 01.07.2022 and being valid for the corporate earnings for the taxation period starting from 01.01.2022. On the other hand, in accordance with the Law No. 7456 published in the Official Gazette dated 15.07.2023 and numbered 32249 and the amendment made in Article 32 of the Corporate Tax Law, the corporate tax rate should start from the declarations that must be submitted as of 01.10.2023 and it has been determined as 30% to be applied to the corporate earnings of the institutions for the year 2023 and the following taxation periods. The Corporate Tax rate valid for the period of December 31 2023, is 30%.

Provisional 33 of the Tax Procedure Code. in December 31, 2023, according to the article, the tax effects arising from the inflation adjustment of corporate tax are included in the deferred tax calculation as of December 31, 2023.

Deferred tax assets and liabilities are shown in financial tables by way of offsetting.

3. Tax Practices in the Countries that Foreign Branches Operate:

Turkish Republic of Northern Cyprus (TRNC)

In accordance with TRNC tax legislation, 15% income tax is accrued on the remaining tax base after 10% corporate tax is deducted from corporate income. The tax bases for companies are determined by adding the expenses that cannot be deducted according to TRNC regulations, to commercial gains and by subtracting exemptions and deductions from commercial gains. Income tax is paid in June, and corporate tax payment is made in two equal installments, in May and in October. On the other hand, withholding tax is paid in TRNC over interest income and similar gains of the companies. The related withholding tax payments and provisional tax paid every quarter during the year are deducted from corporate tax payable and the difference between withholding and provisional tax amounts and corporate tax payable is discounted from income tax provided that the withholding tax and paid provisional tax amounts are higher than corporate tax amount.

England

Corporate earnings in the UK are subject to corporation tax at a rate of 19%.however, as of April 1, 2023, the corporate tax rate for companies with commercial profits over GBP 250 thousand has been set at 25%. The relevant rate is applied to the tax base that is determined by adding the expenses that cannot be deducted due to the regulations, to commercial gains and by subtracting exemptions and deductions from commercial gains. In other respect, if the tax base calculated in accordance with the country legislation is within a certain range, the temporary corporate tax is paid in July, October of the relevant year and in January and April of the following year; If it is over a certain amount, it is paid in 4 installments in March, June, September and December of the relevant year. The corporate tax amount must be finalized and paid by the end of September of the year following the year of profit. In case the corporate tax payable as a result of the calculation is below the temporary taxes paid, the difference amount is deducted later or paid back to the Branch by the authority.

Bahrain

Banks in Bahrain are not subject to tax according to the regulations of the country.

The Republic of Iraq (Iraq)

The corporate tax rate in Iraq is 15%, and the corporate tax is paid on a consolidated basis to the tax office of the foreign bank's central branch. The first branch established in Iraq is considered as the central branch. Foreign bank branches whose central branch is within the boundaries of the Central Government must submit their consolidated financial statements to the relevant tax office by the end of May of the following year, and branches of foreign banks whose central branch is within the boundaries of the Northern Iraq Regional Government by the end of June of the following year at the latest and must pay the tax. Northern Iraq Regional Government tax offices can accrue fixed taxes other than the specified rate and can postpone the last payment period.

Kosovo

Corporate earnings are subject to income tax rate of 10% according to the Kosovo legislation. This ratio is applied to the tax base that will be calculated as a result of the implementation of exemptions, deductions, addition of disallowable expenses, to the corporate income and that are calculated in accordance with the tax laws. Tax has to be paid in advance until April, July, October and the 15th day of January of the following year by four installments. If those prepaid taxes are lower than the final corporate tax, the difference is paid until the end of March of the following year, in case of a claim made by the company, if it is higher, then the difference is returned to the institution by the tax authorities after the inspection conducted by those institutions.

4. Transfer Pricing:

Transfer pricing is regulated through Article 13 of Corporate Tax Law titled "Transfer Pricing through Camouflage of Earnings". Detailed information for the practice regarding the subject is found in the "General Communiqué Regarding Camouflage of Earnings through Transfer Pricing".

According to the aforementioned regulations, in the case of making purchase or sales of goods or services with relevant persons/corporations at a price that is determined against "arm's length principle", the gain is considered to be distributed implicitly through transfer pricing and such distribution of gains is not subject to deductions according to article 11 of Corporate Tax Law in means of corporate tax.

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XIX. Borrowings

The Bank, whenever required, generates funds from individuals and institutions residing domestically and abroad by approaching the borrowing instruments in the form of syndication, securitization, collateralized borrowing and issue of bonds/bills. Such transactions are at first carried at acquisition cost, and in the following periods they are valued at amortized cost measured by using the effective interest rate method.

XX. Equity Shares and Their Issuance

Share issuance related to costs is recognized as expenses.

Dividend income related with the equity shares are determined by the General Assembly of the Shareholders.

Weighted average number of shares outstanding is taken into account in the calculation of earnings per share. In case the number of shares increases by way of bonus issues as a result of the capital increases made by using the internal sources, the calculation of earnings per share is made by adjusting the weighted average number of shares, which were previously calculated as at the comparable periods. The adjustment means that the number of shares used in calculation is taken into consideration as if the bonus issue occurred at the beginning of the comparable period. In case such changes in the number of shares occur after the balance sheet date, but before the ratification of the financial statements to be published, the calculation of earnings per share are based on the number of new shares. The Bank's earnings per share calculations taking place in the income statement are as follows:

	Current Period	Prior Period
Profit distributable to shareholders	72,264,798	61,537,880
Weighted average number of share certificates (Thousand figure)	250,002,250	250,002,250
Earnings per share – (in full TL)	0.289056590	0.246149305

XXI. Bank Acceptances and Bills of Guarantee

Bill guarantees and acceptances are realized simultaneously with the customer payments, and they are presented as possible liabilities and commitments in the off-balance sheet accounts

XXII. Government Incentives

There are no government incentives utilized by the Bank, during the current or prior accounting periods.

XXIII. Segment Reporting

Business segment is the part of an enterprise,

- which conducts business operations where it can gain revenues and make expenditures (including the revenues and expenses related to the transactions made with the other parts of the enterprise),
- whose operating results are regularly monitored by the authorities with the power to make decisions related to the operations of the enterprise in order to make decisions related to the funds to be allocated to the segment and to evaluate the performance of the segment, and
- which has its separate financial information.

Information on the Bank's business segmentation and related information is explained in Section IV, Note XII.

XXIV. Other Disclosures

None..

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Notes To The Unconsolidated Financial Statements For The Year Ended December 31, 2023

SECTION FOUR: INFORMATION ON THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK

1. Explanations on Shareholders' Equity

The capital adequacy standard ratio of the bank is 21.60%. (31.12.2022: 24.36%). The capital adequacy standard ratio has been calculated on the basis of the Regulation on Shareholder's Equity of Banks, the Regulation on Measurement and Assessment of Capital Adequacy of Bank and other legal regulations related with BRSA decisions dated 21.12.2021, numbered 9996 and dated 31.01.2023, numbered 10496. Within the scope of the BRSA decisions, the amount subject to credit risk has been calculated by using the CBRT exchange rates as of 30.12.2022, and the shareholders' equity has been calculated without taking into account the negative effects of financial assets in the portfolio of "Financial Assets Through Other Comprehensive Income" acquired before the Board decision dated 21.12.2021.

	Current Period	Prior Period
COMMON EQUITY TIER I CAPITAL		
Paid-in Capital to be Entitled for Compensation after All Creditors	11,615,938	11,615,938
Share Premium	110,264	109,156
Legal Reserves	109,918,946	57,746,955
Other Comprehensive Income according to TAS	87,102,784	68,855,410
Profit	72,564,757	61,703,346
Net Current Period Profit	72,264,798	61,537,880
Prior Period Profit	299,959	165,466
Bonus Shares from Associates, Subsidiaries and Joint-Ventures not Accounted in Current Period's Profit		
Common Equity Tier I Capital Before Deductions	281,312,689	200,030,805
Deductions From Common Equity Tier I Capital		
Valuation adjustments calculated as per the article 9, (i) of the Regulation on Bank Capital		
Current and prior periods' losses not covered by reserves, and losses accounted under equity according to TAS	8,064,503	3,343,330
Leasehold improvements on operational leases	155,355	97,709
Goodwill Netted with Deferred Tax Liabilities		
Other Intangible Assets Netted with Deferred Tax Liabilities Except Mortgage Servicing Rights	6,146,456	3,201,916
Remaining after deducting from the related deferred tax liability with the deferred tax asset based on future taxable income, except for deferred tax assets based on temporary differences		
Differences arise when assets and liabilities not held at fair value, are subjected to cash flow hedge accounting		
Total credit losses that exceed total expected loss calculated according to the Regulation on Calculation of Credit Risk by Internal Ratings Based Approach		
Securitization gains		
Unrealized gains and losses from changes in bank's liabilities' fair values due to changes in creditworthiness		
Net amount of defined benefit plans		
Direct and Indirect Investments of the Bank on its own Tier 1 Capital	530,307	530,307
Shares Obtained against Article 56, Paragraph 4 of the Banking Law		
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital		
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital		
Mortgage servicing rights (amount above 10% threshold)		
Net Deferred Tax Assets arising from Temporary Differences Exceeding the Threshold of Tier I Capital		
Amount Exceeding the 15% Threshold of Tier 1 Capital as per the Article 2, Clause 2 of the Regulation on Measurement and Evaluation of Capital Adequacy of Banks		
The Portion of Net Long Position of the Investments in Equity Items of Consolidated Banks and Financial Institutions where the Bank owns 10% or more of the Issued Share Capital not deducted from Tier 1 Capital		
Excess Amount arising from Mortgage servicing rights		

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	Current Period	Prior Period
Excess Amount arising from Deferred Tax Assets from Temporary Differences		
Other items to be defined by the regulator		
Deductions from Tier I Capital in cases where there are no adequate Additional Tier I or Tier II Capitals		
Total Deductions from Common Equity Tier I Capital	14,896,621	7,173,262
Total Common Equity Tier I Capital	266,416,068	192,857,543
ADDITIONAL TIER I CAPITAL		
Preferred Stock not Included in Common Equity Tier I Capital and the Related Share Premiums		
Debt Instruments and the Related Issuance Premiums Defined by the BRSA		
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Covered by Temporary Article 4)		
Additional Tier I Capital before Deductions		
Deductions from Additional Tier I Capital		
Direct and Indirect Investments of the Bank on its own Additional Tier I Capital (-)		
Investments in Equity Instruments Issued by Banks or Financial Institutions Invested in Bank's Additional Tier I Capital and Having Conditions Stated in the Article 7 of the Regulation		
Total of Net Long Positions of the Investments in Equity Items of Consolidated Banks and Financial Institutions where the Bank does not own 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital		
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Consolidated Banks and Financial Institutions where the Bank owns more than 10% of the Issued Share Capital		
Other items to be Defined by the regulator		
Items to be Deducted from Tier I Capital during the Transition Period		
Goodwill and Other Intangible Assets and Related Deferred Taxes not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Evaluation of Capital Adequacy of Banks (-)		
Net Deferred Tax Asset/Liability not deducted from Tier 1 Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Evaluation of Capital Adequacy of Banks (-)		
Deduction from Additional Tier I Capital when there is not enough Tier II Capital (-)		
Total Deductions from Additional Tier I Capital		
Total Additional Tier I Capital		
Total Tier I Capital (Tier I Capital= Common Equity Tier I Capital + Additional Tier I Capital)	266,416,068	192,857,543
TIER II CAPITAL		
Debt Instruments and the Related Issuance Premiums Defined by the BRSA	35,660,250	25,342,500
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Covered by Temporary Article 4)		
Provisions (Amounts explained in the first paragraph of the article 8 of the Regulation on Bank Capital)	16,914,796	10,893,301
Tier II Capital Before Total Deductions	52,575,046	36,235,801
Deductions from Tier II Capital		
Direct and Indirect Investments of the Bank on its own Tier II Capital (-)		
Investments in Equity Instruments Issued by Banks and Financial Institutions Invested in Bank's Tier II Capital and Having Conditions Stated in the Article 8 of the Regulation		
The Total of Net Long Position of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of Tier I Capital (-)		
The Total of Net Long Position of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital Exceeding the 10% Threshold of Tier I Capital (-)		
Other items to be Defined by the regulator (-)		
Total Deductions from Tier II Capital		
Total Tier II Capital	52,575,046	36,235,801
Total Equity (Total Tier I and Tier II Capital)	318,991,114	229,093,344
Deductions from Total Equity (Tier I Capital and Tier II Capital)	3,230	2,650
Loans Granted against the Articles 50 and 51 of the Banking Law	3,230	2,650
Net Book Values of Movables and Immovable's Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years		

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Notes To The Unconsolidated Financial Statements For The Year Ended December 31, 2023

	Current Period	Prior Period
Other items to be Defined by the regulator		
Items to be Deducted from the Sum of Tier I and Tier II Capital (Capital) During the Transition Period		
The Portion of Total of Net Long Positions of the Investments in Equity Items of Consolidated Banks and Financial Institutions where the Bank does not own 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital not deducted from Tier I Capital, Additional Core Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation		
The Portion of Total of Net Long Positions of the Investments in Equity Items of Consolidated Banks and Financial Institutions where the Bank owns more than 10% of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital not deducted from Additional Tier I Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation		
The Portion of Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank owns 10% of the Issued Share Capital, Deferred tax assets based on temporary differences and the right to offer mortgage as per the Temporary Article 2, Clause 1, Sub Clause 1 and 2 of the Regulation		
CAPITAL		
Total Capital (Total of Tier I Capital and Tier II Capital)	318,987,884	229,090,694
Total Risk Weighted Assets	1,477,106,016	940,288,051
CAPITAL ADEQUACY RATIOS		
Common Equity Tier I Capital Ratio (%)	18.04	20.51
Tier I Capital Ratio (%)	18.04	20.51
Capital Adequacy Ratio (%)	21.60	24.36
BUFFERS		
Total Additional Common Equity Requirement Ratio (a+b+c)	2.56	2.56
a) Capital Conservation Buffer Ratio (%)	2.50	2.50
b) Bank-specific Counter-Cyclical Capital Buffer Ratio (%)	0.06	0.06
c) Systematic Important Bank Buffer Ratio (%)	0	0
Additional Common Equity Tier I Capital Over Total Risk Weighted Assets Ratio Calculated According to the Article 4 of Capital Conservation and Counter-Cyclical Capital Buffers Regulation (%)	12.04	14.51
Amounts Lower Than Excesses as per Deduction Rules		
Remaining Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital		
Remaining Total of Net Long Positions of the Investments in Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% or less of the Issued Share Capital	453,026	385,225
Remaining Mortgage Servicing Rights		
Net Deferred Tax Assets arising from Temporary Differences	12,090,016	
Limits for Provisions Used in Tier II Capital Calculation		
General Loan Provisions for Exposures in Standard Approach (before limit of one hundred and twenty five per ten thousand)	20,559,215	16,381,640
General Loan Provisions for Exposures in Standard Approach Limited by 1,25% of Risk Weighted Assets	16,914,796	10,893,301
Total Loan Provision that Exceeds Total Expected Loss Calculated According to the Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach		
Total Loan Provision that Exceeds Total Expected Loss Calculated According to the Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach, Limited by 0,6% Risk Weighted Assets		
Debt Instruments Covered by Temporary Article 4 (effective between 1 January 2018-1 January 2022)		
Upper Limit for Additional Tier I Capital Items subject to Temporary Article 4		4
Amount of Additional Tier I Capital Items Subject to Temporary Article 4 that Exceeds Upper Limit		
Upper Limit for Additional Tier II Capital Items subject to Temporary Article 4		
Amount of Additional Tier II Capital Items Subject to Temporary Article 4 that Exceeds Upper Limit		

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Information on Subordinated Liabilities:		
Issuer	Türkiye İş Bankası A.Ş.	Türkiye İş Bankası A.Ş.
Unique identifier (CUSIP, ISIN etc.)	US90016BAF58 – XS1623796072	XS2106022754
Governing law(s) of the instrument	It is subject to English Law except for certain articles that will be subject to Turkish Law. Issued within the scope of BRSA Regulation on Banks' Equity.	It is subject to English Law except for certain articles that will be subject to Turkish Law. Issued within the scope of BRSA Regulation on Banks' Equity.
Subject to 10% deduction as of 1/1/2015	No	No
Eligible at unconsolidated/consolidated	Unconsolidated –Consolidated	Unconsolidated –Consolidated
Instrument type	Bond	Bond
Amount recognized in regulatory capital (Currency in million, as of most recent reporting date)	11,774	22,076
Par value of instrument	14,718	22,076
Accounting classification	Subordinated Liabilities	Subordinated Liabilities
Original date of issuance	29.06.2017	22.01.2020
Perpetual or dated	Dated	Dated
Original maturity date	11 Years	10 Years
Issuer call subject to prior supervisory (BRSA) approval	Yes	Yes
Optional call date, contingent call dates and redemption amount	The Bank: (1) provided that subject to having obtained the prior approval of the related legislation, can purchase or otherwise acquire treasury stock (2) provided that subject to having obtained the prior approval of the BRSA, (a) can redeem all bonds if any taxes imposed or levied (b) can redeem all bonds in case of the deduction from equity.	The Bank: (1) provided that subject to having obtained the prior approval of the related legislation, can purchase or otherwise acquire treasury stock (2) provided that subject to having obtained the prior approval of the BRSA, (a) can redeem all bonds if any taxes imposed or levied (b) can redeem all bonds in case of the deduction from equity.
Subsequent call dates, if applicable	None.	None.
Coupons / dividends		
Fixed or floating dividend/coupon	Fixed	Fixed
Coupon rate and any related index	9.192%	7.75%
Existence of a dividend stopper	None.	None.
Fully discretionary, partially discretionary or mandatory	None.	None.
Existence of step up or other incentive to redeem	None.	None.
Noncumulative or cumulative	Noncumulative	Noncumulative
Convertible or non-convertible	None.	None.
If convertible, conversion trigger (s)		
If convertible, fully or partially		
If convertible, conversion rate		
If convertible, mandatory or optional conversion		
If convertible, specify instrument type convertible into		
If convertible, specify issuer of instrument it converts into		

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Write-down feature	In accordance with Regulations on Equities of Banks. Article 8.2.ğ. bonds have deleted option from records.	In accordance with Regulations on Equities of Banks. Article 8.2.ğ bonds have deleted option from records.
If write-down, write-down trigger(s)	Due to the losses incurred, where the Bank is at the point at which the BRSA may determine pursuant to Article 71 of the Banking Law that: (i) its operating license is to be revoked and the Bank is liquidated or (ii) the rights of all of its shareholders (except to dividends), and the management and supervision of the Bank, are to be transferred to the SDIF on the condition that losses are deducted from the capital of existing shareholders (occurrence of either condition means the issuer has become non-viable).	Due to the losses incurred, where the Bank is at the point at which the BRSA may determine pursuant to Article 71 of the Banking Law that: (i) its operating license is to be revoked and the Bank is liquidated or (ii) the rights of all of its shareholders (except to dividends), and the management and supervision of the Bank, are to be transferred to the SDIF on the condition that losses are deducted from the capital of existing shareholders (occurrence of either condition means the issuer has become non-viable)
If write-down, full or partial	Partially or completely	Partially or completely
If write-down, permanent or temporary	Permanent	Permanent
If temporary write-down, description of write-up mechanism		
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Paid before shares and the primary of subordinated debt and after all the other debts.	Paid before shares and the primary of subordinated debt and after all the other debts.
Incompliance with article number 7 and 8 of “Own fund regulation”	Yes	Yes
Details of incompliances with article number 7 and 8 of “Own fund regulation”	To vest conditions stated in clause of the Article 8 and don't vest the conditions stated in clause of the Article 7.	To vest conditions stated in clause of the Article 8 and don't vest the conditions stated in clause of the Article 7.

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Issuer	Türkiye İş Bankası A.Ş.	Türkiye İş Bankası A.Ş.	Türkiye İş Bankası A.Ş.
Unique identifier (CUSIP, ISIN etc.)	TRSTISB72712	TRSTISB62911	TRSTISB92918
Governing law(s) of the instrument	Is subject to Turkish Law. Has been issued in accordance with the BRSA Communiqué regarding the Equity of Banks.	Is subject to Turkish Law. Has been issued in accordance with the BRSA Communiqué regarding the Equity of Banks.	Is subject to Turkish Law. Has been issued in accordance with the BRSA Communiqué regarding the Equity of Banks.
Taking into account in equity calculation			
Subject to 10% deduction as of 1/1/2015	No	No.	No
Eligible at unconsolidated / consolidated	Unconsolidated – Consolidated	Unconsolidated - Consolidated	Unconsolidated – Consolidated
Instrument type (types to be specified by each jurisdiction)	Bond	Bond	Bond
Amount recognized in regulatory capital (Currency in TL million, as of most recent reporting data)	660	800	350
Nominal value of instrument (TL Million)	1,100	800	350
Accounting classification	Subordinated Liabilities	Subordinated Liabilities	Subordinated Liabilities
Original date of issuance	08.08.2017	19.06.2019	26.09.2019
Perpetual or dated	Dated	Dated	Dated
Original maturity date	10 Years	10 Years	10 Years
Issuer call subject to prior supervisory approval	Yes	Yes	Yes
Optional call date, contingent call dates and redemption amount	The Bank; (1) can purchase bills that subject to having obtained the prior approval of the BRSA and the date which may not be earlier than fifth anniversary of the Issue Date (2) (a) can redeem all bonds if any taxes imposed or levied (b) can redeem all bonds in case of the deduction from equity	The Bank; (1) can purchase bills that subject to having obtained the prior approval of the BRSA and the date which may not be earlier than fifth anniversary of the Issue Date (2) (a) can redeem all bonds if any taxes imposed or levied (b) can redeem all bonds in case of the deduction from equity	The Bank; (1) can purchase bills that subject to having obtained the prior approval of the BRSA and the date which may not be earlier than fifth anniversary of the Issue Date (2) (a) can redeem all bonds if any taxes imposed or levied (b) can redeem all bonds in case of the deduction from equity
Subsequent call dates, if applicable	None.	None.	None.
Interest/Dividend Payment			
Fixed or floating coupon/dividend payments	Floating	Floating	Floating
Coupon rate and any related index	Government Debt Security for 5 years + 350 base points	Borsa İstanbul Turkish Lira Overnight Reference Interest Rate Index + 193 base points	Government Debt Security for 5 years + 350 base points
Existence of a dividend stopper	None.	None.	None.
Fully discretionary, partially discretionary or mandatory	None	None.	None
Existence of step up or other incentive to redeem	None	None	None
Noncumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative
Convertible into equity shares	None.	None.	None.
If convertible, conversion trigger (s)			
If convertible, fully or partially			
If convertible, conversion rate			

Türkiye İş Bankası A.Ş.

Notes To The Unconsolidated Financial Statements For The Year Ended December 31, 2023

If convertible, mandatory or optional conversion			
If convertible, specify instrument type convertible into			
If convertible, specify issuer of instrument it converts into			
Write-down feature	In accordance with Regulations on Equities of Banks, Article 8 (2) (ğ), bonds have deleted option from records.	In accordance with Regulations on Equities of Banks, Article 8 (2) (ğ), bonds have deleted option from records.	In accordance with Regulations on Equities of Banks, Article 8 (2) (ğ), bonds have deleted option from records.
If write-down, write-down trigger(s)	Due to the losses incurred, within the framework of Article 71 of the Banking Law, (1) the Bank's operating license is to be revoked and liquidated or (2) the rights of all of its shareholders (except to dividends) and the management and supervision of the Bank are to be transferred to the SDIF on the condition that losses are deducted from the capital of existing shareholders (occurrence of either condition means the issuer has become non-viable) based on the decision of the BRSA.	Due to the losses incurred, within the framework of Article 71 of the Banking Law, (1) the Bank's operating license is to be revoked and liquidated or (2) the rights of all of its shareholders (except to dividends) and the management and supervision of the Bank are to be transferred to the SDIF on the condition that losses are deducted from the capital of existing shareholders (occurrence of either condition means the issuer has become non-viable) based on the decision of the BRSA.	Due to the losses incurred, within the framework of Article 71 of the Banking Law, (1) the Bank's operating license is to be revoked and liquidated or (2) the rights of all of its shareholders (except to dividends) and the management and supervision of the Bank are to be transferred to the SDIF on the condition that losses are deducted from the capital of existing shareholders (occurrence of either condition means the issuer has become non-viable) based on the decision of the BRSA.
If bond can be written-down, full or partially	Partially or Completely	Partially or Completely	Partially or Completely
If bond can be written-down, permanent, or temporary	Permanent	Permanent	Permanent
If temporary write-down, description of write-up mechanism			
Position in subordination hierarchy in case of liquidation (instrument type immediately senior to the instrument)	Paid before shares and the primary of subordinated debt and after all the other debts.	Paid before shares and the primary of subordinated debt and after all the other debts.	Paid before shares and the primary of subordinated debt and after all the other debts.
Incompliance with article number 7 and 8 of Regulation on Bank Capital	Yes.	Yes.	Yes.
Details of incompliances with article number 7 and 8 of Regulation on Bank Capital	To vest conditions stated in clause of the Article 8 and don't vest the conditions stated in clause of the Article 7.	To vest conditions stated in clause of the Article 8 and don't vest the conditions stated in clause of the Article 7.	To vest conditions stated in clause of the Article 8 and don't vest the conditions stated in clause of the Article 7.

Explanations on the reconciliation of amounts on the equity items statement and amounts on the balance sheet:

Current Period	Carrying Amount	Amounts in Equity Calculation (*)
Shareholders' equity	267,797,484	272,717,879
Leasehold improvements on operational leases	155,355	(155,355)
Goodwill and intangible assets	6,398,654	(6,146,456)
Provision	20,559,215	16,914,796
Subordinated debt	39,870,982	35,660,250
Deductions from shareholders' equity	3,230	(3,230)
Capital		318,987,884

(*) The related amounts are calculated in accordance with "Regulation on Equities of Banks". In this context, part of the expected credit loss of stage 1 and stage 2 up to 1.25 % of amount subject to credit risk, part; subordinated loans according of the regulation, have been taken into consideration in equity calculation. On the other hand, in the calculation, the amount of equity calculated in accordance with the regulation dated 21.12.2021 and numbered 9996 of the BRSA and the amount based on the credit risk calculated in accordance with the regulation were used dated 31.01.2023 and numbered 10496.

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II. Explanations on Credit Risk

Credit risk is defined as the possibility of incurring loss where the counterparty in a transaction, partially or completely fails to meet its contractual obligations in due time in an agreement with the Bank.

The Bank's position against the credit risk limits defined by the current legislation is monitored by the Board. Within this framework, loans extended to Risk Groups and the Bank's Risk Group, including the Bank; loans in high amounts and limitations regarding the shares in participations are monitored according to the limits determined in connection with the size of the shareholders' equity.

Credit risk limits of customers are determined depending on the financial situation and loan requirements of the borrowers, in strict compliance with the relevant banking legislation, within the framework of loan authorization limits of Branches, Regional Offices, Loan Divisions, the Deputy Chief Executives responsible for loans, the CEO, the Credit Committee and Board of Directors. These limits may be changed as may be deemed necessary by the Bank. Moreover, all commercial credit limits are revised periodically, provided that each period does not exceed a year. Furthermore, the borrowers and borrower groups forming a large proportion of the overall placement are subject to risk limits in order to provide further minimization of potential risk.

The geographical distribution of borrowers is consistent with the concentration of industrial and commercial activities in Turkey.

The distribution of borrowers by sector is monitored closely for each period and sectoral risk limits have been determined to prevent concentration of risk in sectoral sense.

The credit-worthiness of customers is monitored on a consistent basis by using company rating and scoring models specially developed for this purpose, and the audit of statements of account received is assured to have been made in accordance with the provisions as stipulated by the relevant legislation.

Utmost importance is given to ensure that loans are furnished with collaterals. Allocation decision, by the definition of credit risk, is not based on the assumption of collaterals can be liquidized. Most of the loans extended are collateralized by taking real estate, movable or commercial enterprise under pledge, promissory notes and other liquid assets as collateral, or by acceptance of bank letters of guarantee and individual or corporate guarantees. Jurisdictional applicability of collaterals in default, time required to convert to money and ability to maintain expected values are taken into consideration from the beginning of the credit allocation process. Most of the loans are collateralized by the receipt of real estate and securities pledge, commercial enterprise pledge, exchange notes and other liquid securities receivables, bank letters of guarantees and surety of other persons and institutions. It is an important element of the credit policy that disinclude concentration on collaterals.

Non-performing and impaired loans has been classified in accordance with the "TFRS 9-Financial Instruments" and BRSA's "Regulation on Procedures and Principles for Classification of Loans and Provisions to be set aside". The detailed descriptions of these methods correspond with accounting practices, are included in Section Three Note VIII.

Credit risk is the risk reduction effects without taking into consideration the total amount of exposures after offsetting transactions with different risk classes according to the types and amounts of disaggregated risks are listed below the average for the period.

Amount subject to credit risk (*)	Current Period Risk Amount	Average Risk Amount (**)
Risk Classifications		
Exposures to central governments or central banks	825,274,819	692,397,993
Exposures to regional governments or local authorities	231,954	216,647
Exposures to administrative bodies and non-commercial undertakings	337,707	333,381
Exposures to multilateral development banks	942,716	984,361
Exposures to international organizations		
Exposures to banks and brokerage houses	73,175,870	66,052,668
Corporates exposures	590,106,579	558,487,922
Retail exposures	303,266,421	265,431,203
Exposures secured by residential real estate property	48,487,544	43,619,880
Exposures secured by commercial real estate property	42,015,943	37,420,796
Past due items	6,082,919	4,796,173
Items in regulatory high-risk categories	175,792,914	122,949,798
Exposures in the form of bonds by mortgages		
Short term exposures to banks, brokerage houses and corporates		
Exposures in the form of collective investment undertakings	3,811,338	4,147,609
Other items	99,041,129	86,530,810
Share Certificate Investment	139,830,305	108,696,999

(*) Risk amounts after the credit conversions and the effects of credit risk mitigation

(**) Average risk amounts are the arithmetical average of the amounts in quarterly reports prepared.

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2. There are certain control limits on forward transactions in terms of counter parties, and the risks taken for derivative instruments are evaluated along with other potential risks resulting from the market fluctuations.

3. As a result of the current level of customers’ needs and the progress in the domestic market in this particular area, the Bank uses derivative transactions either for hedging or for commercial purposes. Derivative instruments with a remarkable volume are monitored with consideration that they can always be liquidated in case of need.

4. Indemnified non-cash loans are considered as having the same risk weights as unpaid cash loans.

The rating and scoring systems applied by the Bank, includes detailed company analysis and enables rating of all companies and loans without any restrictions regarding credibility. Loans and companies, which have been renewed, restructured or rescheduled, are rated within the scope of this system. Specialized loans are evaluated by a special rating system, which is based on the credibility of the counterparty as well as the feasibility and risk analysis of the cash flows created mainly by the projects undertaken or the asset financed.

5. Lending transactions abroad are conducted by determining the country risks of related countries within the context of the current rating system and by taking the market conditions, country risks, and the relevant legal limitations into account. Furthermore, the credibility of banks and other financial institutions established abroad is examined within the framework of the ratings that are determined by rating agencies and backed with CDS-IR (based on credit default swap) ratings and credit limits are assigned to the related banks and financial institutions accordingly.

- 6.
- I. **The share of the Bank’s receivables from the top 100 and 200 cash loan customers in the overall cash loan portfolio stands at 27%, 35%, respectively (December 31, 2022: 28%, 36%).**
- II. (ii) **The share of the Bank’s receivables from the top 100 and 200 non-cash loan customers in the overall non-cash portfolio stands at 42%, 54% respectively (December 31, 2022: 42%, 54%).**
- III. **The share of the Bank’s cash and non-cash receivables from the top 100 and 200 loan customers in the overall cash and non-cash loans stands at 14%, 19%, respectively (December 31, 2022: 16%, 22%).**

Companies that are among the top loan customers ranked according to cash, non-cash and total risks are leaders in their own sectors, the loans advanced to them are in line with their volume of industrial and commercial activity. A significant part of such loans is extended on a project basis, with their repayment sources being analyzed in accordance with the banking principles to be considered as satisfactory and associated risks are determined and duly covered by obtaining appropriate guarantees when deemed necessary.

7. The total value of the stage 1 and stage 2 expected credit loss allocated for credit risk stands at TL 18,941,570 (December 31, 2022: TL 15,381,907).

8. The Bank measures the quality of its loan portfolio by applying different rating/scoring models on cash commercial/corporate loans, retail loans and credit cards. The breakdown of the rating/scoring results, which are classified as “Strong”, “Standard” and “Below Standard” by considering their default features, is shown below.

The loans whose borrowers’ capacity to fulfill their obligations is very good, are defined as “Strong”, whose borrowers’ capacity to fulfill its obligations in due time is reasonable, are defined as “Standard” and whose borrowers’ capacity to fulfill their obligations is poor, are defined as “Below Standard”.

	Current Period	Prior Period
Strong	54.21%	50.00%
Standard	38.36%	44.71%
Below Standard	7.43%	5.29%

The table data comprises behavior rating/scoring results.

9. The net values of the collaterals of the closely monitored loans are given below in terms of collateral types and risk matches.

Type of Collateral	Current Period			Prior Period		
	Personal	Commercial and Corporate	Credit Cards	Personal	Commercial and Corporate	Credit Cards
Real Estate Mortgage (*)	1,830,376	7,773,099		1,227,513	8,211,635	
Cash Collateral (Cash, securities pledge, etc.)	61,142	593,167		47,812	478,666	
Pledge on Wages and Vehicles	4,716,955	542,740		3,092,378	369,527	
Cheques & Notes		1,993			1,907	
Other (Suretyship, commercial enterprise under pledge, commercial papers, etc.)	387,930	52,014,318		456,308	33,996,002	
Non-collateralized	11,255,463	7,018,934	14,807,864	7,029,998	11,101,472	3,941,709
Total	18,251,866	67,944,251	14,807,864	11,854,009	54,159,209	3,941,709

(*) The mortgage and/or pledge amounts on which third parties have priorities are deducted from the fair values of collaterals in expertise reports; and after comparing the results to the mortgage/pledge amounts and loan balances, the smallest figures are considered to be the net value of collaterals.

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10. The net values of the collaterals of non-performing loans are given below in terms of collateral types and risk matches.

Type of Collateral	Current Period		Prior Period	
	Net Value of the Collateral	Loan Balance	Net Value of the Collateral	Loan Balance
Real Estate Mortgage (*)	6,228,200	6,228,200	5,485,809	5,485,809
Cash Collateral	1,406	1,406	1,854	1,854
Vehicle Pledge	258,097	258,097	253,411	253,411
Other (Suretyship, commercial enterprise under pledge, commercial papers, etc.)	9,126,176	9,126,176	8,010,972	8,010,972

(*) The mortgage and/or pledge amounts on which third parties have priorities are deducted from the fair values of collaterals in expertise reports, and after comparing the results to the mortgage/pledge amounts and loan balances the smallest figures are considered to be the net value of collaterals.

11. The aging analysis of the receivables past due but not impaired in terms of financial asset classes, is as follows:

Current Period (*)	31-60 Days (**)	61-90 Days (**) (***)	Total
Loans			
Corporate / Commercial Loans	283,522	236,892	520,414
Consumer Loans	633,643	260,241	893,884
Credit Cards	2,169,444	723,603	2,893,047
Total	3,086,609	1,220,736	4,307,345

(*) The loans classified as closely monitored that are not past due or past due for less than 31 days is TL 93,878,417.

(**) Related figures show only overdue amounts of installment based commercial loans and installment-based consumer loans; the principal amounts of the loans which are not due as of the balance sheet date are equal to TL 874,533 and TL 1,943,686 respectively.

Prior Period (*)	31-60 Days (**)	61-90 Days (**)	Total
Loans			
Corporate / Commercial Loans	173,399	184,153	357,552
Consumer Loans	229,331	128,202	357,533
Credit Cards	452,940	184,076	637,016
Total	855,670	496,431	1,352,101

(*) The loans classified as closely monitored that are not past due or past due for less than 31 days is TL 66,101,064.

(**) Related figures show only overdue amounts of installment based commercial loans and installment-based consumer loans; the principal amounts of the loans which are not due as of the balance sheet date are equal to TL 854,981and TL 1,646,781 respectively.

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12. Profile of significant exposures in major regions

Current Period	Domestic	European Union	OECD Countries (**)	Off-Shore Banking Regions	USA, Canada	Other Countries	Investments in Associates, Subsidiaries and Jointly Controlled Entities	Undistributed Assets/ Liabilities (***)	Total
Risk Groups (*)									
Contingent and Non-Contingent Receivables from Central Governments or Central Banks	808,994,471	5			672,528	15,607,815			825,274,819
Contingent and Non-Contingent Receivables from Regional Government or Domestic Government	231,929					25			231,954
Contingent and Non-Contingent Receivables from Administrative Units and Non-Commercial Enterprises	337,403					304			337,707
Contingent and Non-Contingent Receivables from Multilateral Development Banks		742,659	200,057						942,716
Contingent and Non-Contingent Receivables from International Organizations									
Contingent and Non-Contingent Receivables from Banks and Intermediaries	21,594,164	28,651,823	14,709,426	674,754	2,928,035	4,617,668			73,175,870
Contingent and Non-Contingent Corporate Receivables	561,949,812	2,206,427	8,060,340	3,061,481	35,752	14,792,767			590,106,579
Contingent and Non-Contingent Retail Receivables	298,363,681	958,731	433,683	4,341	154,795	3,351,190			303,266,421
Contingent and Non-Contingent Receivables Secured by Residential Property	89,402,875	235,894	199,472	3,122	60,984	601,140			90,503,487
Non-Performing Receivables	6,011,512	33,256	5,451	8	9,102	23,590			6,082,919
Receivables are identified as high risk by the Board	174,207,343	85,023	11,922	82	18,811	1,469,733			175,792,914
Secured Marketable Securities									
Short-term Receivables and Short-term Corporate Receivables from Banks and Intermediaries									
Investments as Collective Investment Institutions	3,811,338								3,811,338
Other Receivables	98,288,290	379,726	373,113						99,041,129
Share Certificate Investments							139,830,305		139,830,305
Total	2,063,192,818	33,293,544	23,993,464	3,743,788	3,880,007	40,464,232	139,830,305		2,308,398,158

(*) Risk amounts after the credit conversions and the effects of credit risk mitigation

(**) OECD countries other than EU countries, USA and Canada

(***) Assets and liabilities that are not consistently allocated.

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Prior Period	Domestic	European Union	OECD Countries (**)	Off-Shore Banking Regions	USA, Canada	Other Countries	Investments in Associates, Subsidiaries and Jointly Controlled Entities	Undistributed Assets/ Liabilities (***)	Total
Risk Groups (*)									
Contingent and Non-Contingent Receivables from Central Governments or Central Banks	402,885,482	10			1,136,971	7,992,582			412,015,045
Contingent and Non-Contingent Receivables from Regional Government or Domestic Government	192,141					26			192,167
Contingent and Non-Contingent Receivables from Administrative Units and Non-Commercial Enterprises	162,503					135			162,638
Contingent and Non-Contingent Receivables from Multilateral Development Banks		657,915	80,164						738,079
Contingent and Non-Contingent Receivables from International Organizations									
Contingent and Non-Contingent Receivables from Banks and Intermediaries	11,041,637	17,319,637	9,787,728	5,715	1,795,520	2,655,364			42,605,601
Contingent and Non-Contingent Corporate Receivables	423,592,178	1,501,506	3,307,863	1,801,982	7,132	9,295,060			439,505,721
Contingent and Non-Contingent Retail Receivables	184,286,264	419,021	219,733	2,824	73,339	1,832,059			186,833,240
Contingent and Non-Contingent Receivables Secured by Residential Property	66,393,260	246,958	58,801	3,294	65,415	891,758			67,659,486
Non-Performing Receivables	5,836,531	75,939	4,709	1	1,917	6,140			5,925,237
Receivables are identified as high risk by the Board	90,985,138	164,594	34,256	437	18,387	804,285			92,007,097
Secured Marketable Securities									
Short-term Receivables and Short-term Corporate Receivables from Banks and Intermediaries									
Investments as Collective Investment Institutions	2,646,881								2,646,881
Other Receivables	61,610,586	93,188	62,891						61,766,665
Share Certificate Investments							78,246,112		78,246,112
Total	1,249,632,601	20,478,768	13,556,145	1,814,253	3,098,681	23,477,409	78,246,112		1,390,303,969

(*) The figures represent total risk amounts before credit risk mitigation and after credit conversion factor.

(**) OECD countries other than EU countries, USA and Canada

(***) Assets and liabilities that are not consistently allocated.

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13. Risk profile by sectors or counterparties:

Current Period										Current Period								
Bank										Bank								
	(1) (**)	(2)	(3)	(4)	(5)	(6)	(7)	(8)		(9)	(10)	(11)	(12)	(13)	(14)	TP	FC	Total
Sectors/Counterparty (*)																		
Agricultural	105,147		320				6,640,859	14,498,990		1,316,580	32,155	967,649				20,757,151	2,804,549	23,561,700
Farming and Raising Livestock	89,218		320				4,696,190	14,380,625		1,298,120	32,057	917,773				20,445,878	968,425	21,414,303
Forestry	3,261						69,456	64,050		10,434	60	7,350				153,532	1,079	154,611
Fishing	12,668						1,875,213	54,315		8,026	38	42,526				157,741	1,835,045	1,992,786
Industry	6,060,962	3,069	790				265,739,263	21,721,396		15,519,946	1,816,613	26,526,854			62,172,180	214,436,611	185,124,462	399,561,073
Mining	115,131						8,040,496	393,775		205,777	15,091	386,194				5,105,504	4,050,960	9,156,464
Production	5,917,643						192,464,724	20,958,168		14,379,581	303,232	21,462,279			62,172,180	192,278,545	125,379,262	317,657,807
Electricity, gas, and water	28,188	3,069	790				65,234,043	369,453		934,588	1,498,290	4,678,381				17,052,562	55,694,240	72,746,802
Construction	1,863,603		12,924				49,302,274	10,060,931		8,727,219	1,696,384	6,093,548				43,656,540	34,100,343	77,756,883
Services	393,116,441		321,785	942,716		73,142,889	235,123,520	91,039,786		37,336,533	605,322	41,437,306	3,581,931	815,987	75,784,129	515,477,163	437,771,182	953,248,345
Wholesale and Retail Trade	2,802,435						92,460,268	53,020,583		18,678,819	352,877	24,706,142			252,112	157,654,474	34,618,762	192,273,236
Hotel, Food and Beverage Services	311,406						12,442,203	5,739,849		3,513,570	68,694	2,150,756				15,339,357	8,887,121	24,226,478
Transportation and Telecommunication	333,118						52,229,532	21,964,958		3,627,232	117,963	8,363,199			133,178	47,111,500	39,657,680	86,769,180
Financial Institutions	389,206,196		6	942,716		73,142,889	51,648,377	1,078,814		846,424	984	297,535	3,581,931	815,987	62,489,922	255,586,458	328,465,323	584,051,781
Real Estate and Renting Services	54,218		201,138				10,088,055	3,510,023		8,365,664	15,422	2,771,040			12,908,917	25,295,878	12,618,599	37,914,477
Self-Employment Services	88,845		117,260				1,367,541	2,395,225		575,724	35,397	859,289				5,033,456	405,825	5,439,281
Education Services	119,393		2,284				1,899,995	747,505		781,956	1,967	573,422				2,210,121	1,916,401	4,126,522
Health and Social Services	200,830		1,097				12,987,549	2,582,829		947,144	12,018	1,715,923				7,245,919	11,201,471	18,447,390
Other	424,128,666	228,885	1,888			32,981	33,300,663	165,945,318		27,603,209	1,932,445	100,767,557	229,407	98,225,142	1,873,996	742,083,041	112,187,116	854,270,157
Total	825,274,819	231,954	337,707	942,716		73,175,870	590,106,579	303,266,421		90,503,487	6,082,919	175,792,914	3,811,338	99,041,129	139,830,305	1,536,410,506	771,987,652	2,308,398,158

(1) Contingent and non-contingent exposures to central governments or central banks
(2) Contingent and non-contingent exposures to regional governments or local authorities
(3) Contingent and non-contingent exposures to administrative bodies and non-commercial undertakings
(4) Contingent and non-contingent exposures to multilateral development banks
(5) Contingent and non-contingent exposures to international organizations
(6) Contingent and non-contingent exposures to banks and brokerage houses
(7) Contingent and non-contingent corporate receivables
(8) Contingent and non-contingent retail receivables
(9) Contingent and non-contingent exposures secured by real estate property

(10) Past due receivables
(11) Receivables in regulatory high-risk categories
(12) Other receivables
(13) Share Certificate Investments
(14) Stock Investments
(*) Risk amounts after the credit conversions and the effects of credit risk mitigation
(**) Credit Guarantee Fund guaranteed by the undersecretariat of treasury are included in the receivables from central governments.

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14. Analysis of maturity-bearing exposures according to remaining maturities:

	Time to Maturity					
	1 Month	1-3 Months	3-6 Months	6-12 Months	Over 1 Year	Total
Risk Groups (*)						
Receivables from Central Governments or Central Banks	71,005,765	13,406,480	14,377,580	17,949,511	322,898,441	439,637,777
Receivables from Regional Governments or Domestic Governments	2,901	5,310	8,901	19,875	194,967	231,954
Receivables from Administrative Units and Non-Commercial Enterprises	2,426	104,206	189,241	1,819	36,086	333,778
The multilateral development banks and non-contingent receivables	745,472	129,260			67,984	942,716
Receivables from Banks and Intermediaries	40,749,126	6,488,612	6,294,452	7,491,092	11,424,064	72,447,346
Corporate Receivables	51,888,599	67,878,782	81,381,930	124,127,966	240,708,167	565,985,444
Retail Receivables	7,607,855	8,790,549	13,930,323	44,057,006	62,230,038	136,615,771
Collateralized Receivables with Real Estate Mortgages	4,080,163	4,593,094	4,138,158	17,765,565	51,327,611	81,904,591
Receivables are identified as High Risk by the Board	10,121,408	14,834,115	12,579,081	51,160,751	55,268,928	143,964,283
Total	186,203,715	116,230,408	132,899,666	262,573,585	744,156,286	1,442,063,660

(*) The figures represent total risk amounts before credit risk mitigation and after credit conversion factor.

15. Information on Risk Classes

In the calculation of the amount subject to credit risk, determining the risk weights related to risk classes stated on the article of "Regulation on Measurement and Evaluation of Capital Adequacy of Banks", is based on the Fitch Ratings' and JCR Avrasya Derecelendirme A.Ş. international rating.

"Receivables from Banks and Intermediaries" are receivables from related parties residing in foreign countries against the risk evaluated in class with "Receivables from Central Governments or Central Banks" are receivables that are evaluated in the class will be the subject of risk weights determined in accordance with Fitch Ratings issued by the rating of the risk. "Contingent and Non-Contingent Receivables from Banks and Intermediaries" in the class with resident banks and brokerage firms in the dorm evaluated risk "Corporate Receivables" in the class evaluated dorm resident companies and financial institutions in the TL-denominated receivables, the risk weights that will be the subject of JCR Avrasya Derecelendirme A.Ş. international rating grades assigned by it are used.

The table related to mapping the ratings used in the calculations and credit quality grades, which is stated in the Annex of Regulation on Measurement and Evaluation of Capital Adequacy of Banks, is given below:

Credit Quality Grades	1	2	3	4	5	6
Risk Rating	AAA via AA-	A+ via A-	BBB+ via BBB-	BB+ via BB-	B+ via B-	CCC+ and lower

Risk Amounts according to Risk Weights

Risk Weight	0%	20%	35%	50%	75%	100%	150%	250%	Other	Mitigation in Shareholders' Equity (**)
Amount Before Credit Risk Mitigation (*)	817,650,311	97,958,651	48,635,838	140,762,855	291,184,575	748,449,739	102,824,267	453,026	81,084,614	6,294,135
Amount After Credit Risk Mitigation	829,879,048	95,078,890	48,487,544	138,643,405	283,933,016	728,015,573	102,823,042	453,026	81,084,614	6,294,135

(*) The figures represent total risk amounts before credit risk mitigation and after credit conversion factor.

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16. Miscellaneous Information According to Type of Counterparty or Major Sectors

Significant Sectors/Counterparty		Loans		Provisions
Current Period		Depreciated (TFRS 9)		Expected Credit Loss (TFRS 9)
		Significant Increase in Credit Risk (Stage 2)	Non-Performing (Stage 3)	
1	Agricultural	1,013,817	80,953	120,727
1.1	Farming and Raising Livestock	933,579	79,132	112,976
1.2	Forestry	5,475	92	376
1.3	Fishing	74,763	1,729	7,375
2	Industry	34,207,991	8,682,268	14,264,472
2.1	Mining	8,936	96,786	82,405
2.2	Production	9,342,239	1,624,382	2,548,490
2.3	Electricity, gas, and water	24,856,816	6,961,100	11,633,577
3	Construction	4,514,677	6,297,550	5,284,281
4	Services	28,439,370	3,565,619	7,571,750
4.1	Wholesale and Retail Trade	4,505,743	1,329,303	1,355,548
4.2	Hotel, Food and Beverage Services	6,405,315	328,357	634,148
4.3	Transportation and Telecommuni-cation	5,093,274	1,028,598	1,315,449
4.4	Financial Institutions	14,263	3,001	3,138
4.5	Real Estate and Renting Services	10,366,997	750,058	3,940,455
4.6	Self-Employment Services	1,924,356	77,968	273,514
4.7	Education Services	76,738	12,911	14,125
4.8	Health and Social Services	52,684	35,423	35,373
5	Other	32,828,126	6,293,358	6,167,070
6	Total	101,003,981	24,919,748	33,408,300

17. Information on Value Adjustments and Change in Credit Provisions:

		Beginning Balance	Additional Provisions	Reversal of Provisions	Other Value Adjustment	Ending Balance
1	Stage 3 provisions	17,207,112	7,982,323	(6,357,505)		18,831,930
2	Stage 1 and Stage 2 Provisions	15,381,907	9,590,866	(6,031,203)		18,941,570

18. Exposures Subject to Counter-cyclical Capital Buffer

Country	RWA Calculations for Private Sector Loans in Banking Book	RWA calculations for Trading Book	Total
Turkey	917,943,477	75,158	918,018,635
TRNC	9,384,655		9,384,655
England	2,871,907		2,871,907
Cayman Island	2,565,591		2,565,591
Albania	2,212,669		2,212,669
Kosovo	2,142,940		2,142,940
Malta	1,892,968		1,892,968
Marshall Adalan	1,687,073		1,687,073
Iraq	1,309,899		1,309,899
Bahrain	497,110		497,110
Other	3,831,451		3,831,451

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III. Explanations on Currency Risk

The exposed currency risk of the Bank is result of the difference between the assets denominated in and indexed to foreign currencies and liabilities denominated in foreign currencies. Furthermore, parity fluctuations of different foreign currencies are another element of the currency risk.

The currency risk is managed by the internal currency risk limits which are established as a part of the Bank’s risk policies. The Assets and Liabilities Management Committee and the Assets and Liabilities Management Unit meet regularly to take the necessary decisions for hedging exchange rate and parity risks within the framework of the limits determined by the “Net Foreign Currency Overall Position/Shareholders’ Equity” Standard Ratio which is a part of the legal requirement and the internal currency risk limits specified by the Board of Directors. Foreign exchange risk management decisions are strictly applied.

In measuring currency risk, both the Standard Method and the Value at Risk Model (VAR) and Expected Shortfall are used as applied in the statutory reporting.

Measurements made within the scope of the Standard Method are carried out on a monthly basis and form the basis of determining the capital requirement for hedging currency risk.

Risk measurements made within the context of the VAR are practiced on a daily basis using the historical and Monte Carlo simulation methods. Scenario analyses are conducted to support the calculations made within the VAR context. Expected loss calculations are also carried out daily.

The results of the measurements made on currency risk are reported to the Key Management and the risks are closely monitored by taking into account the market and the economic conditions.

The Bank’s foreign currency purchase rates at the date of balance sheet and for the last five working days of the period announced by the Bank in TL are as follows:

Date	USD	EUR
31.12.2023	29.4350	32.5698
29.12.2023	29.4350	32.5698
28.12.2023	29.3051	32.4495
27.12.2023	29.2230	32.4696
26.12.2023	29.1474	32.1700
25.12.2023	29.0100	31.9545

The Bank’s last 30-days arithmetical average foreign currency purchase rates:

USD: 28.9493 TL EURO: 31.6085 TL

Sensitivity to currency risk:

The Bank’s sensitivity to any potential change in foreign currency rates has been analyzed. In the analysis presented below, 10% change, which is also the amount used for the internal reporting purposes, is anticipated in USD, IQD, GEL and GBP.

	% Change in Foreign Currency	Effects on Profit/Loss (*)	
		Current Period	Prior Period
USD	10 % increase	(481,723)	188,682
	10 % decrease	481,723	(188,682)
IQD	10 % increase	201,857	74,654
	10 % decrease	(201,857)	(74,654)
GEL	10 % increase	148,438	82,821
	10 % decrease	(148,438)	(82,821)
GBP	10 % increase	(111,699)	(99,261)
	10 % decrease	111,699	99,261

(*) Indicates the values before tax

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Information on currency risk:

Current Period	EUR	USD	Other FC	Total
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey (1)	132,395,128	177,478,183	47,812,761	357,686,072
Banks	4,912,030	13,333,352	23,457,057	41,702,439
Financial Assets at Fair Value through Profit/Loss (2)	1,718,759	7,182,755	17,083,064	25,984,578
Money Market Placements				
Financial Assets at Fair Value Through Other Comprehensive Income	4,151,095	84,879,586	17,771	89,048,452
Loans (3)	192,543,414	203,712,932	16,199,051	412,455,397
Investments in Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures)	13,991,707		3,681,108	17,672,815
Financial Assets Measured at Amortised Cost	4,326,858	6,651,572	8,663,028	19,641,458
Derivative Financial Assets Held for Risk Management				
Tangible Assets (4)	42,504	6,629	36,842	85,975
Intangible Assets	5,638	5,869	1,628	13,135
Other Assets (2)	(3,503,340)	3,127,031	350,416	(25,893)
Total Assets	350,583,793	496,377,909	117,302,726	964,264,428
Liabilities				
Banks Deposits	4,206,932	13,018,222	1,308,738	18,533,892
Foreign Currency Deposits (45)	250,285,833	333,341,087	179,435,656	763,062,576
Money Market Funds	1,624,355	47,596,380		49,220,735
Funds Provided from Other Financial Institutions	36,976,782	80,466,340	1,268	117,444,390
Marketable Securities Issued (6)	2,161,546	85,599,178	16,974,281	104,735,005
Miscellaneous Payables	5,486,753	8,160,137	466,193	14,113,083
Derivative Financial Liabilities Held for Risk Management				
Other Liabilities (2)	5,694,484	8,485,281	1,168,934	15,348,699
Total Liabilities	306,436,685	576,666,625	199,355,070	1,082,458,380
Net Balance Sheet Position	44,147,108	(80,288,716)	(82,052,344)	(118,193,952)
Net Off Balance Sheet Position	(45,198,726)	75,249,597	87,158,061	117,208,932
Derivative Financial Assets (7)	57,943,794	180,085,881	104,463,195	342,492,870
Derivative Financial Liabilities (7)	103,142,520	104,836,284	17,305,134	225,283,938
Non-Cash Loans	119,070,848	130,433,459	11,504,862	261,009,169
Prior Period				
Total Assets	215,688,747	303,838,222	62,284,751	581,811,720
Total Liabilities	195,209,491	400,708,812	105,563,120	701,481,423
Net Balance Sheet Position	20,479,256	(96,870,590)	(43,278,369)	(119,669,703)
Net Off Balance Sheet Position	(14,455,388)	103,074,628	44,564,310	133,183,550
Derivative Financial Assets	38,972,528	157,036,003	48,930,238	244,938,769
Derivative Financial Liabilities	53,427,916	53,961,375	4,365,928	111,755,219
Non-Cash Loans	68,430,893	79,258,121	8,944,195	156,633,209

(1) Precious metals accounts amounting TL 42,576,277 are included.

(2) In accordance with the Communiqué regarding the principles of the "Regulation on Measurement and Practices of Banks' Net Overall FC Position/Shareholders' Equity Ratio on a Consolidated and Unconsolidated Basis", TL 11,828,125 of Derivative Financial Assets Accrual, Prepaid Expenses (461,433 TL) in assets, and 2,692,490 TL of Derivative Financial Liabilities Accrual in liabilities, Equity (1,538,281) are not taken into account in the currency risk calculation. Other Assets and Other Liabilities include Expected Loss Provisions; the expected loss provision balance of foreign currency indexed loans is TL 2,017.

(3) Foreign currency indexed loans amounting TL 460,092 presented in TL loans in the balance sheet are included in the table above. TL 365,442 is USD indexed, TL 90,516 is EUR indexed., TL 4,134 is GBP indexed.

(4) Includes Assets Held for Sale and Discontinued Operations (Net).

(5) Precious metals deposit accounts amounting TL 116,452,555are included.

(6) Includes Tier 2 subordinated bonds which are classified on the balance sheet as subordinated loans.

(7) The derivative transactions within the context of forward foreign currency options and foreign currency forwards definitions included in the Communiqué above are taken into consideration.

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IV. Explanations on Interest Rate Risk

Interest rate risk is defined as the impairment in the value of the Bank's interest sensitive Asset, liabilities and off-balance sheet items due to interest rate fluctuations. A method which takes into consideration the effect of standard interest shocks on the economic values of the Bank's on, and off-balance sheet interest sensitive accounts is used for measuring the interest rate risk arising from the banking accounts, whereas the interest rate risk related to interest sensitive financial instruments followed under trading accounts is assessed within the scope of market risk.

Potential effects of interest rate risk on the Bank's assets and liabilities, market developments, the general economic environment and expectations are regularly followed in meetings of the Asset-Liability Management Committee, where further measures to reduce risk are taken when necessary.

The Bank's on and off-balance sheet interest sensitive accounts other than the assets and liabilities exposed to market risk are monitored and controlled by the limits on the ratio of structural interest rate risk to equity and tier 1 capital determined by the Board within the scope of "Asset-Liability Management Risk Policy". Moreover, scenario analyses formed in line with the average maturity gaps and the historical data and expectations are also used in the management of the related risk.

In addition, the impact of changes in interest rates on the Bank's net interest income is regularly analyzed. Within this framework, the limit on the ratio of change in net interest income to the capital is expected to occur under various scenarios are monitored and regularly reported to senior management.

Interest rate sensitivity

In this part, the sensitivity of the Bank's assets and liabilities to the interest rates has been analyzed assuming that the year-end balance figures were the same throughout the year. Mentioned analysis shows how the FC and TL changes in interest rates by one point during the one-year period affect the Bank's income accounts and shareholders' equity under the assumption maturity structure and balances are remain the same all year round at the end of the year.

During the measurement of the Bank's interest rate sensitivity, the profit/loss on the asset and liability items that are evaluated with market value are determined by adding to/ deducting from the difference between the expectancy value of the portfolio after one year in case there is no change in interest rates and the value of the portfolio one year later, which is measured after the interest shock, the interest income to be additionally earned/to be deprived of during the one year period due to the renewal or repricing of the related portfolio at the interest rates formed after the interest shock.

On the other hand, in the profit/loss calculation of assets and liabilities that are not evaluated by the current market prices, it is assumed that assets and liabilities with fixed interest rates will be renewed at maturity date and the assets and liabilities having variable interest rates will be renewed at the end of repricing period with the market interest rates generated after the interest shock.

Within this context, ceteris paribus, the possible changes that may occur in the Bank's profit and shareholders' equity in case of 100 basis point increase/decrease in TL and FC interest rates on the reporting day are given below:

% Change in the Interest Rate (*)		Effect On Profit/Loss		Effect on Equity (**)	
TL	FC	Current Period	Prior Period	Current Period	Prior Period
100 bps increase	100 bps increase	1,129,236	995,614	(5,716,077)	(2,975,711)
100 bps decrease	100 bps decrease	(1,139,827)	(1,307,172)	6,186,095	3,223,619

(*) Changes in interest rates is calculated assuming that the expectations reflected in inflation. The effects on the profit/loss and shareholders' equity are stated with their before tax values.

(**) The effect on the profit/loss is mainly arising from the fact that the average maturity of the Bank's fixed rate liabilities is shorter than the average maturity of its fixed rate assets.

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a. Interest rate sensitivity of assets, liabilities and off-balance sheet items (Based on time remaining to repricing date):

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-interest Bearing	Total
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	47,430,849					476,072,021	523,502,870
Banks	8,412,847		4,192,964			30,653,525	43,259,336
Financial Assets at Fair Value through Profit/Loss (*)	7,381,989	14,850,968	8,897,070	6,748,575	30,647	4,335,683	42,244,932
Money Market Placements							
Financial Assets at Fair Value Through Other Comprehensive Income	61,294,237	19,469,431	38,069,394	67,309,247	64,970,643	2,006,492	253,119,444
Loans	389,632,275	105,573,902	394,359,915	212,513,612	70,211,220		1,172,290,924
Financial Assets Measured at Amortised Cost	24,117,182	43,724,477	45,230,559	50,437,045	32,513,698		196,022,961
Other Assets (**)	483,319					222,859,513	223,342,832
Total Assets	538,752,698	183,618,778	490,749,902	337,008,479	167,726,208	735,927,234	2,453,783,299
Liabilities							
Banks Deposits	82,920,995	3,932,165	2,599,841	4,194,566		1,963,095	95,610,662
Other Deposits	612,635,675	224,782,401	84,655,956	5,084,016	762,066	638,647,918	1,566,568,032
Money Market Funds	103,858,959	13,357,915	5,963,818				123,180,692
Miscellaneous Payables	8,941,530					85,577,286	94,518,816
Marketable Securities Issued (***)	389,925	4,611,289	58,957,218	18,932,935	25,465,659		108,357,026
Funds Provided from Other Financial Institutions	30,414,815	71,611,695	16,681,047	1,521,760	536,793		120,766,110
Other Liabilities (****)	2,575,828	1,316,037	3,484,784	1,147,956	2,215,573	334,041,783	344,781,961
Total Liabilities	841,737,727	319,611,502	172,342,664	30,881,233	28,980,091	1,060,230,082	2,453,783,299
Balance Sheet Long Position			318,407,238	306,127,246	138,746,117		763,280,601
Balance Sheet Short Position	(302,985,029)	(135,992,724)				(324,302,848)	(763,280,601)
Off Balance Sheet Long Position	10,821,285	30,388,725		12,343,414			53,553,424
Off Balance Sheet Short Position			(35,090,412)		(12,881,875)		(47,972,287)
Total Position	(292,163,744)	(105,603,999)	283,316,826	318,470,660	125,864,242	(324,302,848)	5,581,137

(*) The balance includes derivative financial assets

(**) The expected loss provisions are shown in Non-Interest column.

(***) Includes Tier 2 subordinated bond which is classified on the balance sheet as subordinated loan.

(****) Equity is included in "non-interest bearing" column.

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Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-interest Bearing	Total
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	7,453,621					191,476,032	198,929,653
Banks	9,966,090	575,776				12,492,763	23,034,629
Financial Assets at Fair Value through Profit/Loss (*)	5,487,304	8,313,492	3,972,432	8,890,775	13,968	4,662,271	31,340,242
Money Market Placements							
Financial Assets at Fair Value Through Other Comprehensive Income	43,537,183	22,389,243	38,186,122	35,522,205	29,865,588	1,096,053	170,596,394
Loans	205,534,988	84,473,946	245,527,395	195,501,347	51,385,645		782,423,321
Financial Assets Measured at Amortised Cost	11,568,362	22,518,424	25,385,370	22,459,724	11,442,117		93,373,997
Other Assets (**)	217,258					108,407,174	108,624,432
Total Assets	283,764,806	138,270,881	313,071,319	262,374,051	92,707,318	318,134,293	1,408,322,668
Liabilities							
Banks Deposits	5,488,092	1,821,717	1,022,170			1,493,230	9,825,209
Other Deposits	365,803,736	97,869,384	34,542,133	1,172,896		421,863,931	921,252,080
Money Market Funds	33,370,104	5,080,678	1,648,534				40,099,316
Miscellaneous Payables	5,136,114					46,920,353	52,056,467
Marketable Securities Issued (***)	1,999,278	2,492,560	8,441,214	24,217,675	24,722,121		61,872,848
Funds Provided from Other Financial Institutions	14,583,517	49,496,547	5,313,106	1,669,504	392,652		71,455,326
Other Liabilities (****)	2,804,710	3,054,187	3,104,091	664,262	1,499,857	240,634,315	251,761,422
Total Liabilities	429,185,551	159,815,073	54,071,248	27,724,337	26,614,630	710,911,829	1,408,322,668
Balance Sheet Long Position			259,000,071	234,649,714	66,092,688		559,742,473
Balance Sheet Short Position	(145,420,745)	(21,544,192)				(392,777,536)	(559,742,473)
Off Balance Sheet Long Position	7,421,791	22,871,812					30,293,603
Off Balance Sheet Short Position			(8,120,500)	(10,221,123)	(8,298,250)		(26,639,873)
Total Position	(137,998,954)	1,327,620	250,879,571	224,428,591	57,794,438	(392,777,536)	3,653,730

(*) The balance includes derivative financial assets
(**) The expected loss provisions are shown in Non-Interest column.
(***) Includes Tier 2 subordinated bond which is classified on the balance sheet as subordinated loan.
(****) Equity is included in "non-interest bearing" column.

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a. Average interest rates applied to monetary financial instruments:

Current Period	EUR	USD	JPY	TL
	%	%	%	%
Assets				
Cash (Cash in Vault. Foreign Currency Cash. Money in Transit. Cheques Purchased) and Balances with the Central Bank of Turkey	4.75	4.75		
Banks	2.19	3.01		31.47
Financial Assets at Fair Value through Profit/Loss	2.64	5.81		35.74
Money Market Placements				
Financial Assets at Fair Value Through Other Comprehensive Income	3.41	6.46		36.58
Loans	8.07	9.55	7.10	38.52
Financial Assets Measured at Amortised Cost	2.74	6.02		29.03
Liabilities				
Banks Deposits	3.65	7.92		43.88
Other Deposits	0.15	0.38		30.83
Money Market Funds	6.41	7.19		43.20
Miscellaneous Payables				
Debt Securities Issued (*)	6.74	7.33		32.07
Funds Provided from Other Financial Institutions	7.07	8.25	6.60	16.39

(*) Includes Tier 2 subordinated bond which is classified on the balance sheet as subordinated loan.

Current Period	EUR	USD	JPY	TL
	%	%	%	%
Assets				
Cash (Cash in Vault. Foreign Currency Cash. Money in Transit. Cheques Purchased) and Balances with the Central Bank of Turkey	2.50	4.25		
Banks	1.15	2.75		13.30
Financial Assets at Fair Value through Profit/Loss	3.00	4.98		13.53
Money Market Placements				
Financial Assets at Fair Value Through Other Comprehensive Income	3.33	5.48		32.82
Loans	6.14	8.17	7.27	20.56
Financial Assets Measured at Amortised Cost	2.66	5.12		23.30
Liabilities				
Banks Deposits	0.86	4.96		12.64
Other Deposits	0.08	0.62		11.63
Money Market Funds		6.82		9.03
Miscellaneous Payables				
Debt Securities Issued (*)		6.88		14.37
Funds Provided from Other Financial Institutions	4.25	7.09	6.77	10.85

(*) Includes Tier 2 subordinated bond which is classified on the balance sheet as subordinated loan.

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V. Explanations on Equity Shares Risk Arising from Banking Book

- a. Accounting policies related to equity investments in associates and subsidiaries can be seen in the Section Three Note III.2.
- b. Balance Sheet Value of Equity Investment, fair value, and for publicly traded, if the market value is different from the fair value comparison to the market price:

Investments in Shares	Comparison		
	Book Value	Fair Value	Market Value (*)
Quoted			
Investments in Shares Group A			
Subsidiaries			
Financial Subsidiaries	40,271,948		102,243,325
Non-Financial Subsidiaries	62,172,180		141,832,935
Non-Quoted			
Subsidiaries			
Financial Subsidiaries	453,026		
Non-Financial Subsidiaries	22,038		
Associates			
Financial Associates	27,193,671		
Non-Financial Associates	14,340,273		

(*) Represents the sum of the market values of the related companies.

c. Information on revaluation surpluses and unrealized gains/losses on equity securities and results included in Common Equity and Tier II Capital

Portfolio		Realized Gains/ losses During the period	Revaluation Increases		Unrealized Gains and Losses		
			Total	Including into Tier I Capital (*)	Total	Including into Common Equity	Including into Tier II Capital
1	Private Equity Investments						
2	Shares Traded on a Stock Exchange		97,095,436	97,095,436			
3	Other Stocks		26,103,933	26,103,933			
4	Total		123,199,369	123,199,369			

(*) Represents the amounts reflected to equity according to the equity method.

ç. Capital requirement as per equity shares:

Portfolio	Carrying Value	Total RWA	Minimum Capital Requirement
Private Equity Investments			
Share Traded on a Stock Exchange	102,444,128	102,444,128	8,195,530
Other Stocks	42,009,008	36,315,729	2,905,258
Total	144,453,136	138,759,857	11,100,788

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VI. Explanations on Liquidity Risk Management and Liquidity Coverage Ratio

Liquidity risk may occur as a result of funding long-term assets with short-term liabilities; The Bank's liquidity is managed by the Asset-Liability Management Committee in accordance with the business strategies, legal requirements, current market conditions and expectations regarding the economic and financial conjuncture.

The Bank's principal source of funding is deposits. Although the average maturity of deposits is shorter than that assets as a result of the market conditions, the Bank's wide network of branches and stable core deposit base are its most important safeguards of funding. Additionally, the Bank borrows medium and long-term funds from institutions abroad. Concentration limits are generally used in deposit and non-deposit borrowings in order to prevent adverse effects of concentrations in the liquidity risk profile of the Bank.

In order to meet the liquidity requirements that may arise from market fluctuations, considerable attention is paid to the need to preserve liquidity and efforts in this respect are supported by projections of Turkish Lira and Foreign Currency (FC) cash flows. The term structure of TL and FC deposits, their costs and amounts are monitored on a daily basis. During these studies historical events and future expectations are taken into account as well. Based upon cash flow projections, prices are differentiated for different maturities and measures are taken accordingly to meet liquidity requirements. Moreover, potential alternative sources of liquidity are determined to be used in case of extraordinary circumstances.

The liquidity risk exposure of the Bank has to be within the risk capacity limits which are prescribed by the legislation and the Bank's risk appetite defined in its business strategy. It is essential for the Bank to have an adequate level of unencumbered liquid asset stock which can be sold or pledged, in case a large amount of reduction in liquidity sources occurs. The level of liquid asset buffer is determined in accordance with the liquidity risk tolerance which is set by the Board of Directors. Asset-Liability Management Committee is responsible for monitoring the liquidity position, determining appropriate sources of funds and deciding the maturity structure in accordance with the limits which are set by the Board of Directors.

The Treasury Division is responsible for monitoring the liquidity risk, in accordance with the Asset and Liability Management Risk Policy limits, objectives set out in the business plan and the decisions taken at the meetings of Asset-Liability Management Committee. The Treasury Division is also responsible for making liquidity projections and taking necessary precautions to reduce liquidity risk, by using the results of stress testing and scenario analysis. Within this scope, Treasury Division is monitoring the Turkish Lira (TL) and foreign currency (FC) liquidity position instantly and prospectively based on the information provided from the branches, business units and IT infrastructure of the Bank. The assessment of long-term borrowing opportunities is carried out regularly in order to balance the cash inflows and outflows and to mitigate the liquidity risk. The Bank creates liquidity through repurchase agreements and secured borrowings based on the high quality liquid asset portfolio, through securitization and other structured finance products which are created from the asset pools like credit card receivables and retail loans.

The Bank applies liquidity stress tests to measure liquidity risk. In this approach, in liquidity stress scenarios in which parameters are determined by the Board of Directors, the ability of the Bank's liquid assets' in covering cash outflows within a one-month horizon has been described. Liquidity adequacy limits for TL and FC are determined by Board of Directors, based on the liquidity requirements and risk tolerance of the Bank. The liquidity risk is measured by the Risk Management Division and results are reported to the related executive functions, senior management and Board of Directors.

It is essential for the Bank to monitor the liquidity position and funding strategy continuously. In case of a liquidity crisis that may arise from unfavorable market conditions, extraordinary macroeconomic situations and other reasons which are beyond the control of the Bank, "Emergency Action and Funding Plan" is expected to be commissioned. In that case, related committees have to report the precautions taken and their results to the Board of Directors through Audit Committee.

The Bank's Foreign Currency (FC) and total (TL+FC) liquidity coverage ratio averages for the last three months, the highest value and the lowest value occurred in this period are given below.

	Current Period		Prior Period	
	TL+FC	FC	TL+FC	FC
The lowest value	168.12	193.66	147.33	429.54
Applicable week	17.11.2023	27.10.2023	25.11.2022	21.10.2022
The highest value	200.71	488.83	163.68	498.62
Applicable week	20.10.2023	15.12.2023	07.10.2022	07.10.2022

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Liquidity Coverage Ratio:

Current Period	Total Unweighted Value (*)		Total Weighted Value (*)	
	TL+FC	FC	TL+FC	FC
HIGH QUALITY LIQUID ASSETS				
High Quality Liquid Assets			602,366,091	285,886,507
Cash Outflows				
Retail and Small Business Customers, of which;	1,040,925,241	552,455,049	95,180,605	55,245,505
Stable deposits	178,238,369		8,911,918	
Less stable deposits	862,686,872	552,455,049	86,268,687	55,245,505
Unsecured wholesale funding, of which;	472,401,277	214,745,129	244,205,783	115,557,655
Operational deposits	4,338,576	46,303	1,073,698	11,576
Non-operational deposits	372,577,353	181,060,598	179,298,799	82,575,282
Other unsecured funding	95,485,348	33,638,228	63,833,286	32,970,797
Secured funding			5,554,161	5,559,573
Other cash outflows, of which;	7,969,962	17,388,184	7,969,962	17,388,184
Derivatives cash outflow and liquidity needs related to market valuation changes on derivatives or other transactions	2,459,721	11,877,943	2,459,721	11,877,943
Commitments related to debts to financial markets and other off-balance sheet obligations	5,510,241	5,510,241	5,510,241	5,510,241
Other revocable off-balance sheet commitments and contractual obligations	12,364,468	8,955,998	618,223	447,800
Other irrevocable or conditionally revocable off-balance sheet obligations	900,365,123	269,311,970	83,707,978	32,489,379
TOTAL CASH OUTFLOWS			437,236,712	226,688,096
CASH INFLOWS				
Secured lending				
Unsecured lending	155,785,724	64,311,490	103,780,295	52,209,589
Other cash inflows	6,749,477	78,819,686	6,749,477	78,819,686
TOTAL CASH INFLOWS	162,535,201	143,131,176	110,529,772	131,029,275
Upper Limit Applied Value				
TOTAL HQLA STOCK			602,366,091	285,886,507
TOTAL NET CASH OUTFLOWS			326,706,940	96,862,997
LIQUIDITY COVERAGE RATIO (%)			184.93	326.97

(*) The simple arithmetic average calculated for the last three months of the weekly simple arithmetic average.

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Prior Period	Total Unweighted Value (*)		Total Weighted Value (*)	
	TL+FC	FC	TL+FC	FC
HIGH QUALITY LIQUID ASSETS				
High Quality Liquid Assets			290,541,464	191,864,620
CASH OUTFLOWS				
Retail and Small Business Customers, of which;	607,788,670	375,439,523	55,791,039	37,543,952
Stable deposits	99,756,547		4,987,827	
Less stable deposits	508,032,123	375,439,523	50,803,212	37,543,952
Unsecured funding, of which;	281,487,104	163,930,241	140,876,717	85,859,370
Operational deposits	2,828,624	26,151	695,174	6,538
Non-operational deposits	219,889,000	140,815,477	99,045,133	63,163,521
Other unsecured funding	58,769,480	23,088,613	41,136,410	22,689,311
Secured funding			13,894	13,894
Other cash outflows, of which;	7,872,717	17,959,684	7,872,717	17,959,684
Derivatives cash outflow and liquidity needs related to market valuation changes on derivative or other transactions	2,891,210	12,978,177	2,891,210	12,978,177
Obligations related to structured financial products				
Commitments related to debts to financial markets and other off-balance sheet obligations	4,981,507	4,981,507	4,981,507	4,981,507
Other revocable off-balance sheet commitments and contractual obligations	15,512,942	13,118,885	775,647	655,944
Other irrevocable or conditionally revocable off-balance sheet obligations	417,893,359	173,291,972	42,376,139	20,623,035
TOTAL CASH OUTFLOWS			247,706,153	162,655,879
CASH INFLOWS				
Secured lending	63,928			
Unsecured lending	82,246,729	46,338,450	58,478,094	39,232,322
Other cash inflows	2,503,906	107,633,007	2,503,906	107,633,007
TOTAL CASH INFLOWS	84,814,563	153,971,457	60,982,000	146,865,329
Upper Limit Applied Value				
TOTAL HQLA STOCK			290,541,464	191,864,620
TOTAL NET CASH OUTFLOWS			186,724,153	40,663,970
LIQUIDITY COVERAGE RATIO (%)			155.47	473.02

(*) The simple arithmetic average calculated for the last three months of the weekly simple arithmetic average.

Compared to the prior quarter, in the fourth quarter of 2023, the total liquidity coverage ratio increased due to the increase in the total high-quality asset stock, and foreign currency liquidity coverage ratio decreased due to the increase in net cash outflows. Total and Foreign Currency liquidity coverage ratios are continuing to hover far above the minimum level (respectively 100% and 80%) pursuant to legal legislations.

The Liquidity Coverage Ratio which has been introduced to ensure banks to preserve sufficient stock of high-quality assets to meet their net cash outflows that may occur in the short term is calculated as per the Communiqué on “Measurement and Assessment of the Liquidity Coverage Ratio of Banks’ published by BRSA. The ratio is directly affected by the level of unencumbered high-quality assets which can be liquidated at any time and net cash inflows and outflows arising from the Bank’s assets, liabilities and off-balance sheet transactions.

The Bank’s high quality liquid asset stock primarily consists of cash, the accounts held at CBRT and unencumbered government bonds which are issued by Turkish Treasury.

The Bank’s principal source of funding is deposits. In terms of non-deposit borrowing, funds received from repurchase agreements, marketable securities issued, and funds borrowed from financial institutions are among the most significant funding sources of the Bank. In order to manage liquidity effectively, concentration of liquidity sources and usages should be avoided. Due to the strong and stable core deposit base of the Bank, deposits are received from a diversified customer portfolio. In addition, in order to provide diversification in liquidity sources and usages, liquidity concentration limits are used effectively. Total amount of funds borrowed from a single counterparty, or a risk group is closely and instantaneously monitored, taking liquidity concentration limits into account. In addition to these, the cumulative liquidity deficits that the Bank is exposed to in various maturity tranches are periodically monitored and reported to the senior management.

Cash flows of derivatives that will take place within 30 days are taken into account in calculation of liquidity coverage ratio. Cash outflows of derivatives that arise from margin obligations, are reflected to the results in accordance with the methodology articulated in the related legislation.

Liquidity risk of the Bank, its foreign branches and subsidiaries that are to be consolidated are managed within the regulatory limits and in accordance with the group strategies. For the purposes of effectiveness and sustainability of liquidity management, funding sources of group companies and funding diversification opportunities in terms of markets, instruments and tenor are evaluated and liquidity position of the group companies are monitored continuously by the Bank.

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Presentation of assets and liabilities according to their remaining maturities:

Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Unallocated (*)	Total
Assets								
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	325,002,285	198,500,585						523,502,870
Banks	35,899,259	3,167,113		4,192,964				43,259,336
Financial Assets at Fair Value through Profit/Loss (**)	4,334,285	7,136,718	14,847,350	8,562,893	7,223,967	139,719		42,244,932
Money Market Placements								
Financial Assets at Fair Value Through Other Comprehensive Income	2,006,492	6,202,734	4,784,678	15,501,370	146,057,132	78,567,038		253,119,444
Loans (***)	41,895,006	259,382,037	156,154,765	393,572,172	237,301,341	59,065,855	24,919,748	1,172,290,924
Financial Assets Measured at Amortised Cost		9,558,766	10,484,469	19,742,562	101,589,719	54,647,445		196,022,961
Other Assets		15,722,104	366,537		7,531,286		199,722,905	223,342,832
Total Assets	409,137,327	499,670,057	186,637,799	441,571,961	499,703,445	192,420,057	224,642,653	2,453,783,299
Liabilities								
Bank Deposits	1,963,095	82,920,995	3,932,165	2,597,371	4,197,036			95,610,662
Other Deposits	638,647,918	612,635,364	224,781,727	84,653,797	5,087,160	762,066		1,566,568,032
Funds Provided from Other Financial Institutions		9,711,507	4,631,477	71,913,141	33,949,521	560,464		120,766,110
Money Market Funds		100,975,109	6,718,844	12,678,624	2,808,115			123,180,692
Marketable Securities Issued (****)		389,928	3,267,621	58,957,213	19,437,874	26,304,390		108,357,026
Miscellaneous Payables		91,896,108	805,847	2,356	1,814,505			94,518,816
Other Liabilities		20,198,658	8,062,126	4,113,738	1,647,029	702,651	310,057,759	344,781,961
Total Liabilities	640,611,013	918,727,669	252,199,807	234,916,240	68,941,240	28,329,571	310,057,759	2,453,783,299
Liquidity Gap	(231,473,686)	(419,057,612)	(65,562,008)	206,655,721	430,762,205	164,090,486	(85,415,106)	
Net Off Balance Sheet Position		(6,396,781)	(2,808,777)	4,469,462	1,873,108	1,099,750		(1,763,238)
Derivative Financial Assets		143,832,676	136,573,619	117,900,322	135,327,434	94,916,321		628,550,372
Derivative Financial Liabilities		150,229,457	139,382,396	113,430,860	133,454,326	93,816,571		630,313,610
Non-cash Loans	212,298,335	13,720,385	34,794,990	122,900,302	35,814,437	7,842,355		427,370,804
Prior Period								
Total Assets	133,272,749	259,568,263	115,785,700	294,857,745	348,832,022	133,100,174	122,906,015	1,408,322,668
Total Liabilities	423,357,161	477,223,068	117,471,555	90,952,176	48,410,752	27,411,714	223,496,242	1,408,322,668
Liquidity Gap	(290,084,412)	(217,654,805)	(1,685,855)	203,905,569	300,421,270	105,688,460	(100,590,227)	
Net Off Balance Sheet Position		1,675,458	(1,424,161)	1,531,226	2,316,880	560,500		4,659,903
Derivative Financial Assets		160,788,294	67,410,871	38,610,607	69,998,675	71,033,244		407,841,691
Derivative Financial Liabilities		159,112,836	68,835,032	37,079,381	67,681,795	70,472,744		403,181,788
Non-cash Loans	130,994,153	7,489,287	19,034,472	64,412,078	19,239,252	5,527,272		246,696,514

(*) Asset items, such as Tangible Assets, Subsidiaries and Associates, Office Supply Inventory, Prepaid Expenses and Non-Performing Loans, which are required for banking operations and which cannot be converted into cash in short-term, other liabilities such as Provisions which are not considered as payables and Shareholders' Equity, are shown in the "Unallocated" column.

(**) Includes Derivative financial assets.

(***) Nonperforming loans are included in "Unallocated" column.

(****) Includes Tier 2 subordinated bond which is classified on the balance sheet as subordinated loan

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In compliance with the "TFRS 7", the following table indicates the maturities of the Bank's major financial assets and liabilities which are not qualified as derivatives. The following tables have been prepared by referencing the earliest dates of collections and payments without discounting the liabilities. The interest to be collected from and paid to the related liabilities is included in the following table. Adjustments column shows the items that may cause possible cash flows in the following periods. The values of the related liabilities registered in balance sheet do not include these amounts.

Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Total	Adjustments (-)	Balance Sheet Value
Liabilities									
Deposits	640,611,013	700,844,099	239,733,389	95,632,159	10,329,775	834,772	1,687,985,207	25,806,513	1,662,178,694
Funds Provided from Other Financial Institutions		9,849,917	5,856,229	77,081,977	38,941,898	594,124	132,324,145	11,558,035	120,766,110
Money Market Funds		101,133,524	6,958,963	13,524,018	2,964,478		124,580,983	1,400,291	123,180,692
Marketable Securities Issued (*)		1,334,988	4,360,554	64,116,512	34,570,785	27,605,588	131,988,427	23,631,401	108,357,026
Leasing Liabilities		96,624	184,700	804,434	2,589,057	3,567,263	7,242,078	3,975,035	3,267,043

(*) Includes Tier 2 subordinated bond which is classified on the balance sheet as subordinated loan.

Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Total	Adjustments (-)	Balance Sheet Value
Liabilities									
Deposits	423,357,161	372,260,825	101,422,669	36,748,019	1,253,490		935,042,164	3,964,875	931,077,289
Funds Provided from Other Financial Institutions		5,717,510	5,097,548	42,112,957	23,320,862	1,152,166	77,401,043	5,945,717	71,455,326
Money Market Funds		33,407,213	3,036,464	3,863,524			40,307,201	207,885	40,099,316
Marketable Securities Issued (*)		1,460,631	1,425,574	11,991,684	34,125,926	28,795,298	77,799,113	15,926,265	61,872,848
Leasing Liabilities		63,333	144,014	522,280	1,694,169	2,267,874	4,691,670	2,539,463	2,152,207

(*)Includes Tier 2 subordinated bond which is classified on the balance sheet as subordinated loan.

The following table shows the remaining maturities of non-cash loans of the Bank.

Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Total
Letters of Credit	31,144,756	6,839,107	16,604,532	30,359,167	437,382		85,384,944
Letters of Guarantee	179,550,225	5,759,674	16,336,276	79,932,221	34,181,540	4,194,193	319,954,129
Acceptances	112,735	1,121,604	1,840,682	12,537,264	187,849		15,800,134
Other	1,490,619		13,500	71,650	1,007,666	3,648,162	6,231,597
Total	212,298,335	13,720,385	34,794,990	122,900,302	35,814,437	7,842,355	427,370,804

Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Total
Letters of Credit	21,031,210	4,695,440	8,170,572	19,349,001			53,246,223
Letters of Guarantee	108,829,989	2,377,323	9,901,311	37,543,763	17,674,969	2,955,329	179,282,684
Acceptances	137,720	416,524	923,075	7,433,282	420,875		9,331,476
Other	995,234		39,514	86,032	1,143,408	2,571,943	4,836,131
Total	130,994,153	7,489,287	19,034,472	64,412,078	19,239,252	5,527,272	246,696,514

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The following table shows the remaining maturities of derivative financial assets and liabilities of the Bank.

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Total
Forwards Contracts-Buy	12,748,125	34,070,528	40,516,173	7,139,832		94,474,658
Forwards Contracts-Sell	12,684,910	33,679,913	39,764,747	7,180,993		93,310,563
Swaps Contracts-Buy	97,591,753	65,211,031	47,667,584	127,515,522	89,157,312	427,143,202
Swaps Contracts-Sell	116,444,401	89,247,254	45,120,335	125,601,252	88,057,564	464,470,806
Futures Transactions-Buy	1,011,001					1,011,001
Futures Transactions-Sell	983,035					983,035
Options-Call	9,881,648	15,250,550	26,011,557		5,759,008	56,902,763
Options-Put	9,963,899	14,811,293	25,723,820		5,759,008	56,258,020
Other	32,753,361	23,685,446	6,526,966	1,344,161		64,309,934
Total	294,062,133	275,956,015	231,331,182	268,781,760	188,732,892	1,258,863,982

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Total
Forwards Contracts-Buy	5,717,551	10,756,575	12,515,612	2,376,097		31,365,835
Forwards Contracts-Sell	5,697,764	10,520,109	12,294,262	2,406,304		30,918,439
Swaps Contracts-Buy	130,035,589	42,160,572	13,656,029	66,850,977	67,211,082	319,914,249
Swaps Contracts-Sell	147,228,461	53,156,757	13,015,952	64,503,890	66,650,582	344,555,642
Futures Transactions-Buy	25,945	671,422	55,041			752,408
Futures Transactions-Sell	25,402	811,948	50,766			888,116
Options-Call	3,538,061	1,557,467	5,545,458	707,612	3,822,162	15,170,760
Options-Put	3,553,528	1,551,533	4,879,934	707,612	3,822,162	14,514,769
Other	24,078,829	15,059,520	13,676,934	127,978		52,943,261
Total	319,901,130	136,245,903	75,689,988	137,680,470	141,505,988	811,023,479

VII. Explanations on Leverage Ratio

a. Explanations on Differences Between Current and Prior Years' Leverage Ratios

The Bank's unconsolidated leverage ratio is calculated in accordance with the principles of the "Regulation on Measurement and Evaluation of Banks' Leverage Level". The Bank's consolidated Leverage ratio is 7.11% (December 31, 2022: 9.19). According to Regulation the minimum leverage ratio is 3%. The changes in the leverage ratio are mostly due to the increase in total risk amounts

b. Explanations on leverage ratio:

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	Current Period (*)	Prior Period (*)
On-Balance sheet items		
On-balance sheet items (excluding derivatives and SFTs, but including collateral)	2,273,957,818	1,352,238,923
Assets amounts deducted from Tier 1 capital	(5,577,290)	(3,039,822)
Total on balance sheet exposures	2,268,380,528	1,349,199,101
Derivative exposures and credit derivatives		
Replacement cost associated with derivative financial instruments and credit derivatives	23,913,293	16,095,379
The potential amount of credit risk with derivative financial instruments and credit derivatives	12,902,180	5,788,378
The total amount of risk on derivative financial instruments and credit derivatives	36,815,473	21,883,757
Investment securities or commodity collateral financing transactions		
The amount of risk investment securities or commodity collateral financing transactions (Excluding on balance sheet items)	25,354,336	12,032,913
Risk amount of exchange brokerage operations		
Total risks related with securities or commodity financing transactions	25,354,336	12,032,913
Off -Balance Sheet Items		
Gross notional amount of off-balance sheet items	969,163,029	452,575,932
Adjustments for conversion to credit equivalent amounts	(11,392,142)	(10,541,558)
The total risk of off-balance sheet items	957,770,887	442,034,374
Capital and Total Exposures		
Tier 1 Capital	233,919,111	167,776,503
Total Exposures	3,288,321,224	1,825,150,145
Leverage Ratio		
Leverage Ratio	7.11	9.19

(*) Three-month average of the amounts in Leverage Ratio table.

VIII. Explanations on Other Price Risks

The Bank is exposed to stock price risk due to its investments in companies being traded on the Borsa İstanbul A.Ş. (BIST).

The Bank's sensitivity to stock price risk at the reporting date was measured with an analysis. In the analysis, with the assumption of all other variables were held constant and the data (stock prices) used in the valuation method are 10% higher or lower. According to this assumption, in shares traded in Borsa Istanbul and followed under Financial Assets at Fair Value through Profit or Loss account, expected to have an effect amounting to TL 1,703 increase/decrease.

IX. Explanations on Presentation of Assets and Liabilities at Fair Value

1. Information on fair values of financial assets and liabilities

	Book Value		Fair value	
	Current Period	Prior Period	Current Period	Prior Period
Financial Assets				
Money Market Placements				
Banks	43,259,336	23,034,629	43,243,191	23,033,858
Financial Assets at Fair Value through Other Comprehensive Income	253,119,444	170,596,394	253,119,444	170,596,394
Investments Financial Assets Measured Amortized Cost	196,022,961	93,373,997	182,971,887	112,124,518
Loans	1,147,371,176	759,289,191	1,098,134,873	753,631,585
Financial Liabilities				
Banks Deposits	95,610,662	9,825,209	95,176,615	9,756,498
Other Deposits	1,566,568,032	921,252,080	1,564,417,366	921,349,972
Funds Provided from Other Financial	120,766,110	71,455,326	120,755,875	70,881,361
Marketable Securities Issued (*)	108,357,026	61,872,848	107,096,961	59,860,194
Miscellaneous Payables	94,518,816	52,056,467	94,518,816	52,056,467

(*) Includes subordinated bonds which are classified on the balance sheet as subordinated loans.

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Strike prices, quotations, market prices determined by the CBRT and published in the Official Gazette and the values calculated by using alternative models, are taken as the basis in the fair value determination of Financial Assets at fair value through other comprehensive income.

When the prices of the financial assets measured at amortized cost cannot be measured in an active market, fair values are not deemed to be reliably determined and amortized cost, calculated by the internal rate of return method, are taken into account as the fair values.

Fair values of banks, loans granted, deposits and funds borrowed from other financial institutions and marketable securities are calculated by discounting the amounts in each maturity bracket formed according to repricing periods, using the rate corresponding to relevant maturity bracket in the discount curves based on current market conditions.

2. Information on fair value measurements recognized in the financial statements

“TFRS 13 – Fair Value Measurement” standard requires the items, which are recognized in the balance sheet at their fair values to be shown in the notes by being classified within a range. According to this, the related financial instruments are classified into three levels in such a way that they will express the significance of the data used in fair value measurements. At the first level, there are financial instruments, whose fair values are determined according to quoted prices in active markets for identical assets or liabilities, at the second level, there are financial instruments, whose fair values are determined by directly or indirectly observable market data, and at the third level, there are financial instruments, whose fair values are determined by the data, which are not based on observable market data. The financial assets, which are recognized in the balance sheet at their values, are shown below as classified according to the aforementioned principles of ranking.

Current Period	Level 1	Level 2	Level 3
Financial Assets at Fair Value Through Profit and Loss			
Debt Securities	15,329,573	3,611,275	
Equity Securities	17,029	658,024	
Derivative Financial Assets at Fair Value through Profit and Loss		18,969,802	
Other		3,659,229	
Financial Assets at Fair Value Through Profit or Loss (*)			
Debt Securities	140,807,997	110,054,737	250,218
Equity Securities		1,877,914	
Other			
Derivative Financial Liabilities		7,213,378	

(*) Since they are not traded in an active market, the equity securities TL 128,578 under the financial assets at fair value through other comprehensive income are shown in the financial statements at acquisition cost and the related securities are not shown in this table.

Prior Period	Level 1	Level 2	Level 3
Financial Assets at Fair Value Through Profit and Loss			
Debt Securities	4,109,370	5,542,596	
Equity Securities	498,961	333,165	
Derivative Financial Assets Held for Trading		17,029,298	
Other		3,826,852	
Financial Assets Available-for-Sale (*)			
Debt Securities	55,286,765	113,862,747	350,829
Equity Securities		978,103	
Other			
Derivative Financial Liabilities		8,840,818	

(*) Since they are not traded in an active market, the equity securities TL 117,950 under the financial assets available-for-sale are shown in the financial statements at acquisition cost and the related securities are not shown in this table.

The movement table of financial assets at level 3 is given below:

	Current Period	Prior Period
Balance at the Beginning of the Period	350,829	2,136,935
Purchases		
Redemption or Sales	(100,610)	(1,886,716)
Valuation Difference		
Transfers		100,610
Balance at the end of the Period	250,219	350,829

Real estates which are presented in the financial statements at fair value are classified at level 3.

The loans measured at fair value through profit and loss under Level 3 consists of loan granted to the special purpose entity which is disclosed in the Section V footnote I-f.2 and footnote I.r. The mentioned loan's fair value is determined by the various valuation methods. The potential changes in the fundamental estimations and assumptions in the valuation work may affect the carrying fair value of the loan.

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X. Explanations on Transactions Carried Out on Behalf of Third Parties and Fiduciary Transactions

The Bank gives trading and custody services in the name and on the account of its customers. The Bank has no fiduciary transactions.

XI. Explanations on Risk Management Objectives and Policies

Explanations according to “Communiqué on Public Disclosures about Risk Management” published on the Official Gazette No.29511 dated October 23, 2015 are included below. The Bank uses the Standardized Approach for calculation of capital charge for credit risk, therefore explanations about internal ratings-based approach are not included.

a. General Information on Risk Management Approach and Risk Weighted Amounts

a.1. The Bank's risk management approach

Bank is exposed to financial and non-financial risks which are required to be analyzed, monitored, and reported within specific risk management principles of the Bank and with the perspective of risk management. The risk management process is organized within the framework of risk management and serves the creation of a common risk culture in corporate level, which brings “corporate governance” to forefront, the independence of the internal audit and monitoring units from the business units that undertake risks is established risk is defined in accordance with international regulations and in this context measurement, analysis, monitoring, reporting, and control functions are carried.

Risk management process and the functions involved in the process is one of the primary responsibilities of the Board of Directors. The Risk Committee operates to prepare the Bank's risk management strategies and policies, submit them to the Board of Directors for approval and monitor the implementations. Evaluating the capital adequacy and observing the active use of results in Bank's planning and decision-making processes, establishing and monitoring limits related to main risks, monitoring the activities of risk management (determining, defining, measuring, evaluating and managing risk) and monitoring results and methods in measuring risk are also under their authority and responsibility of the Committee. Committee reports activity results to the Board of Directors through Audit Committee.

The Operational Risk Committee is engaged in determining strategies and policies for the management of operational risks that the Bank may be exposed to, developing an operational risk management framework, and strengthening the governance model for operational risks. The Committee reports the results of its activities to the Board of Directors through the Audit Committee.

The Risk Management Department, which reports to the Board of Directors of the Parent Bank through the Internal Systems Manager; organized as Asset-Liability Management Unit, Credit Risk Management Unit, Credit Risk Analytics and Control Unit, Operational Risk and Affiliate Risk Unit, Model Risk and Validation Unit, Internal Capital Assessment Process and Economic Capital Unit.

The Bank's risk management process is carried out within the framework of risk policies which are issued by the Board of the Directors via Internal Systems Manager by taking the recommendations of the Risk Management Department into account and which include the written standards that are implemented by the business units. These policies which are entered into force in line with the international practices are general standards which contain organization and scope of the risk management function, risk measurement policies, duties and responsibilities of the risk management group, procedures for determining risk limits, ways to eliminate limit violations, compulsory approvals, and confirmations to be given in a variety of events and situations.

In the aforementioned risk policies, the Bank's risk appetite framework is defined as a set of approaches that determine the risk capacity, the risk appetite, the risk tolerance and that include the policies, procedures, controls and systems for reporting and monitoring of the limits set for the Bank's risk profile and the indicators in the framework. The Bank's risk appetite framework, which is formed in accordance with the above-mentioned factors and entered into force with the Board of Directors approval, includes indicators that are aligned with the business plan, the strategic programme, capital and remuneration planning and comparable on a business unit level to the extent possible. The compliance to the limits within the framework is periodically monitored and the realization of the risk appetite indicators are reported to the Risk Committee and the Boards on a monthly basis.

In order to build a strong corporate culture that has a risk management perspective, the Bank has policies, processes, systems and a control system that is integrated with the Bank's risk management system to effectively control the bank's risk management system is available. All employees of the Bank essentially perform their duties in a responsible manner that aims to develop controls to reduce or eliminate the probability of the Bank to incur losses related to the operational risks. In the process risk analysis studies, risks and the related controls are evaluated together with employees performing the relevant process in a holistic approach. Procedures to be followed in case of a risk threshold breach and risk definitions are given in the risk politics. Code of conducts, operation manuals, the sharing of duties between business units and risk units are announced to the Bank's staff.

The risk reports that analyse the results reached by the Bank and the comprehensive risk assessment and comparison of these results with a risk management perspective are periodically submitted to the Risk Committee and to the Board through the Audit Committee. The content of the above mentioned reports could be summarised as follows:

Capital adequacy ratio, the progression of the components of this ratio and the issues that affect the aforementioned ratio,

- Monitoring the compliance status of the limits set by the Board of Directors as a part of the risk appetite framework and based on the components of the main risk types,
- In addition to the assessment of the loan portfolio on the basis of counterparties and loan types, monitoring of the portfolio as a whole according to parameters such as maturity, sector, geography, risk ratings, arrears, defaults,
- Measuring the assets and liabilities management risk, and reporting of measurement results,
- Monitoring of all risks assessed in the context of operational risk within the scope of non-financial risks, including operational risk, loss events that occurred in the Bank and risk indicators,
- Testing the measurement results in terms of completeness and reliability,
- Analysing the level of risk indicators under various stress scenarios,
- Examining various concentration indicators and the course followed by these indicators

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As per the communique on “Bank’s Internal Systems and Internal Capital Adequacy and Assessment Process” and “Guidelines for Stress Testing of Banks to Use in Capital and Liquidity Planning”, stress tests are conducted for the entire risks that the Bank is exposed to and on the basis of significant risk categories. As a part of the holistic stress tests, risk appetite, capital planning, strategic plan and budget, action plans for emergencies and unexpected situations related to miscellaneous risks and other issues considered as significant are taken into consideration. In the holistic and individual stress test processes carried out by the Bank, the most advanced approaches used in risk measurement in the Bank are used as much as possible, together with the methods that are the basis of legal reporting (standard approaches for credit and market risk, basic indicator approach for operational risk).

In the stress tests, both the first pillar risks (credit risk, market risk, operational risk) in scope of the regulatory framework and all the other risks that the Bank is exposed to independent of the regulatory framework are taken into account in a holistic perspective. In determining the course of capital adequacy under various scenarios during the planning horizon, the actions that the Bank will take in case of stress conditions and the impact of the diversified growth strategies of business units on the capital adequacy and the balance sheet are considered.

The levels at which the capital adequacy ratio of the Bank will reach are estimated and monitored with stress tests. In addition, reverse stress tests are carried out regularly, by determining the problematic loan growth rate and increase in exchange rates, which will cause the Bank’s capital adequacy to fall within the legal limits.

The scope and content of the Bank’s risk management system in terms of the main risk types are listed below. Bank’s risk mitigation strategies and processes for the assessment of their effectiveness are given in Fourth Section II No. “Explanations on Credit Risk” under the Section IV, XI-f.1 notes. No. “The Public Disclosure of Qualitative Information Related to the Market Risk” mentioned in the section.

Credit risk

Credit risk is defined as the risk of the failure to comply with the requirements or failing to fulfill its obligations partially or totally of the counter side of the transaction contract with the Bank. The methodology and responsibilities of the credit risk management, controlling and monitoring and the framework of credit risk limitations specified with the credit risk policy.

The Bank defines measures and manages credit risk of the all products and activities. Board of Directors review the Bank’s credit risk policies and credit risk strategy on an annual basis as a minimum. Top Management is responsible for the implementation of credit risk policies which are approved by Board of Directors.

As a result of loans and credit risks analysis all findings are reported to Board of Directors and Top Management on a regular basis. In addition to transaction and company-based credit risk assessment process, monitoring of credit risk also refers to an approach with monitoring and managing the credit as a whole maturity, sector, security, geography, currency, credit type and credit rating.

In the Bank’s credit risk management, along the limits as required by legal regulations, the Bank utilizes the risk limits to undertake the maximum credit risk within risk groups or sectors that the Board of Directors determines. These limits are determined such a way that prevents risk concentration on particular sectors. In case of exceeding the limits, the excess and its reasons are immediately reported to the Risk Committee and Board of Directors. The actions to be taken to remedy the excess and the time to eliminate the excess are concluded under the authority of the Board of Directors. The results of the controls regarding the excess of the risk limits and the evaluations of these limits are presented by Internal Audit and Risk Management Group to Top Management and Board of Directors.

The Bank uses credit decision support systems which are created for the purpose of credit risk management, lending decisions, controlling the credit process and credit provisioning. The consistency of the credit decision support systems with the structure of the Bank’s activities, size and complexity is examined continuously by internal systems. Credit decision support systems contain the Risk Committee assessment and approval of Board of Directors.

Asset and Liability Management Risk

Asset-liability management risk defined as the risk of Bank’s incurring loss due to managing all financial risks that are inflicted from the Bank’s assets, liabilities and off-balance sheet transactions, ineffectively. Trading book portfolio’s market risk, structural interest rate risk and liquidity risk of the banking portfolio; are considered within the scope of the asset liability management.

Complying the established risk limits and being at the limits that stipulated by the legislation are the primary priority of Asset-liability management risk. Risk limits are determined by the Board of Directors by taking into consideration of the Group’s liquidity, target income level and general expectations about changes in risk factors.

Board of Directors and the Audit Committee are responsible for following the Bank’s capital is used optimally; for this purpose, checking the status against risk limits and providing the necessary actions are taken.

Asset and Liability Management Committee is responsible for managing the Asset and Liability risk within the framework of operating principles that are involved in the risk appetite and risk limits are set by the Board of Directors in accordance with the policy statement.

Asset and liability management processes and compliance with the provisions of the policy are controlled and audited by the internal audit system. The execution of the audit, reporting the audit results, action plans for the elimination of errors and gaps identified as a result of inspections regarding the fulfillment of the principles, are determined by the Board of Directors.

Operational Risk

Operational risk is defined as “the possibility of loss resulting from inadequate or failed internal processes, people and systems, or from external events, including legal risk”. Studies consisted of and are formed of occur by execution of identification, definition, measurement, analysis, monitoring of operational risk, providing and reporting the necessary control related to monitoring the progress of our country and the world, the development of techniques and methods, necessary legal reporting, notification and conduct of follow-up transactions. Studies on the subject are conducted by the Department of Risk Management.

Operational risks that arise due to the activities are defined in “Bank Risk Catalogue” and classified in respect of species. Bank Risk Catalogue is kind of the fundamental document that used for identification and classification of all at the risk that may be encountered. It is updated in line with the changes in the nature of the processes and activities.

Qualitative and quantitative methods are used in a combination for measurement and evaluation of the operational risks. In this process, information use that obtained from “Impact-Probability Analysis”, “Missing Event Data Analysis”, “Risk Indicators”, “Scenario Analysis”, “Top-Down Risk Assessment”, “Internal Model” methods. Methods prescribed by legal regulations are applied as minimum in determining the capital requirement level for the operating risk.

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Operational Risk Committee, the management of operational risks that the bank may be exposed for the determination of policies and strategies, the development of an operational risk management framework and operational risks include activities with the aim of strengthening the governance model. The Committee works in cooperation with the Risk Committee and reports the results of its activities to the Board of Directors through the Audit Committee.

All risks are assessed in the context of operational risk, loss events and the risk indicators same as operational risks that occurred in the Bank, are monitored on a regular basis by the Department of Risk Management and reported periodically to the Risk Committee, Operational Risk Committee, and the Board of Directors.

Model Risk Management and Validation Operations

Model risk is the risk of financial losses and/or loss of reputation that the Bank may be exposed to due to errors and/or malfunctions that occur during the creation, implementation or use of models used in its activities. In order to address the model risk in a holistic manner, the model definition, model life cycle and triple line of defense structure and the duties and responsibilities of all functions of the Bank in this structure are defined in the model risk management policy.

Model risk management and validation activities in the second line of defense of the triple line of defense structure; creating the model inventory, determining and approving the model class, validating the models, preparing periodic reports on the Bank’s model risk and presenting those reports to the Risk Committee, Audit Committee and Board of Directors.

Risk measurement models are validated at least once a year according to international standards. Within the scope of validation, activities are carried out to test the performance and validity of models with statistical methods, to examine the quality of the data used in the model development phase and the conceptual soundness of the selected methods, and to evaluate the health of the processes created for the use of the models. The results of the validation activities are reported to the Risk Committee, Audit Committee and the Board of Directors.

a.2. Overview of risk weighted amounts:

	Risk Weighted Amounts		Minimum Capital Requirements
	Current Period	Prior Period	Current Period
Credit risk (excluding counterparty credit risk) (CCR)	1,332,328,145	853,562,058	106,586,252
Of which standardized approach (SA)	1,332,328,145	853,562,058	106,586,252
Of which internal rating-based (IRB) approach			
Counterparty credit risk	15,422,959	14,270,649	1,233,837
Of which standardised approach for counterparty credit risk (CCR)	15,422,959	14,270,649	1,233,837
Of which internal model method (IMM)			
Equity positions in banking book under basic risk weighting or internal rating-based approach			
Equity investments in funds – look-through approach	3,811,338	2,646,881	304,907
Equity investments in funds – mandate-based approach			
Equity investments in funds – 1250% weighted risk approach			
Settlement risk	488,675	21,438	39,094
Securitization positions in banking accounts			
Of which IRB ratings-based approach (RBA)			
Of which IRB Supervisory formula approach (SFA)			
SA/simplified supervisory formula approach (SSFA)			
Market risk	27,383,288	18,420,488	2,190,663
Of which standardised approach (SA)	27,383,288	18,420,488	2,190,663
Of which internal model approaches (IMM)			
Operational Risk	96,539,046	50,403,474	7,723,124
Of which Basic Indicator Approach	96,539,046	50,403,474	7,723,124
Of which Standardised approach (SA)			
Of which Advanced measurement approach			
The amounts below the thresholds for deduction from capital (subject to a 250% risk weight)	1,132,565	963,063	90,605
Floor adjustment			
Total	1,477,106,016	940,288,051	118,168,482

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b. Linkages between Financial Statements and Risk Amounts

b.1. Differences and matching between asset and liabilities' carrying values in financial statements and risk amounts in capital adequacy calculation

Current Period	Carrying values in financial statements prepared as per TAS	Carrying values of items in accordance with Turkish Accounting Standards				
		Subject to credit risk	Subject to counterparty credit risk	Securitization Positions	Subject to market risk	Not subject to capital requirements or subject to deduction from capital
Assets						
Cash and CBRT	523,502,870	523,502,870				
Banks and Money Market Placements	43,259,336	43,259,336				
Financial Assets at Fair Value Through Profit/Loss	23,275,130	21,323,019			1,952,111	
Financial Assets at Fair Value Through Other Comprehensive Income	253,119,444	253,119,444			1,077,774	
Derivative Financial Assets at Fair Value Through Profit/Loss	18,969,802	18,969,802	18,969,802		6,352,210	
Derivative Financial Assets at Fair Value Through Other Comprehensive Income						
Financial Assets at Amortised Cost-Credit	1,172,290,924	1,172,287,694				3,230
Financial Assets at Amortised Cost-Other Financial Assets	196,022,961	196,022,961				
Financial Assets at Amortised Cost-Expected Loss Provisions (-)	37,967,503	37,967,503				
Assets Held for Sale and Discontinued Operations	1,540,594	1,540,594				
Investment in Associates, Subsidiaries and Joint-Ventures	144,453,136	144,453,136				
Tangible Assets	34,230,786	34,075,431				155,355
Intangible Assets	6,398,654	252,198				6,146,456
Investment Properties						
Current Tax Asset						
Deferred Tax Asset	12,090,016	12,090,016				
Other Assets	62,597,149	62,597,149				
Total Assets	2,453,783,299	2,445,526,147	18,969,802		9,382,095	6,305,041
Liabilities						
Deposits	1,662,178,694					1,662,178,694
Funds Borrowed	120,766,110		18,487,850			102,278,260
Money Market Funds	123,180,692		123,180,692			
Marketable Securities Issued	68,486,044					68,486,044
Derivative Financial Liabilities at Fair Value Through Profit/Loss	7,213,378				7,213,378	
Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income						
Leasing Transaction Liabilities	3,267,043					3,267,043
Provisions	39,920,879					39,920,879
Current Tax Liability	9,607,897					9,607,897
Deferred Tax Liability						
Subordinated Debts	39,870,982					
Other Liabilities	111,494,096					111,494,096
Shareholders' Equity	267,797,484					
Total Liabilities	2,453,783,299		141,668,542		7,213,378	1,997,232,913

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Current Period	Carrying values in financial statements prepared as per TAS	Carrying values of items in accordance with Turkish Accounting Standards				
		Subject to credit risk	Subject to counterparty credit risk	Securitization Positions	Subject to market risk	Not subject to capital requirements or subject to deduction from capital
Assets						
Cash and CBRT	198,929,653	198,929,653				
Banks and Money Market Placements	23,034,629	23,034,629				
Financial Assets at Fair Value Through Profit/Loss	14,310,944	11,543,354			2,767,590	
Financial Assets at Fair Value Through Other Comprehensive Income	170,596,394	170,596,394			4,677,273	
Derivative Financial Assets at Fair Value Through Profit/Loss	17,029,298	17,029,298	17,029,298		9,381,439	
Derivative Financial Assets at Fair Value Through Other Comprehensive Income						
Financial Assets at Amortised Cost-Credit	782,423,321	782,420,671				2,650
Financial Assets at Amortised Cost-Other Financial Assets	93,373,997	93,373,997				
Financial Assets at Amortised Cost-Expected Loss Provisions (-)	32,643,964	32,643,964				
Assets Held for Sale and Discontinued Operations	1,600,625	1,600,625				
Investment in Associates, Subsidiaries and Joint-Ventures	79,859,474	79,859,474				
Tangible Assets	17,196,948	17,099,239				97,709
Intangible Assets	3,514,433	3,514,433				3,201,916
Investment Properties						
Current Tax Asset						
Deferred Tax Asset						
Other Assets	39,096,916	39,096,916				
Total Assets	1,408,322,668	1,405,454,719	17,029,298		16,826,302	3,302,275
Liabilities						
Deposits	931,077,289					931,077,289
Funds Borrowed	71,455,326		7,239,013			64,216,313
Money Market Funds	40,099,316		40,099,316			
Marketable Securities Issued	28,314,103					28,314,103
Derivative Financial Liabilities at Fair Value Through Profit/Loss	8,840,818				8,840,818	
Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income						
Leasing Transaction Liabilities	2,152,207					2,152,207
Provisions	30,539,092					30,539,092
Current Tax Liability	6,562,930					6,562,930
Deferred Tax Liability	1,080,530					1,080,530
Subordinated Debts	33,558,745					
Other Liabilities	63,266,237					63,266,237
Shareholders' Equity	191,376,075					
Total Liabilities	1,408,322,668		47,338,329		8,840,818	1,127,208,701

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b.2. The main sources of the differences between the risk amounts and the amounts assessed in accordance with TAS in the financial statements

	Current Period	Total	Credit Risk	Securitization Positions	Counterparty credit risk	Market risk
1	Asset carrying value amount under scope of TAS	2,453,783,299	2,445,526,147		18,969,802	9,382,095
2	Liabilities carrying value amount under scope of TAS				(141,668,542)	7,213,378
3	Total net amount scope of financial statement	2,453,783,299	2,445,526,147		160,638,344	2,168,717
4	Off-balance sheet amounts	1,689,519,470	277,153,012		30,952,383	
5	Repo style transactions (*)				30,168,644	
6	Differences in valuations					
7	Differences due to different netting rules					
8	Differences due to consideration of provisions					
9	Differences due to prudential filters		(412,277,926)			
10	Differences due to risk mitigation (**)		(39,139,122)			
11	Risk Amounts		2,271,262,111		61,121,027	2,168,717

(*) According to the "Regulation on Measurement and Evaluation of Capital Adequacy of Banks", it is the counterparty credit risk amount calculated for repo style transactions.

(**) The source of the difference is collaterals of exposures to which credit risk mitigation is applied in the calculation of capital adequacy.

	Prior Period	Total	Credit Risk	Securitization Positions	Counterparty credit risk	Market risk
1	Asset carrying value amount under scope of TAS	1,408,322,668	1,405,457,369		17,029,298	16,826,302
2	Liabilities carrying value amount under scope of TAS				(47,338,329)	8,840,818
3	Total net amount scope of financial statement	1,408,322,668	1,405,457,369		64,367,627	7,985,484
4	Off-balance sheet amounts	885,372,448	158,493,495		23,771,654	
5	Repo style transactions (*)				11,360,476	
6	Differences in valuations					
7	Differences due to different netting rules					
8	Differences due to consideration of provisions					
9	Differences due to prudential filters		(166,370,491)			
10	Differences due to risk mitigation (**)		(32,532,563)			
11	Risk Amounts		1,365,047,811		35,132,130	7,985,484

(*) According to the "Regulation on Measurement and Evaluation of Capital Adequacy of Banks", it is the counterparty credit risk amount calculated for repo style transactions.

(**) The source of the difference is collaterals of exposures to which credit risk mitigation is applied in the calculation of capital adequacy.

The Bank intends to use fair value measurement methods in accordance with TFRS 13 using valuation methodologies based primarily on observable data. In this context, market prices, quoted prices, prices set by CBRT and published in official gazette and internal pricing models are also utilized in the fair value measurement of the financial assets in the form of securities. Valuation models that use market data such as interest rates, efficiency curves, currency, and volatility curves are used as the basis for derivative transactions while third party valuation services are also available.

The accuracy of the market prices, data and / or model inputs used in valuation under the independent price validation process is regularly checked and the suitability of the results provided by the third-party pricing service is tested at regular intervals.

c. Explanation on Credit Risk

c.1. General Information on Credit Risk

c.1.1 General qualitative information on credit risk

This information is included in footnotes under Section Four, Note II "Explanations on Credit Risk," and Section Four, Note XI-a.1.

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c.1.2. Credit quality of assets:

Current Period	Gross Carrying Value in Financial Statements Prepared in Accordance with Turkish Accounting Standards (TAS)		Allowances/ amortization and impairments	Net Values
	Defaulted	Non-defaulted		
Loans	24,919,748	1,147,371,176	18,831,930	1,153,458,994
Debt Securities		466,723,133		466,723,133
Off-balance sheet exposures	5,940,979	1,029,980,923	2,891,615	1,033,030,287
Total	30,860,727	2,644,075,232	21,723,545	2,653,212,414

Current Period	Gross Carrying Value in Financial Statements Prepared in Accordance with Turkish Accounting Standards (TAS)		Allowances/ amortization and impairments	Net Values
	Defaulted	Non-defaulted		
Loans (*)	23,134,130	759,289,191	17,207,112	765,216,209
Debt Securities		269,306,646		269,306,646
Off-balance sheet exposures	1,990,915	453,484,304	1,616,688	453,858,531
Total	25,125,045	1,482,080,141	18,823,800	1,488,381,386

c.1.3. Changes in stock of default loans and debt securities (*):

	Current Period	Prior Period
Defaulted loans and debt securities at end of the previous reporting period	23,134,130	20,830,559
Loans and debt securities that have defaulted since the last reporting period	15,762,878	14,970,763
Receivables back to non-defaulted status	(1,818,237)	(497,130)
Amounts written off	(2,884,257)	(4,977,165)
Other changes	(9,274,766)	(7,192,897)
Defaulted loans and debt securities at end of the reporting period	24,919,748	23,134,130

(*) Indemnified non-cash loans or non-cash loans not converted into cash, of the firms which are followed under "Non-performing Loans" accounts are not included in the table.

c.1.4. Additional Explanation About the Credit Quality of Assets

Bank's methods for determining provision amounts and classification of its loans are mentioned in the Section Three Note VIII.

The bank is restructuring its loans classified as first and second group as well as non-performing loans and receivables. Restructuring in performing loans are made by granting a new loan or extending the term date of credit given to customer by Bank. Restructuring of a contract is made on customer's demand or with the purpose of enhancing the solvency of customer. Restructuring in non-performing loans are generally made by establishing a new redemption plan within the context of a protocol aiming the collection of those receivables whose redemption plan are not valid because of delinquency previously.

The breakdown of receivables in terms of geographic regions, sectors and remaining maturities are represented in "Explanations on Credit Risk" in the Section Four Notes II.

On the basis of sector-based provisions for receivables are presented in the footnote numbered Section Four II-16. The amounts of the receivables that are set aside for the geographical regions are as follows. The amount of non-performing loans which are written off in 2023 is TL 2,884,257

	Current Period		Prior Period	
	Non-Performing Loans	Specific Provision	Non-Performing Loans	Specific Provision
Domestic	24,455,556	18,444,044	22,683,339	16,846,075
EU Countries	159,546	126,290	230,924	154,985
OECD Countries (*)	63,128	57,157	37,019	31,646
Off-shore Banking Regions				
USA, Canada	23,645	14,543	10,098	8,182
Other Countries	217,873	189,896	172,750	166,224
Total	24,919,748	18,831,930	23,134,130	17,207,112

(*) OECD countries other than the EU countries, USA and Canada

The aging analysis of past-due receivables is included in Section Four Note II-11

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c.2. Credit risk mitigation

c.2.1. Qualitative Requirements to be Disclosed to The Public Regarding Credit Risk Mitigation Techniques

In the calculation of the Bank's Credit Risk Mitigation in accordance with the "Communiqué on Credit Risk Mitigation Techniques" published in the Official Gazette numbered 29111 on 6 September 2014, the financial collaterals are taken into consideration. The Bank takes local currency and foreign currency deposit pledges into consideration as financial collaterals in calculating regulatory capital adequacy.

Information on key characteristics of the policies and processes related to the assessment and management of collateral are included in footnotes under Section IV No. II, "Credit Risk Explanations".

c.2.2.Credit risk mitigation techniques:

Current Period	Exposures unsecured	Exposures secured by collateral	Exposures secured by collateral, of which: secured amount	Exposures secured by financial guarantees	Exposures Secured by Financial Guarantees, of which: Secured Amount	Exposures secured by credit derivatives	Exposures secured by credit derivatives, of which: secured amount
Loans	1,116,564,690	22,244,731	20,128,529	14,649,573	12,207,672		
Debt securities	466,723,133						
Total	1,583,287,823	22,244,731	20,128,529	14,649,573	12,207,672		
Of which defaulted	24,919,747						
Prior Period	Exposures unsecured	Exposures secured by collateral	Exposures secured by collateral, of which: secured amount	Exposures secured by financial guarantees	Exposures Secured by Financial Guarantees, of which: Secured Amount	Exposures secured by credit derivatives	Exposures secured by credit derivatives, of which: secured amount
Loans (*)	735,059,052	13,488,908	11,567,926	16,668,245	15,057,209		
Debt securities	269,306,646						
Total	1,004,365,698	13,488,908	11,567,926	16,668,245	15,057,209		
Of which defaulted	23,134,130						

c.3. Credit risk if standard approach is used

c.3.1. Qualitative disclosures about the ratings notes used by banks to calculate credit risk by standard approach

The mentioned disclosure is presented in Section Four Note XI-a.1.

c.3.2. Standard approach - Exposure credit risk and credit risk mitigation effects

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Current Period	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
	On-balance sheet amount	Off-balance sheet amount	On-balance sheet Amount	Off-balance sheet amount	Risk- weighted amount	Risk- weighted amount density
Exposures to sovereigns and their central banks	807,904,814	5,317	820,115,888	5,158,931	15,607,817	1.89%
Exposures to regional and local governments	231,810	753	231,684	270	115,990	50.01%
Exposures to administrative bodies and non-commercial entities	352,112	524,821	309,884	27,823	337,707	100.00%
Exposures to multilateral development banks	942,716		942,716			0.00%
Exposures to international organizations						
Exposures to banks and securities firms	31,978,277	36,726,306	31,978,275	41,197,595	25,849,560	35.33%
Exposures to corporates	429,626,431	393,171,606	408,406,217	181,700,362	506,248,853	85.79%
Retail exposures	298,599,587	459,805,447	291,798,652	11,467,769	232,283,167	76.59%
Exposures secured by residential property	46,534,898	4,304,544	46,407,893	2,079,651	16,970,640	35.00%
Exposures secured by commercial property	37,209,303	7,882,675	37,209,303	4,806,640	24,994,436	59.49%
Past-due loans	6,082,919		6,082,919		3,443,577	56.61%
Exposures in higher-risk categories by the Board	174,802,032	3,875,895	174,802,032	990,882	300,445,229	170.91%
Exposures in the form of bonds secured by mortgages						
Short term exposures to banks, brokerage houses and corporates						
Equity investments in the form of collective investment undertakings	3,811,338		3,811,338		3,811,338	100.00%
Equity investments	98,262,277	18,573,132	98,262,277	778,852	77,812,969	78.57%
Other exposures	139,830,305		139,830,305		140,509,844	100.49%
Total	2,076,168,819	924,870,496	2,060,189,383	248,208,775	1,348,431,127	58.41%

(*) The loan conversion rate and the amount of off-balance sheet receivables after credit risk reduction include the amount of counterparty credit risk.

Current Period	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
	On-balance sheet amount	Off-balance sheet amount	On-balance sheet Amount	Off-balance sheet amount	Risk- weighted amount	Risk- weighted amount density
Exposures to sovereigns and their central banks	395,124,248	372	408,343,017	3,672,028	7,992,586	1.94%
Exposures to regional and local governments	192,016	1,579	191,900	267	96,096	50.01%
Exposures to administrative bodies and non-commercial entities	83,157	188,278	81,195	81,443	162,638	100.00%
Exposures to multilateral development banks	738,079		738,079			0.00%
Exposures to international organizations						
Exposures to banks and securities firms	20,433,631	25,969,270	20,430,777	22,174,824	15,517,496	36.42%
Exposures to corporates	341,155,364	223,156,926	322,616,192	116,889,529	377,402,501	85.87%
Retail exposures	182,922,462	153,862,247	178,894,934	7,938,306	145,267,977	77.75%
Exposures secured by residential property	33,886,107	2,424,138	33,793,426	1,121,348	12,220,171	35.00%
Exposures secured by commercial property	29,488,075	5,076,150	29,488,075	3,256,637	19,863,194	60.66%
Past-due loans	5,925,237		5,925,237		4,344,792	73.33%
Exposures in higher-risk categories by the Board	92,190,362	1,575,017	91,861,606	145,491	154,170,082	167.56%
Exposures in the form of bonds secured by mortgages						
Short term exposures to banks, brokerage houses and corporates						
Equity investments in the form of collective investment undertakings	2,611,881	35,000	2,611,881	35,000	2,646,881	100.00%
Equity investments	60,591,899	4,331,668	60,591,899	1,174,766	48,815,130	79.03%
Other exposures	78,246,112		78,246,112		78,823,950	100.74%
Total	1,243,588,630	416,620,645	1,233,814,330	156,489,639	867,323,494	62.38%

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c3.3. Standardised Approach-Exposures by Risk Classes and Risk Weights:

	Risk Weights											
	Bank											
Current Period	0%	10%	20%	25%	35%	50%	75%	100%	150%	250%	Other	Total
Risk Groups												
Exposures to sovereigns and their central banks	809,667,000					5		15,607,814				825,274,819
Exposures to regional and local governments						231,929		25				231,954
Exposures to administrative bodies and non-commercial entities								337,707				337,707
Exposures to multilateral development banks	942,716											942,716
Exposures to international organizations												
Exposures to banks and securities firms			36,170,925			31,939,672		2,214,454	252,749		2,598,070	73,175,870
Exposures to corporates			56,459,430			67,007,463		461,234,496	74,755		5,330,435	590,106,579
Retail exposures							283,933,016	19,333,405				303,266,421
Exposures secured by residential property					48,487,544							48,487,544
Exposures secured by commercial property						34,043,015		7,972,928				42,015,943
Past-due loans						5,281,253		799,097	2,569			6,082,919
Exposures in higher-risk categories by the Board						140,068		3,768	102,492,969		73,156,109	175,792,914
Exposures in the form of bonds secured by mortgages												
Short term exposures to banks, brokerage houses and corporates												
Equity investments in the form of collective investment undertakings								3,811,338				3,811,338
Equity investments								139,377,279		453,026		139,830,305
Other exposures	19,269,332		2,448,535					77,323,262				99,041,129
Total	829,879,048		95,078,890		48,487,544	138,643,405	283,933,016	728,015,573	102,823,042	453,026	81,084,614	2,308,398,158

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	Risk Weights											
	Bank											
Current Period	0%	10%	20%	25%	35%	50%	75%	100%	150%	250%	Other	Total
Risk Groups												
Exposures to sovereigns and their central banks	404,022,454					10		7,992,581				412,015,045
Exposures to regional and local governments						192,142		25				192,167
Exposures to administrative bodies and non-commercial entities								162,638				162,638
Exposures to multilateral development banks	738,079											738,079
Exposures to international organizations												
Exposures to banks and securities firms			21,064,541			20,524,535		872,908	112,527		31,090	42,605,601
Exposures to corporates			46,382,576			40,959,223		347,210,029	227,883		4,726,010	439,505,721
Retail exposures							166,261,050	20,572,190				186,833,240
Exposures secured by residential property					34,914,774							34,914,774
Exposures secured by commercial property						25,763,036		6,981,676				32,744,712
Past-due loans						3,161,068		2,763,991	178			5,925,237
Exposures in higher-risk categories by the Board						85,824		78,753	59,637,393		32,205,127	92,007,097
Exposures in the form of bonds secured by mortgages												
Short term exposures to banks, brokerage houses and corporates												
Equity investments in the form of collective investment undertakings								2,646,881				2,646,881
Equity investments								77,860,887		385,225		78,246,112
Other exposures	12,865,658		107,346					48,793,661				61,766,665
Total	417,626,191		67,554,463		34,914,774	90,685,838	166,261,050	515,936,220	59,977,981	385,225	36,962,227	1,390,303,969

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d. Explanations on Counterparty credit risk

d.1. Qualitative Explanations on Counterparty credit risk

The counterparty credit risk that the Bank is exposed to be managed within the framework of general limit allocation and credit risk mitigation that are outlined in the Credit Risk Policy of the Bank. In setting general credit limits, the counterparty credit risks of customers as well as their cash and noncash risks are taken into account with a holistic view. Moreover, the total position of the transactions which create counterparty credit risk is also monitored under a separate risk limit.

The counterparty credit risk, which stems from derivatives and repo like transactions including transactions with qualified central counterparties that result in liabilities for both sides, is measured according to the Appendix-2 and Appendix-4 of the "Regulation on Measurement and Evaluation of Capital Adequacy of Banks" Counterparty credit risk valuation method based on the calculation of fair values of the derivative transactions is implemented. In the process of calculating the counterparty credit risk, the Standard Approach is used to determine the risk amounts of derivative transactions. In calculating the risk amount related to derivative transactions; 1.4 times the sum of potential credit risk amounts and positive replacement costs is charged.

Most of the credit risk related to the derivative transactions with other banks is subject to daily collateral clearing agreements mutually signed with related parties and the counterparty credit risk is hence reduced. There are no guarantees received or sold by credit derivatives by the Bank in the context of trading or banking accounts.

d.2. Counterparty credit risk (CCR) approach analysis:

Current Period	Replacement Cost	Potential Future Exposure	EEPE (Effective Expected Positive Exposure)	Alpha used for computing regulatory EAD	Exposure after Credit Risk Mitigation	Risk Weighted Amounts
Standardised Approach –CCR (for derivatives)	7,181,593	5,562,324		1,4	12,743,917	4,801,284
Internal Model Method (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)						
Simple Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)						
Comprehensive Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)					16,463,625	6,199,225
Value-at-Risk (VaR) (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)						
Total						11,000,509

Prior Period	Replacement Cost	Potential Future Exposure	EEPE (Effective Expected Positive Exposure)	Alpha used for computing regulatory EAD	Exposure after Credit Risk Mitigation	Risk Weighted Amounts
Standardised Approach –CCR (for derivatives)	5,288,396	6,708,884		1,4	11,997,280	7,255,414
Internal Model Method (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)						
Simple Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)						
Comprehensive Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)					8,501,779	2,800,936
Value-at-Risk (VaR) (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)						
Total						10,056,350

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d.3. Capital obligation for credit valuation adjustment (CVA):

	Current Period		Prior Period	
	Risk Amounts (Post CRM)	Risk Weighted Amounts	Risk Amount (Post CRM)	Risk Weighted Amounts
Total portfolios subject to the Advanced CVA capital obligation				
(i) VaR component (including the 3x multiplier)				
(ii) Stressed VaR component (including the 3x multiplier)				
All portfolios subject to the Standardised CVA capital obligation	12,743,917	4,262,971	11,997,280	4,117,938
Total subject to the CVA capital change	12,743,917	4,262,971	11,997,280	4,117,938

d.4. CCR exposures by risk class and risk weights:

Current Period	Risk Weights								Total Credit Exposure (*)
	0%	10%	20%	50%	75%	100%	150%	Other	
Risk Groups									
Exposures to sovereigns and their central banks	5,141,141								5,141,141
Exposures to regional and local governments									
Exposures to administrative bodies and non-commercial entities						24			24
Exposures to multilateral development banks									
Exposures to international organizations									
Exposures to banks and securities firms			9,743,014	9,101,730		674,759			19,519,503
Exposures to corporates			688,575	328,549		3,507,820			4,524,944
Retail exposures					21,930				21,930
Other Exposures								7,928,505	7,928,505
Total	5,141,141		10,431,589	9,430,279	21,930	4,182,603		7,928,505	37,136,047

(*) Other receivables: d.7. includes amounts reported in the table of risks to the central counterparty.

Prior Period	Risk Weights								Total Credit Exposure (*)
	0%	10%	20%	50%	75%	100%	150%	Other	
Risk Groups									
Exposures to sovereigns and their central banks	3,625,929								3,625,929
Exposures to regional and local governments									
Exposures to administrative bodies and non-commercial entities						17			17
Exposures to multilateral development banks									
Exposures to international organizations									
Exposures to banks and securities firms			4,663,983	5,474,983		1			10,138,967
Exposures to corporates			289,620	217,221		6,196,119			6,702,960
Retail exposures					31,186				31,186
Other Exposures								4,757,100	4,757,100
Total	3,625,929		4,953,603	5,692,204	31,186	6,196,137		4,757,100	25,256,159

(*) Other receivables: d.7. includes amounts reported in the table of risks to the central counterparty.

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d.5. Collateral for CCR:

Current Period	Collateral used in derivative transactions				Collateral used in other transactions	
	Received Collateral		Given Collateral		Received Collateral	Given Collateral
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash- Domestic Currency					72,060,279	
Cash- Other Currencies					41,078,817	
Total					113,139,096	

Current Period	Collateral used in derivative transactions				Collateral used in other transactions	
	Received Collateral		Given Collateral		Received Collateral	Given Collateral
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash- Domestic Currency					27,662,201	
Cash- Other Currencies					11,981,322	
Total					39,643,523	

d.6. Credit derivatives exposures:

None.

d.7. Exposures to central counterparties (CCP):

	Current Period		Prior Period	
	Post CRM risk exposure	RWA	Post CRM risk exposure	RWA
Exposure to Qualified Central Counterparties (QCCPs) (total)		159,479		96,361
Exposures for trades at WCCPs (excluding initial margin and default fund contributions); of which	7,928,505	158,570	4,757,100	95,142
(I) OTC Derivatives	5,348,202	106,964	4,746,787	94,936
(II) Exchange-traded Derivatives				
(III) Repo-reverse repo transactions, credit securities transactions and securities or commodities lending or	2,580,303	51,606	10,313	206
(IV) Netting sets where cross-product has been approved				
Segregated initial margin			100,538	
Non-segregated initial margin				
Paid guarantee fund amount	43,013	909	39,347	1,219
Unpaid guarantee fund commitment				
Exposures to non-QCCPs (total)				
Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which				
(I) OTC Derivatives				
(II) Exchange-traded Derivatives				
(III) Securities financing transactions				
(IV) Netting sets where cross-product has been approved				
Segregated initial margin				
Non-segregated initial margin				
Pre-funded default fund contributions				
Unfunded default fund contributions				

e. Explanations on securitizations:

None.

f. Market Risk Explanations

f.1. Qualitative information to be disclosed to the public regarding market risk

Market risk is defined as the risk that may reduce the market value of the trading portfolio due to the changes in the risk factors named interest rate, exchange rates, equities and the price of commodities and options.

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The procedures for the management of market risk are discussed in the Bank’s “Asset and Liability Management Risk Policy” and those procedures are in line with the risk/ return expectations of the Bank and with the limits that are defined in the risk appetite framework. Limits related to market risk; are established by the Board and are revised periodically in order to reflect market conditions and best practices in the industry. Compliance to those limits is closely monitored by the Risk Management Department, Asset and Liability Management Committee and by the executive departments. Additionally, compliance with the provisions relating to the procedures and policies of market risk management is audited by the internal audit system.

Trading activities of the securities that are included in the calculation of market risk is carried out by taking the Asset-Liability Committee decisions, risk policies and established limits into consideration and risks arising due to these activities are hedged using derivatives transactions where necessary.

Measurement of market risk, reporting of results, and monitoring compliance with the risk limits are among the key responsibilities of the Risk Management Department. Analyses related to market risk are reported to the Risk Committee and to the Board via the Audit Committee by the Risk Management Department.

The trading book of the Bank included in market risk calculations consists of on balance-sheet financial assets that are held for trading intent, derivatives that provide hedge to those instruments and foreign currency positions. The market risk carried by the Bank is measured and monitored using two methods known respectively as the Standard Method and the Value at Risk Model (VAR) and Expected Shortfall in accordance with the local regulations which are established in compliance with the international legislations. In this context, the exchange rate risk emerges as the most important component of the market risk.

The market risk calculations using the Standard Method are performed at the end of each month and the measurement results are included in the statutory reports as well as being reported to the Bank’s top management.

The Value at Risk Model and Expected Shortfall are another alternative for the Standard Method used for measuring and monitoring market risk. This model is used to measure the market risk on a daily basis in terms of interest rate risk, currency risk and equity share risk and is a part of the Bank’s daily internal reporting. Further retrospective testing (back-testing) is carried out on a daily basis to determine the reliability of the daily risk calculation by the VAR model, which is used to estimate the maximum possible loss for the following day.

Scenario analyses which support the VAR model used to measure the losses that may occur in the ordinary market conditions are practiced, and the possible impacts of scenarios that are developed based on the future predictions and the past crises, on the value of the Bank’s portfolio are determined and the results are reported to the Bank’s top management.

f.2. Standardised Approach:

	RWA	
	Current Period	Prior Period
Outright Products	23,489,463	17,794,076
Interest rate risk (general and specific)	6,159,650	4,996,400
Equity risk (general and specific)	183,800	997,925
Foreign exchange risk	15,010,725	9,123,063
Commodity risk	2,135,288	2,676,688
Options	3,893,825	626,412
Simplified approach		
Delta-plus method	3,893,825	626,412
Scenario approach		
Securitisations		
Total	27,383,288	18,420,488

g. Explanations on Operational Risk

The operational risk capital requirement is calculated according to Regulation on Measurement and Evaluation of Capital Adequacy of Banks’ article number 24, is measured using the Basic Indicator Approach once a year in parallel with domestic regulations. As of December 31, 2023, the operational risk amount is TL 96,539,046 (December 31, 2022: TL 50,403,474) and information about the calculation is given below.

Current Period	2 PP Amount	1 PP Amount	CP Amount	Total/No. of Years of Positive Gross	Rate (%)	Total
Gross Income	27,720,464	33,725,058	93,016,951	3	15	7,723,123
Value at operational risk (Total*12.5)						96,539,046

Current Period	2 PP Amount	1 PP Amount	CP Amount	Total/No. of Years of Positive Gross	Rate (%)	Total
Gross Income	19,200,037	27,720,464	33,725,058	3	15	4,032,278
Value at operational risk (Total*12.5)						50,403,474

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h. The interest rate risk of the banking book items:

Interest rate risk arising from the banking accounts is defined as negative effect risk on capital of the changes in market interest rates due to differences in interest settlement and re-pricing on, differences in interest-earning assets taking part in the banking book; interest-bearing liabilities; interest-bearing derivative transactions inclusive of the policies established by the Bank Board of Directors, is managed within the framework of the strategies set by the Asset-Liability Management Committee. Compliance with internal risk limits for banking portfolio is closely and continuously monitored by the Risk Management Department and Asset-Liability Committee and the measurement results are reported to the Board of Directors on a monthly basis.

Duration and sensitivity analysis are conducted on a monthly basis by the Bank in the scope of monitoring of interest rate risk arising from the banking books about Interest Rate Risk in the Banking Accounts from the Regulation on Measurement and Assessment of Standard Shock Method which is published in the Official Gazette No. 28034 dated 23 August 2011. In the duration analysis, the maturity gap between assets and liabilities of the balance sheet are determined by the calculation of the weighted average maturities based on the asset that sensitive to interest rate and liabilities and off-balance sheet transactions re-pricing period. In the interest rate risk sensitivity analysis, the influence of the various interest rate change scenarios to the economic value of the Bank's capital is examined.

In the calculations made within the framework of the said regulation, behavioral maturity modeling is performed for demand deposits with low sensitivity to interest changes and whose original maturity is longer than the contractual maturity. In these studies, which are defined as core deposit analysis, based on historical data, calculations are made for what amount of demand deposits will remain within the bank for what maturity, and these analyzes are used as an input in quantifying the interest rate risk arising from banking accounts in a way that does not contradict legal provisions.

Currency	Applied Shock (+/- x basis point)	Revenue/ Loss	Revenue/Shareholders' Equity – Loss/ Shareholders' Equity
TL	(+) 500	(21,568,915)	(6.80%)
TL	(-) 400	20,909,473	6.59%
EUR	(+) 200	3,750,644	1.18%
EUR	(-) 200	(3,811,179)	(1.20%)
USD	(+) 200	(6,416,272)	(2.02%)
USD	(-) 200	8,649,826	2.73%
Total (for Negative Shocks)		25,748,121	8.12%
Total (for Positive Shocks)		(24,234,543)	(7.64%)

i. Remuneration policy

The Remuneration Committee, which is established to carry out the duties and activities related to the monitoring and supervision of the Bank's remuneration applications on behalf of the Board of Directors, consists of two members. The Remuneration Committee meets at least twice a year, not exceeding six months, and reports to the Board of Directors on the results of the activities carried out and important matters considered to have an impact on the Bank's position. As of the end of 2023, the Remuneration Committee met 11 times and made a total of 14 decisions.

Regarding compliance with the Corporate Governance Principles, the Remuneration Committee monitors and supervises the practices related to wage management on behalf of the Board of Directors; the fees are in line with the Bank's ethical values, internal balances and strategic objectives; the evaluation of the remuneration policy and its practices in the context of risk management; it is responsible for the presentation of the proposals determined in line with the requirements of the salary policy and the other responsibilities determined by the provisions of the applicable legislation and the fulfillment of the duties given by the Board of Directors in this framework.

As of the end of 2023, the number of qualified employees working at the Bank is 28.

The monetary and social rights of employees are determined in accordance with the Chartering Policy in the framework of the legislation related to the Collective Labor Agreement. The Bank carries out its practices with regard to remuneration policies within the framework of relevant banking and capital market legislation. This policy includes all managers and employees. Premium payments are made once a year to managers and managers who work in branches and headquarters units. It is considered that managerial premium payments are in line with the Bank's long-term strategy and the risks assumed, as well as the performance of its employees. There are no variable fees for qualified employees in the Bank.

The compliance of the wage levels in the bank with the sector wage levels is monitored by participating in independent and anonymous wage surveys, which are held twice a year.

Within the scope of the remuneration policy, the Bank's pricing practices are planned and executed on the basis of effective risk management, prevention of excessive risk taking, compliance with relevant legislation and scope and structure of the bank's activities, strategies, long-term objectives and risk management structures.

The fees to be paid to the managers and employees of the Bank at every stage; It is essential that the Bank is in line with its ethical values, internal balances and strategic objectives, and that it is not only associated with its short-term performance.

Payments made to employees are determined in a manner that will positively impact the Bank's corporate values and on the basis of objective conditions.

Payments to be made to the managers of the units within the internal systems and to their staff are determined by taking into account the performance of the relevant personnel in relation to their functions, as they are in the audit or oversight, or are independent of the performance of the activity unit they control.

Türkiye İş Bankası A.Ş.

Notes To The Unconsolidated Financial Statements For The Year Ended December 31, 2023

XII. Explanations on Segment Reporting

The Bank's operations are classified as corporate, commercial, retail and private banking, and treasury/investment banking.

Services to the large corporations, SMEs and other trading companies are provided through various financial instruments within the scope of the corporate and commercial operations. Services such as project financing, operating and investment loans, deposit and cash management, credit cards, cheques and bills, foreign trade transactions and financing, letter of guarantees, letter of credits, forfeiting, foreign currency trading, bill collections, payrolls, investment accounts, tax collections and other banking services are provided for the aforementioned customer segments.

Retail banking services are comprised of individuals needs such as deposits, consumer loans, overdraft accounts, credit cards, bill collections, remittances, foreign currency trading, safe-deposit boxes, insurance, tax collections, and investment accounts and by other banking services. All kinds of financing and cash management services provided to individuals in the high-income level are recognized as Private Banking activities.

Treasury transactions are comprised of medium- and long-term funding tools such as securities trading, money market transactions, spot and forward TL and foreign currency trading, and derivative transactions such as forwards, swaps, futures and options, as well as syndications and securitizations. The details about the aforementioned investments are stated in Note I.h-I.i of Section Five.

Statement of information related to business segmentation is given below. Below mentioned information has been prepared with the data obtained from the Bank's management reporting system.

Current Period	Corporate/ Commercial Banking	Individual/Private Banking	Treasury Transaction/ Investment Activities	Unallocated	Total
Interest Income	105,250,588	42,939,783	72,800,572	1,495,038	222,485,981
Interest Expense	56,128,681	56,730,942	22,407,986	20,145,213	155,412,822
Fees and Commissions Income	39,026,052	12,182,791		375,748	51,584,591
Fees and Commissions Expense				9,146,643	9,146,643
Dividend Income			65,258		65,258
Trading Income/Loss (Net)			12,223,362		12,223,362
Other Income	4,507,778	832,240	194,557	8,052,041	13,586,616
Expected Credit Loss and Other Provision Expenses	7,097,774	2,605,597	824	10,366,712	20,070,907
Other Operating Expense	10,670,920	30,723,421		30,834,621	72,228,962
Income/Loss from Investments in Subsidiaries Accounted by Equity Method			33,996,027		33,996,027
Income Before Tax					77,082,501
Tax Provision					4,817,703
Net Period Profit					72,264,798
Total Assets	838,898,355	281,755,330	679,099,809	654,029,805	2,453,783,299
Total Liabilities	668,212,999	839,401,826	359,517,206	586,651,268	2,453,783,299

Prior Period	Corporate/ Commercial Banking	Individual/Private Banking	Treasury Transaction/ Investment Activities	Unallocated	Total
Interest Income	61,873,126	20,174,307	40,835,759	571,561	123,454,753
Interest Expense	15,005,791	16,206,784	12,441,592	4,597,133	48,251,300
Commission Income	15,296,004	5,145,861		329,019	20,770,884
Commission Expense				4,623,986	4,623,986
Dividend Income			38,604		38,604
Trading Income/Loss (Net)			4,522,593		4,522,593
Other Income	3,189,166	503,115	108,479	2,279,788	6,080,548
Provision Expense	7,017,495	1,568,084	74,602	7,144,263	15,804,444
Other Expense	5,198,926	13,410,401		15,419,951	34,029,278
Income/Loss from Investments in Subsidiaries Accounted by Equity Method			21,790,674		21,790,674
Income Before Tax					73,949,048
Tax Provision					12,411,168
Net Period Profit					61,537,880
Total Assets	588,020,459	157,068,287	398,204,736	265,029,186	1,408,322,668
Total Liabilities	403,518,032	484,887,253	182,268,308	337,649,075	1,408,322,668

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SECTION FIVE: DISCLOSURES AND FOOTNOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS

I. DISCLOSURES AND FOOTNOTES ON ASSETS

a. Cash and Central Bank of Turkey:

a.1. Cash and balances with the Central Bank of Turkey:

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL/Foreign Currency	5,531,670	25,193,169	4,108,843	11,613,711
Central Bank of Turkey	160,285,128	331,566,794	17,590,529	165,193,959
Other		926,109		422,611
Total	165,816,798	357,686,072	21,699,372	177,230,281

a.2. Information on balances with the Central Bank of Turkey:

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposit	135,656,598	157,694,739	17,590,529	45,894,722
Unrestricted Time Deposit				
Restricted Time Deposit				7,453,446
Other (*)	24,628,530	173,872,055		111,845,791
Total	160,285,128	331,566,794	17,590,529	165,193,959

(*) The amount of reserve deposits held at the Central Bank of Turkey.

a.3. Information on reserve requirements:

As per the Communiqué no. 2013/15 “Reserve Deposits” of the Central Bank of the Republic of Turkey (“CBRT”), banks keep reserve deposits at the CBRT for their TL and FC liabilities mentioned in the communiqué. The reserve deposit rates vary according to their maturity compositions; the reserve deposit rates are realized between 0% - 30% for TL deposits and other liabilities, between 20% - 30% for FC deposits and precious metal deposit accounts and between 5% - 21% for other FC liabilities.As of 08.07.2023, the application of adding 5 points to the required reserve ratios determined for foreign currency deposits and precious metal deposit accounts for banks whose share of TL deposits in total deposits calculated for real and legal persons is below 57% has been abolished as of 18.08.2023

Liabilities subject to required reserves are calculated and set aside every two weeks on Friday for 14-day periods

According to the Communique on Required Reserves published in the Official Gazette dated 31.12.2022 and numbered 32060, the possibility of establishing Turkish lira required reserves in gold has been terminated as of 23.06.2023.

The annual 8% commission application, which is applied by differentiating according to the Turkish lira share, has been abolished as of 01.09.2023. As of 29.09.2023, differentiated according to the transition from accounts provided with exchange rate protection support by the Central Bank to Turkish lira accounts and the renewal of these accounts, an annual commission of 8% has been introduced.

According to the CBRT’s press release dated Dec. 27.10.2023, it was announced that the commission application has been changed according to the commission rate and TL share according to the renewal and transition rate, accordingly, the commission rate of banks with a conversion rate below 100% will be between 6 and 8%, while banks with a conversion rate of 100% and above will not be charged commissions to these banks if the conversion rate is 10% and above, the renewal rate is 75% and above, The commission will be calculated for the remaining portion for banks that fall below the target in any of the relevant rates, on the other hand, effective after 22.12.2023, the renewal rate target has been removed, the TL conversion rate target has been increased from 10% to 15%, In addition, if the TL share calculation for individuals remains below 0.5% to 2.2% by differentiating according to the TL share levels compared to the calculation period four weeks ago, 2%; if the TL share calculated for legal entities remains below the TL share calculated according to the date of 18.08.2023, a commission rate of 1% will be applied

02.11.2023 date, published in the Official Gazette 32357, as part of the amendment to the Communique on Mandatory Provisions numbered 2013/15 (2023/30), the mandatory provision rate for foreign currency deposits (except for deposits of foreign banks and precious metal storage accounts) to be established in Turkish lira for all maturities is 4 percent, the mandatory provision rate previously set at 15% for all maturities in accounts provided exchange rate/price protection support by the Central Bank, up to 6 months (it is determined as 30% for those (including 6 months), and 10% for accounts with a maturity of 1 year or more,

b. Information on Financial Assets at Fair Value through Profit and Loss:

b.1. Financial Assets at fair value through profit and loss, which are given as collateral or blocked:

As of December 31, 2023, there are no financial assets at fair value through profit and loss, which are given as collateral or blocked (December 31, 2022: 8,712,789).

b.2. Financial assets at fair value through profit and loss, which are subject to repurchase agreements:

Financial assets at fair value through profit and loss, which are subject to repurchase agreements as of December 31, 2023, are amounting to TL 161,016 (December 31, 2022: TL 161,016).

b.3. TL 2,676,996 of other financial assets consists of the mutual funds; Quasar İstanbul Konut Gayrimenkul and Quasar İstanbul Ticari Gayrimenkul which were founded by İş Portföy Yönetimi A.Ş.(31.12.2022: TL 2,039,931)

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Notes To The Unconsolidated Financial Statements For The Year Ended December 31, 2023

c. Positive differences on derivative financial assets held for trading:

Derivative Financial Assets at Fair Value Through Profit or Loss	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	312,088	661,448	234,532	689,844
Swap Transactions	145,386	14,455,153	76,983	14,415,860
Futures				
Options	7,615	466,813	185,445	180,079
Other		2,921,299		1,246,555
Total	465,089	18,504,713	496,960	16,532,338

d. Information on Banks:

d.1. Information on Banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic Banks	89	139,896	72	415,341
Foreign Banks	1,556,808	41,562,543	650,302	21,968,914
Foreign Head Office and Branches				
Total	1,556,897	41,702,439	650,374	22,384,255

d.2. Information on foreign banks:

	Restricted Amount		Unrestricted Amount	
	Current Period	Prior Period	Current Period	Prior Period
EU Countries	18,751,606	6,042,205	679,097	1,229,286
USA, Canada	4,113,853	2,147,862	96,841	
OECD Countries (*)	2,857,043	3,400,101	989,187	977,040
Off-shore Banking Regions				
Other	9,001,113	4,120,368	6,630,611	4,702,354
Total	34,723,615	15,710,536	8,395,736	6,908,680

(*) OECD countries other than the EU countries, USA and Canada.

Expected credit loss for cash and cash equivalents:

	Current Period			Prior Period		
	Stage 1	Stage 2	Stage 1	Stage 2	Stage 1	Stage 2
Beginning of period provisions	138,336			62,790		
Additional provisions within the period	60,371			44,684		
Transfers within the period	(2,732)			(3,349)		
Write-offs from Assets						
Transfer to Stage 1						
Transfer to Stage 2						
Transfer to Stage 3						
Currency Exchange Difference	93,558			34,211		
Current Period Ending Provisions	289,533			138,336		

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Notes To The Unconsolidated Financial Statements For The Year Ended December 31, 2023

e. Information on Financial Assets at Fair Value through Other Comprehensive Income:

e.1. Information on financial assets at Fair Value through Other Comprehensive Income, which are given as collateral or blocked:

Financial assets at fair value through other comprehensive income, which are given as collateral or blocked, amount to TL 70,579,593 as of December 31, 2023 (December 31, 2022: TL 57,585,824).

e.2. Information on financial assets at Fair Value Through Other Comprehensive Income, which are subject to repurchase agreements:

Financial assets at fair value through other comprehensive income, which are subject to repurchase agreements amount to TL 101,888,756 as of December 31, 2023 (December 31, 2022: TL 39,650,302).

e.3. Information on financial assets at Fair Value through Other Comprehensive Income:

	Current Period	Prior Period
Debt Securities	272,107,279	175,252,541
Quoted on a Stock Exchange	152,318,767	55,488,052
Not- Quoted (*)	119,788,512	119,764,489
Share Certificates	2,006,492	1,096,053
Quoted on a Stock Exchange		
Not-Quoted	2,006,492	1,096,053
Impairment Losses (-)	20,994,327	5,752,200
Other		
Total	253,119,444	170,596,394

(*) Refers to the debt securities, which are not quoted on the Stock Exchange, or which are not traded, although quoted, on the Stock Exchange at the end of the related period.

f. Information related to loans:

f.1. Information on all types of loans and advances given to shareholders and employees of the Bank:

	Current Period		Prior Period	
	Cash	Non-Cash	Cash	Non-Cash
Direct Lending to Shareholders				
Corporate Shareholders				
Individual Shareholders				
Indirect Lending to Shareholders				
Loans and Other Receivables to Employees	1,663,743	547	586,440	967
Total	1,663,743	547	586,440	967

f.2. Information about the Standard loans and loans under close monitoring and loans under close monitoring that have been restructured:

Cash Loans	Standard Loans	Loans Under Close Monitoring		
		Loans Not Subject to Restructuring	Loans with Revised Contract Terms	Refinance
Non-specialized loans	1,046,367,195	42,736,305	39,062,751	19,204,925
Corporation Loans	368,559,353	13,207,629	31,516,667	11,441,984
Export Loans	165,304,833	373,855	152,854	267,129
Import Loans				
Loans Extended to Financial Sector	49,575,378			
Consumer Loans	153,069,411	15,955,847		2,296,019
Credit Cards	202,388,317	10,406,157	4,401,707	
Other	107,469,903	2,792,817	2,991,523	5,199,793
Specialized Loans				
Other Receivables				
Total	1,046,367,195	42,736,305	39,062,751	19,204,925

	Current Period		Prior Period	
	Standard Loans	Loans Under Close Monitoring	Standard Loans	Loans Under Close Monitoring
12 Month Expected Credit Losses (Stage I)	4,365,200		3,676,271	
Significant Increase in Credit Risk (Stage II)		14,576,370		11,705,636

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Notes To The Unconsolidated Financial Statements For The Year Ended December 31, 2023

f.3. Information on Maturity analysis of cash loans

Cash Loans	Standard Loans	Loans under close monitoring	
		Loans Not Subject to Restructuring	Restructured Loans
Short-term Loans and Other Receivables	575,617,081	18,877,813	7,026,146
Medium and Long-term Loans and Other Receivables	470,750,114	23,858,492	51,241,530

f.4. Information on consumer loans, retail credit cards, personnel loans and personnel credit cards:

	Short-Term	Medium and Long Term	Interest and Income Accruals	Total
Consumer Loans – TL	29,855,067	120,592,793	2,733,291	153,181,151
Real Estate Loans	72,785	39,138,128	532,064	39,742,977
Vehicle Loans	197,655	5,694,858	85,623	5,978,136
General Purpose Consumer Loans	29,584,627	75,759,807	2,115,604	107,460,038
Other				
Consumer Loans – FC Indexed		1,093	19,135	20,228
Real Estate Loans		1,093	19,135	20,228
Vehicle Loans				
General Purpose Consumer Loans				
Other				
Consumer Loans – FC				
Real Estate Loans				
Vehicle Loans				
General Purpose Consumer Loans				
Other				
Retail Credit Cards – TL	152,774,425	7,398,313	1,744,448	161,917,186
With Installments	61,109,311	7,398,313	230,790	68,738,414
Without Installments	91,665,114		1,513,658	93,178,772
Retail Credit Cards – FC	466,826			466,826
With Installments				
Without Installments	466,826			466,826
Personnel Loans-TL	549,680	226,883	64,630	841,193
Real Estate Loans		8,353	118	8,471
Vehicle Loans	980	3,871	235	5,086
General Purpose Consumer Loans	548,700	214,659	64,277	827,636
Other				
Personnel Loans- FC Indexed				
Real Estate Loans				
Vehicle Loans				
General Purpose Consumer Loans				
Other				
Personnel Credit Cards – TL	656,623	12,519	2,449	671,591
With Installments	274,216	12,519		286,735
Without Installments	382,407		2,449	384,856
Personnel Credit Cards-FC	4,036			4,036
With Installments				
Without Installments	4,036			4,036
Overdraft Accounts – TL (real persons)	16,761,702		517,003	17,278,705
Overdraft Accounts – FC (real persons)				
Total	201,068,359	128,231,601	5,080,956	334,380,916

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Notes To The Unconsolidated Financial Statements For The Year Ended December 31, 2023

f.5. Information on commercial installments loans and corporate credit cards:

	Short-Term	Medium and Long Term	Interest and Income Accruals	Total
Commercial Loans with Installments-TL	37,804,509	81,336,875	2,466,949	121,608,333
Real Estate Loans	2,897	2,691,575	28,878	2,723,350
Vehicle Loans	1,364,970	11,720,448	149,969	13,235,387
General Purpose Commercial Loans	36,436,642	66,924,852	2,288,102	105,649,596
Other				
Commercial Loans with Installments-FC Indexed		45,475	332,001	377,476
Real Estate Loans		999	7,478	8,477
Vehicle Loans				
General Purpose Commercial Loans		44,476	324,523	368,999
Other				
Commercial Loans with Installments-FC	113,440	5,106,498	42,840	5,262,778
Real Estate Loans				
Vehicle Loans				
General Purpose Commercial Loans	113,440	5,106,498	42,840	5,262,778
Other				
Corporate Credit Cards-TL	52,235,926	1,507,059	342,937	54,085,922
With Installments	18,587,027	1,507,055		20,094,082
Without Installments	33,648,899	4	342,937	33,991,840
Corporate Credit Cards-FC	50,620			50,620
With Installments				
Without Installments	50,620			50,620
Overdraft Accounts – TL (corporate)	6,924,663		355,967	7,280,630
Overdraft Accounts – FC (corporate)				
Total	97,129,158	87,995,907	3,540,694	188,665,759

f.6. Allocation of loan by borrowers:

	Current Period	Prior Period
Public	8,081,589	6,639,607
Private	1,139,289,587	752,649,584
Total	1,147,371,176	759,289,191

f.7. Domestic and foreign loans:

	Current Period	Prior Period
Domestic Loans	1,109,986,465	736,260,169
Foreign Loans	37,384,711	23,029,022
Total	1,147,371,176	759,289,191

f.8. Loans granted to subsidiaries and associates:

	Current Period	Prior Period
Direct Loans Granted to Subsidiaries and Associates	30,091,136	13,925,479
Indirect Loans Granted to Subsidiaries and Associates		
Total	30,091,136	13,925,479

f.9. Information on impairment provisions of Loans (Stage 3):

	Current Period	Prior Period
Loans with Limited Collectability	4,767,258	1,229,326
Loans with Doubtful Collectability	1,583,245	2,353,691
Uncollectible Loans	12,481,427	13,624,095
Total	18,831,930	17,207,112

f.10. Information on non-performing loans (Net):

f.10.1. Information on non-performing loans, which are restructured or rescheduled:

	Group III Loans with Limited Collectability	Group IV Loans with Doubtful Collectability	Group V Uncollectible Loans
Current Period			
(Gross amounts before the provisions)	248,439	165,193	6,620,291
Restructured Loans	248,439	165,193	6,620,291
Prior Period			
(Gross amounts before the provisions)	1,199,485	135,860	6,148,323
Restructured Loans	1,199,485	135,860	6,148,323

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f.10.2. Information on the movement of total non-performing loans

	Group III Loans with Limited Collectability	Group IV Loans with Doubtful Collectability	Group V Non-Performing Loans
Prior Period Ending Balance	2,522,196	4,684,865	15,927,069
Corporate and Commercial Loans	1,731,162	3,483,602	13,983,947
Retail Loans	555,108	889,499	1,229,709
Credit Cards	235,926	311,764	655,521
Other			57,892
Additions (+)	15,553,028	50,659	159,191
Corporate and Commercial Loans	8,894,484	31,678	130,855
Retail Loans	3,847,277	6,777	4,797
Credit Cards	2,810,526	11,836	4,757
Other	741	368	18,782
Transfers from Other NPL Categories (+)		7,766,430	7,104,738
Corporate and Commercial Loans		3,818,024	4,813,466
Retail Loans		2,543,922	1,633,643
Credit Cards		1,403,743	656,520
Other		741	1,109
Transfers to Other NPL Categories (-)	7,766,430	7,104,738	
Corporate and Commercial Loans	3,818,024	4,813,466	
Retail Loans	2,543,922	1,633,643	
Credit Cards	1,403,743	656,520	
Other	741	1,109	
Collections (-) (*)	2,086,412	2,811,933	6,242,978
Corporate and Commercial Loans	349,825	1,975,795	5,273,136
Retail Loans	984,363	566,529	728,514
Credit Cards	752,224	269,609	236,944
Other			4,384
Write-Offs (-)	6,437	7,061	1,954,736
Corporate and Commercial Loans	322	280	1,930,837
Retail Loans	2,841	1,822	10,236
Credit Cards	3,274	4,959	13,650
Other			13
Debt Sale (-) (**)	1	186	915,836
Corporate and Commercial Loans		5	347,597
Retail Loans		164	322,885
Credit Cards	1	17	236,980
Other			8,374
Currency Change Effect	3,685	1,863	42,772
Corporate and Commercial Loans	3,635	1,464	38,079
Retail Loans	50	399	4,509
Credit Cards			
Other			184
Current Period Ending Balance	8,219,629	2,579,899	14,120,220
Corporate and Commercial Loans	6,461,110	545,222	11,414,777
Retail Loans	871,309	1,238,439	1,811,023
Credit Cards	887,210	796,238	829,224
Other			65,196
Provisions (-)	4,767,258	1,583,245	12,481,427
Corporate and Commercial Loans	3,880,316	337,398	10,315,210
Retail Loans	373,013	693,438	1,380,631
Credit Cards	513,929	552,409	723,957
Other			61,629
Net Balance on Balance Sheet	3,452,371	996,654	1,638,793

(*) As of 31.12.2023, as part of the amendment to the "Procedures and Principals regarding Classification of Loans and Allowances Allocated for Such Loans" published in the Official Gazette No. 30961, dated 27.10.2019, receivables amounting to TL 1,953,948 was written off.

(**) In August 2023, our receivables, which constitute 711,576 TL of the portfolio consisting of non-performing loans receivables, were transferred to Birlik Varlık Yönetim A.Ş., Denge Varlık Yönetim A.Ş., Dünya Varlık Yönetim A.Ş., Gelecek Varlık Yönetim A.Ş., Ortak Varlık Yönetim A.Ş., Sümer Varlık Yönetim A.Ş. by collecting the sales price of 279,200 TL in cash. 1,969 TL of our transferred receivables arise from our receivables that were previously written off from assets within the framework of the amendment made to the "Regulation on the Procedures and Principles Regarding the Classification of Loans and Provisions to be Set Aside for These" published in the Official Gazette dated 27.11.2019 and numbered 30961.

After the sale of non-performing loans and the write-off, the Banks's non-performing loan ratio decreased from 2,36% to 2.13% as of 31.12.2023.In December 2023, our receivables, which constitute 357,994 TL of the portfolio consisting of non-performing loans receivables, were transferred to Dünya Varlık Yönetim A.Ş., and Emir Varlık Yönetim A.Ş. by collecting the sales price of 111,400 TL in cash. TL 151,578 of our transferred receivables arises from our receivables that were previously written off from assets within the framework of the amendment to the "Regulation on the Procedures and Principles Regarding the Classification of Loans and the Provisions To Be Set Aside For Them" published in the Official Gazette dated 27.11.2019 and numbered 30961.

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Notes To The Unconsolidated Financial Statements For The Year Ended December 31, 2023

f.10.3. Information on foreign currency non-performing loans:

	Group III	Group IV	Group V
	Loans with Limited Collectability	Loans with Doubtful Collectability	Uncollectible Loans
Current Period			
Balance at the End of the Period	4,850,534	231,435	8,164,356
Provisions (-)	2,898,780	144,230	7,345,390
Net Balance on Balance Sheet (*)	1,951,754	87,205	818,966
Prior Period			
Balance at the End of the Period	1,292,736	3,127,450	9,872,746
Provisions (-)	598,592	1,465,512	8,569,151
Net Balance on Balance Sheet (*)	694,144	1,661,938	1,303,595

(*) In addition to the loans extended in foreign currency, loans which are monitored in Turkish Lira are included.

f.10.4. Information on gross and net non-performing loans as per customer categories:

	Group III	Group IV	Group V
	Loans with Limited Collectability	Loans with Doubtful Collectability	Uncollectible Loans
Current Period (Net)	3,452,371	996,654	1,638,793
Loans to Individuals and Corporate (Gross)	8,219,629	2,579,899	14,055,024
Provisions (-)	4,767,258	1,583,245	12,419,798
Loans to Individuals and Corporate (Net)	3,452,371	996,654	1,635,226
Banks (Gross)			
Provisions (-)			
Banks (Net)			
Other Loans (Gross)			65,196
Provisions (-)			61,629
Other Loans (Net)			3,567
Prior Period (Net)	1,292,870	2,331,174	2,302,974
Loans to Individuals and Corporate (Gross)	2,522,196	4,684,865	15,869,177
Provisions (-)	1,229,326	2,353,691	13,575,741
Loans to Individuals and Corporate (Net)	1,292,870	2,331,174	2,293,436
Banks (Gross)			
Provisions (-)			
Banks (Net)			
Other Loans (Gross)			57,892
Provisions (-)			48,354
Other Loans (Net)			9,538

f.10.5. Information on interest accruals, valuation differences and related provisions calculated for non-performing loans:

	Group III	Group IV	Group V
	Loans with Limited Collectability	Loans with Doubtful Collectability	Uncollectible Loans
Current Period (Net)	221,083	80,901	242,739
Interest accruals and valuation differences	516,650	200,706	1,718,759
Provisions (-)	295,567	119,805	1,476,020
Prior Period (Net)	80,448	330,000	251,521
Interest accruals and valuation differences	157,503	644,931	1,483,646
Provisions (-)	77,055	314,931	1,232,125

f.10.6. Outline of the liquidation policy for uncollectible loans and other receivables

In order to ensure the liquidation of non-performing loans, all possibilities evaluated to ensure maximum collection according to the legislation. Primarily, administrative initiatives are taken to deal with the borrower. Collection through legal proceedings is applied if there is no possibility of collection, liquidation or structuring for receivables through negotiations.

Our receivables that cannot be collected through administrative and legal initiatives can be written off from the assets within the framework of portfolio-based receivables sales or write-offs, by fulfilling the requirements of the Tax Procedure Law.

f.10.7. Information on write-off policy

Receivables classified as non-performing loans are collected primarily within the framework of administrative contacts with the debtors, and if no result is obtained, legal proceedings are applied. In case of deletion of NPLs from assets, one of the methods of destruction, receivable sale and write-off can be applied.

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In the Bank's write-off policy within the framework following the amendment made in Article 53 of the Banking Law with the Law on Income Tax and amending Certain Laws No. 19.07.2019/7186, along with the "Classification of Loans and the Procedures and Principles for the Reserves to be Allocated" published in the Official Gazette No. 27.11.2019 / 30961, the following statements are issued:

- The portion of the receivables, which are followed under the Fifth Group-Loans with a Loss Qualification and for which a lifetime expected credit loss provision has been made due to the default of the debtor, for which there is no reasonable expectation of its collection, can be write-off to the extent of the maximum provision amount,
- write-off is an accounting practice and does not result in the remission of the receivable,

Receivables that are proven to be uncollectible in legal follow-up process can be write-off within the instructions of Tax Procedure Law.

Expected Credit Loss

	Current Period			Prior Period		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Provisions beginning of the period	3,676,271	11,705,636	17,207,112	3,417,459	11,094,455	13,790,995
Additional provisions within the period	2,012,879	6,111,950	7,050,146	2,594,541	4,207,497	9,560,435
Transfers within the period	(1,873,284)	(2,137,840)	(3,668,111)	(2,622,121)	(2,149,836)	(2,558,495)
Write-offs from Assets			(2,486,763)			(4,976,818)
Transfer to Stage 1	838,135	(823,484)	(14,651)	477,898	(466,158)	(11,740)
Transfer to Stage 2	(264,418)	281,065	(16,647)	(173,497)	187,085	(13,588)
Transfer to Stage 3	(58,007)	(874,170)	932,177	(46,578)	(1,358,108)	1,404,686
Currency Exchange Difference	33,624	313,213	(171,333)	28,569	190,701	11,637
Provisions at the end of the period	4,365,200	14,576,370	18,831,930	3,676,271	11,705,636	17,207,112

g. Financial Assets Measured at Amortised Cost:

g.1. Financial Assets Measured at Amortised Cost given as collateral or blocked:

Financial assets measured at amortised cost given as collateral or blocked amount to TL 53,767,947 as of December 31, 2023 (December 31, 2022: TL 58,013,328).

g.2. Financial Assets Measured at Amortised Cost subject to repurchase agreements:

Financial assets measured at amortised cost, which are subject to repurchase agreements amount to TL 19,942,084 as of December 31, 2023 (December 31, 2022: TL 4,989,769).

g.3. Information on government securities measured at amortised cost:

	Current Period	Prior Period
Government Bonds	180,283,315	87,040,233
Treasury Bills		
Other Public Debt Securities		
Total	180,283,315	87,040,233

g.4. Information on financial assets measured at amortised cost:

	Current Period	Prior Period
Debt Securities	196,022,961	93,373,997
Quoted on a Stock Exchange	183,094,546	90,007,186
Not Quoted (*)	12,928,415	3,366,811
Impairment Losses (-)		
Total	196,022,961	93,373,997

(*) Indicates unlisted debt securities, and debt securities that have not been traded at the end of the related periods while they are listed

g.5. Movement of financial assets measured at amortised cost within the year:

	Current Period	Prior Period
Beginning Balance	93,373,997	46,412,734
Foreign Exchange Differences Arising on Monetary Assets	6,987,406	2,181,993
Purchases During the Year	120,829,692	55,070,273
Disposals through Sales and Redemption	(39,873,429)	(19,171,942)
Impairment Losses (-)		
Valuation effect	14,705,295	8,880,939
Balance at the End of the Period	196,022,961	93,373,997

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Expected credit loss for financial assets measured at amortised cost

	Current Period			Prior Period		
	Stage 1	Stage 2	Stage 1	Stage 1	Stage 2	Stage 2
Beginning Term Provision	54,945			20,343		
Additional Provisions During the Period	191,557			53,189		
Disposal During the Period	(52,590)			(18,655)		
Write-off						
Transfer to Stage 1						
Transfer to Stage 2						
Transfer to Stage 3						
Exchange Rate Differences	91			68		
Period-end Provisions	194,003			54,945		

h. Information on associates (Net):

h.1. General information on associates:

No.	Title	Address (City/ Country)	Bank's Share Percentage-If Different, Voting Percentage (%)	Bank's Risk Group Share Percentage (%)
1	Arap Türk Bankası A.Ş.	İstanbul/TURKEY	20.58	20.58
2	Kredi Kayıt Bürosu A.Ş.	İstanbul/TURKEY	9.09	9.09

h.2. Information on financial statements of associates in the above order (*):

No.	Total Assets	Shareholders' Equity	Total Tangible Assets	Interest Income (**)	Securities Income	Current Period Profit/Loss	Prior Period Profit/Loss	Fair Value
1	15,563,601	2,201,737	1,016,199	972,037	97	162,652	215,338	
2	1,201,571	242,443	456,170	29,452	900	128,363	29,975	

(*) Shows September 30, 2023, amounts for Kredi Kayıt Bürosu A.Ş. and December 31, 2023, amounts for Arap Türk Bankası A.Ş

(**) Includes interest income on securities.

h.3. Movement of investments in associates:

	Current Period	Prior Period
Beginning Balance	399,382	311,081
Movements During the Period		
Purchases		
Bonus Shares Acquired		
Dividends Received from Current Year Profit		
Sales		
Revaluation Increase / Decrease(*)	75,682	88,301
Impairment		
Other		
Balance at the end of the period	475,064	399,382
Capital commitments		
Contribution in equity at the end of the period (%)		

(*) The differences arising from accounting by equity method is included.

h.4. Sectoral information on financial associates and the related carrying amounts:

Associates	Current Period	Prior Period
Banks	453,026	385,225
Insurance Companies		
Factoring Companies		
Leasing Companies		
Finance Companies		
Other Financial Participations		
Total	453,026	385,225

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h.5. Associates quoted on a stock exchange: None.

h.6. Associates disposed of in the current period: None.

h.7. Associates acquired in the current period: None.

i. Information on subsidiaries (Net):

i.1. Information on the equity of major subsidiaries:

	Türkiye Sınai Kalkınma Bankası A.Ş.	Insurance / Reinsurance Companies	İş Finansal Kiralama A.Ş.	İşbank AG
COMMON EQUITY TIER I CAPITAL				
Common Equity Tier I Capital Before Deductions	21,747,485	16,489,214	6,097,045	12,560,904
Deductions from Common Equity Tier I Capital (-)	1,007,980	202,442	29,990	202,947
Total Common Equity Tier I Capital	20,739,505	16,286,772	6,067,055	12,357,957
ADDITIONAL TIER I CAPITAL				
Additional Tier I Capital before Deductions				
Deductions from Additional Tier I Capital (-)				
Total Tier I Capital	20,739,505	16,286,772	6,067,055	12,357,957
TIER II CAPITAL				
Tier II Capital Before Deductions	7,074,994			
Deduction from Tier II Capital (-)				
Total Tier II Capital	7,074,994			
Total Tier I Capital and Tier II Capital	27,814,499	16,286,772	6,067,055	12,357,957
Total Tier I Capital and Tier II Capital				
EQUITY	27,814,499	16,286,772	6,067,055	12,357,957

i.2. General information on subsidiaries (*):

No	Title	Address (City/ Country)	Bank's Share Percentage-if Different, Voting Rights (%)	Bank's Risk Group Share Percentage (%)
1	Anadolu Hayat Emeklilik A.Ş.	İstanbul/TURKEY	62.00	83.00
2	Joint Stock Company İşbank	Moscow/RUSSIA	100.00	100.00
3	Joint Stock Company Isbank Georgia	Tbilisi/GEORGIA	100.00	100.00
4	İş Finansal Kiralama A.Ş.	İstanbul/TURKEY	27.79	58.24
5	İş Gayrimenkul Yatırım Ortaklığı A.Ş.	İstanbul/TURKEY	52.06	64.84
6	İş Merkezleri Yönetim ve İşletim A.Ş.	İstanbul/TURKEY	86.33	100.00
7	İş Net Elektronik Bilgi Üretim Dağıtım Ticaret ve İletişim Hizmetleri A.Ş.	İstanbul/TURKEY	100.00	100.00
8	İş Yatırım Menkul Değerler A.Ş.	İstanbul/TURKEY	65.74	70.78
9	İşbank AG	Frankfurt-Main/GERMANY	100.00	100.00
10	Kültür Yayınları İş Türk A.Ş.	İstanbul/TURKEY	100.00	100.00
11	Milli Reasürans T.A.Ş.	İstanbul/TURKEY	87.60	87.60
12	Trakya Yatırım Holding A.Ş.	İstanbul/TURKEY	100.00	100.00
13	Türkiye Sınai Kalkınma Bankası A.Ş.	İstanbul/TURKEY	47.68	51.37
14	Türkiye Şişe ve Cam Fabrikaları A.Ş.	İstanbul/TURKEY	51.06	58.89
15	MOKA Ödeme ve Elektronik Para Kuruluşu A.Ş.	İstanbul/TURKEY	100.00	100.00

(*) The purchased free float shares of listed subsidiaries within the scope of the relevant Board of Directors Decisions in Borsa İstanbul (BIST) namely; Anadolu Hayat Emeklilik A.Ş.. İş Finansal Kiralama A.Ş. and Türkiye Şişe ve Cam Fabrikaları A.Ş. which are booked under "Financial Assets at Fair Value Through Profit or Loss" account are not included.

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i.3. Financial statement information related to subsidiaries in the above order (*):

No	Total Assets	Shareholders' Equity	Total Tangible Assets	Interest Income	Securities Income	Current Period Profit/Loss	Prior Period Profit/Loss	Fair Value (**)	Additional Shareholders' Equity Required
1	162,865,081	6,449,458	303,078	1,693,711	1,461,713	2,853,815	1,391,752	16,229,060	
2	11,890,612	2,196,726	139,393	561,284		422,943	478,434		
3	5,158,288	1,484,387	102,809	327,419		155,201	82,366		
4	51,557,546	6,769,900	65,031	7,293,713	37,574	1,767,060	826,766	7,779,741	
5	31,191,034	25,209,951	24,696,795	121,520	438,861	11,175,211	8,364,189	14,340,024	
6	690,275	349,747	60,290	32,456	75,126	172,925	87,639		
7	397,736	114,043	57,416	12,187		12,938	24,512		
8	41,220,341	16,512,401	378,891	4,643,010	8,082,005	9,811,742	4,529,607	45,652,500	
9	67,285,904	14,039,466	451,318	2,822,060		860,199	323,549		
10	215,677	159,137	13,167	1,372		46,530	33,587		
11	22,668,143	10,128,118	183,087	510,231	362,369	3,629,008	888,620		
12	16,192,501	13,878,897	1,439,415	395,143	116,044	968,928	281,338		
13	180,913,852	21,825,052	3,675,723	18,772,862	167,740	7,149,926	4,105,739	18,242,000	
14	267,386,202	146,411,631	141,450,918	3,385,090	1,213,177	25,225,977	20,133,429	141,832,935	
15	1,385,991	94,464	7,114	41,958	477	47,877	2,351		

(*) Within the framework of BRSA regulations, it contains 31.12.2023 values that have not been subject to inflation accounting
(**) İş Net Elektronik Bilgi Üretim Dağıtım Ticaret ve İletişim Hizmetleri A.Ş., Kültür Yayınları İş Türk A.Ş. as of December 31, 2022, others are Decemer 31, 2023.
(***) Fair value represents the company's market value

i.4. Movement of investments in subsidiaries:

	Current Period	Prior Period
Balance at the Beginning of the Period	79,460,092	39,150,264
Movements in the Period		
Purchases (*)	9,353,816	3,714,714
Bonus Shares Acquired		
Dividends Received from Current Year Profit		
Sales		
Revaluation Surplus/Deficit (**)	55,164,164	36,595,114
Impairment		
Balance at the End of the Period	143,978,072	79,460,092
Capital Commitments (***)		1,000,000
Contribution in equity at the end of the period (%)		

(*) The current period balance is due to the capital increase of Trakya Investment Holding A,S, by classifying the monitored shares of Anadolu Hayat Emeklilik A,Ş, İş Finansal Kiralama A,Ş, and Türkiye Bottle and Glass Factories A,Ş, under subsidiaries in the Financial Assets at Fair Value through Profit and Loss account.
(**) The differences arising from accounting by equity method is included.
(***) The committed capital of Trakya Yatırım Holding.

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i.5. Sectoral information on financial subsidiaries and the related carrying amounts:

Related Companies	Current Period	Prior Period
Banks	28,573,981	16,800,054
Insurance Companies	14,039,712	7,310,823
Factoring Companies		
Leasing Companies	1,472,096	937,316
Finance Companies		
Other Financial Subsidiaries	23,379,830	12,325,177
Total	67,465,619	37,373,370

i.6. Subsidiaries quoted on stock exchange:

	Current Period	Prior Period
Traded on domestic stock exchanges	102,444,128	61,173,685
Traded on foreign stock exchanges		
Total	102,444,128	61,173,685

i.7. Subsidiaries disposed of in the current period: None
i.8. Subsidiaries acquired in the current period: None.

As announced in the special event disclosures dated 25.08.2023 and 27.10.2023, it was decided to continue the partial division transactions in a facilitated procedure with the participation model, through the financial statements dated 31.12.2023.

j. Information on jointly controlled entities:

There are no jointly controlled entities of the Bank.

k. Information regarding finance lease receivables of the Bank (Net):

The Bank has no finance lease receivables.

l. Explanations on derivative financial assets held for risk management:

The Bank has no derivative financial assets held for risk management.

m. Information on tangible assets (net):

	Real Estates	Leased Tangible Assets	Buildings Under Construction	Vehicles	Other Tangible Assets	Total
Prior Period						
Cost	13,453,256	3,801,501	104,100	44,721	4,423,553	21,827,131
Accumulated Depreciation	(9,990)	(1,882,850)		(24,400)	(2,712,943)	(4,630,183)
Net Book Value	13,443,266	1,918,651	104,100	20,321	1,710,610	17,196,948
Current Period End:						
Net Book Value at the Beginning of the Period	13,443,266	1,918,651	104,100	20,321	1,710,610	17,196,948
Change During the Period (Net) (*)	14,685,467	1,743,437	217,052	10,299	2,126,850	18,783,105
Depreciation	(73,511)	(774,515)		(4,707)	(799,741)	(1,652,474)
Impairment	(133,192)					(133,192)
Net Currency Translation Differences (*)		29,568		893	5,938	36,399
Cost at the Period End	27,935,530	5,723,142	321,152	56,881	6,574,550	40,611,255
Accumulated Depreciation at the Period End	(13,500)	(2,806,001)		(30,075)	(3,530,893)	(6,380,469)
Closing Net Book Value	27,922,030	2,917,141	321,152	26,806	3,043,657	34,230,786

(*) The balance includes the movements in cost and accumulated depreciation items.

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Notes To The Unconsolidated Financial Statements For The Year Ended December 31, 2023

n. Information on Intangible Assets:

	Current Period	Prior Period
Net Book Value at the Beginning of the Period	3,514,433	1,750,109
Change During the Period (Net) (*)	4,129,310	2,515,348
Depreciation	(1,249,452)	(753,272)
Impairment		
Net Currency Translation Differences (*)	4,364	2,248
Cost at the Period End	10,838,426	6,700,672
Accumulated Depreciation at Period End	(4,439,772)	(3,186,240)
Closing Net Book Value	6,398,654	3,514,433

(*) The balance includes the movements in cost and accumulated depreciation items.

o. Explanations on investment property:

The Bank has no investment property.

p. Information on deferred tax asset:

The bank has deferred tax assets of TL (12,090,016) (1,080,530 TL deferred tax liability as of December 31, 2022) as of December 31, 2023. The deferred tax asset in question is calculated on the basis of temporary differences between assets and transfers that are tracked with book value in the Bank's records and their tax bases calculated in accordance with the tax legislation. If the items that constitute temporary differences are tracked among equity items, the deferred tax asset/liability calculated over these temporary differences is associated with the relevant equity items.

	Current Period	Prior Period
Deferred Tax (Asset)/Liability:		
Tangible Assets Base Differences	663,410	1,900,474
Provisions (*)	(12,777,208)	(7,694,748)
Valuation of Financial Assets	160,945	6,930,464
Other	(137,163)	(55,660)
Net Deferred Tax (Asset)/Liability:	(12,090,016)	1,080,530

(*) Employee rights liabilities consist of pension fund actual and technical deficit, credit card points provisions, expected loss provisions for I. and II. stage loans and other provisions.

	Current Period	Prior Period
Beginning Value	(1,080,530)	2,557,610
Deferred Tax Income / (Expense) (Net)	5,398,154	4,792,962
Deferred Tax Accounted Under Equity	7,772,365	(8,430,917)
Deferred Tax Accounted Under Previous Year P / L		
Exchange rate differences	27	(185)
Net Deferred Tax (Asset)/Liability:	12,090,016	(1,080,530)

q. Information on assets held for sale and discontinued operations:

	Current Period	Prior Period
Balance at the Beginning of the Period	1,600,625	827,633
Transfers (Net)	(60,141)	779,736
Depreciation (Net)		
Impairment Losses (-)	110	(6,744)
Balance at the End of the Period	1,540,594	1,600,625

(*) TL 1,249,492 of the change in the prior period relates to the transfer of 12.28% of the share capital of Genel Energy Plc. to the Bank for receivables.

The other assets classified as "Assets Held for Sale" consist of securities and real estates. Those real estates subject to sale are announced on the Bank's web site. Announcements about the real estates subject to sale are also made by means of newspaper advertisements and similar media.

The Bank has no discontinued operations.

r. Information on Other Assets:

The "other assets" item of the balance sheet does not exceed 10% of total assets.

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Notes To The Unconsolidated Financial Statements For The Year Ended December 31, 2023

II. DISCLOSURES AND FOOTNOTES ON LIABILITIES

a. Information on Deposits:

a.1. The maturity structure of deposits (current period):

	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6 Months to 1 Year	1 Year and Over	Accumulated Deposits	Total
Savings Deposits	71,985,637		16,002,082	157,038,120	227,466,867	17,360,564	12,239,090	3,774	502,096,134
Foreign Currency Deposits	399,434,055		48,166,289	142,071,627	20,305,227	6,110,219	30,521,536	1,068	646,610,021
Residents in Turkey	342,557,790		45,311,121	112,751,710	17,550,796	2,440,634	5,406,453	1,068	526,019,572
Residents Abroad	56,876,265		2,855,168	29,319,917	2,754,431	3,669,585	25,115,083		120,590,449
Public Sector Deposits	1,634,553		75,221	366,251	122,942	430	5		2,199,402
Commercial Deposits	61,317,796		87,330,985	24,791,699	71,715,294	25,911,503	12,497,610		283,564,887
Other Institutions Deposits	1,676,230		2,997,524	5,529,104	5,328,329	103,904	9,942		15,645,033
Precious Metals Deposits	102,599,647		2,937	3,979,932	821,987	8,683,669	364,383		116,452,555
Interbank Deposits	1,963,095		79,272,347	3,115,580	1,702,213	1,792,974	7,764,453		95,610,662
The Central Bank of the Republic of Turkey	974								974
Domestic Banks	35,846		75,646,900	502,329		164,775			76,349,850
Foreign Banks	1,925,452		3,625,447	2,613,251	1,702,213	1,628,199	7,764,453		19,259,015
Participations Banks	823								823
Other									
Total	640,611,013		233,847,385	336,892,313	327,462,859	59,963,263	63,397,019	4,842	1,662,178,694

Within the framework of the ""Communiqué on Supporting the Transformation into Turkish Lira Deposits and Participation Accounts" published in the Official Gazette dated 24.02.2022 and numbered 31760 and the CBRT's communiques numbered 2021/14, 2021/16, 2022/7 and 2022/11, the Bank offers its customers a TL deposit product with exchange rate protection. As of 31.12.2023, the amount of the foreign exchange-protected deposits opened within this scope is TL 280,700,031 (31.12.2022: 130,418,788 TL).

Prior Period	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6 Months to 1 Year	1 Year and Over	Accumulated Deposits	Total
Savings Deposits	52,151,311		13,192,421	57,543,852	89,132,133	5,629,299	4,469,259	4,453	222,122,728
Foreign Currency Deposits	250,797,888		43,990,383	138,702,464	12,156,645	2,712,716	15,643,368	1,332	464,004,796
Residents in Turkey	216,603,225		41,815,382	119,253,957	10,256,517	1,609,679	4,488,134	1,312	394,028,206
Residents Abroad	34,194,663		2,175,001	19,448,507	1,900,128	1,103,037	11,155,234	20	69,976,590
Public Sector Deposits	948,455		41,996	218,359	2,352	412	5		1,211,579
Commercial Deposits	55,067,638		53,590,998	12,165,643	19,907,452	8,470,551	4,974,482		154,176,764
Other Institutions Deposits	933,998		1,585,467	2,555,476	126,370	11,971	30,133		5,243,415
Precious Metals Deposits	61,964,641		10,925	3,864,020	221,532	8,091,907	339,773		74,492,798
Interbank Deposits	1,493,230		3,783,386	2,189,927	79	461,663	1,896,924		9,825,209
The Central Bank of the Republic of Turkey	756								756
Domestic Banks	22,356		2,297,918	322,705		400,126			3,043,105
Foreign Banks	1,469,538		1,485,468	1,867,222	79	61,537	1,896,924		6,780,768
Participations Banks	580								580
Other									
Total	423,357,161		116,195,576	217,239,741	121,546,563	25,378,519	27,353,944	5,785	931,077,289

Türkiye İş Bankası A.Ş.

Notes To The Unconsolidated Financial Statements For The Year Ended December 31, 2023

a.2. Savings deposits which are under the guarantee of Savings Deposits Insurance Fund exceeding the insurance limit:

Savings Deposits	Under the Guarantee of Savings Deposits Insurance Fund		Exceeding the Limit of Deposit Insurance Fund	
	Current Period (*)	Prior Period	Current Period	Prior Period
Savings Deposits	179,078,644	98,271,661	320,081,874	122,016,357
Foreign Currency Savings Deposits	142,427,842	76,393,000	271,482,690	221,588,222
Other Deposits in the Form of Savings Deposits	53,207,056	26,836,200	60,492,920	41,995,951
Foreign Branches' Deposits Under Foreign Authorities' Insurance	21,594,235	11,433,523	4,785,854	3,622,595
Off-shore Banking Regions' Deposits Under Foreign Authorities Insurance				

(*) With the Official Gazette dated 27.08.2022 and numbered 31936, a change was made in the determination of the deposits subject to insurance, and all deposits except those belonging to official institutions and credit and financial institutions were covered by insurance. Within this framework, there are commercial deposits amounting to TL 36,212,609 within the scope of the insurancein current period, and the related amount is not shown in the table.

a.3. Savings deposits which are not under the guarantee of deposit insurance fund:

	Current Period	Prior Period
Foreign Branches' Saving Deposits and Other Accounts	4,785,854	3,622,595
Deposits and Other Accounts held by Main Shareholders and their Relatives		
Deposits and Other Accounts of the Chairperson and Members of Board of Directors, Chief Executive Officer, Senior Executive Officers and their Relatives	77,781	39,447
Deposits and Other Accounts Covered by Assets Generated Through the Offenses Mentioned in Article 282 of the Turkish Criminal Code No,5237 and Dated 26 September 2004		
Deposits in the Banks to be Engaged Exclusively in Off-shore Banking in Turkey		

b. Information on Derivative Financial Liabilities Held for Trading:

Derivative Financial Liabilities at Fair Value Through Profit or Loss	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	172,695	792,729	104,067	578,912
Swap Transactions	398,055	4,732,341	2,700,243	5,180,889
Futures				
Options		1,117,558	32,132	244,575
Other				
Total	570,750	6,642,628	2,836,442	6,004,376

c. Banks and other financial institutions:

c.1. Information on banks and other financial institutions:

	Current Period		Prior Period	
	TL	FC	TL	FC
Funds borrowed from the Central Bank of Turkey				
Domestic banks and Institutions	472,625	5,420,748	802,041	8,117,800
Foreign banks, institutions and funds	2,849,095	112,023,642	2,564,571	59,970,914
Total	3,321,720	117,444,390	3,366,612	68,088,714

c.2. Maturity analysis of funds borrowed:

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-term	553,296	9,518,023	969,816	5,720,964
Medium and Long-term	2,768,424	107,926,367	2,396,796	62,367,750
Total	3,321,720	117,444,390	3,366,612	68,088,714

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c.3. Information on funds borrowed:

Information on funds received through syndicated loans and securitization deals, which take a significant place among funds borrowed, are given below.

Syndication loans:

Date of Use	Funds Borrowed	Maturity
June, 2023	224,000,000 USD + 388,250,000 EUR	1 year
November, 2023	465,000,000 USD +411,000,000 EUR	1 year

Securitization deals:

The Bank obtained funds by way of putting on securitization deals all its claims and receivables based on diversified payment rights in USD, EUR and GBP through TIB Diversified Payment Rights Finance Company.

Information on funds received through securitization is given below.

Date	Structured Entity	Amount	Final Maturity	Remaining Debt Amount as at December 31, 2022
June 2012	TIB Diversified Payment Rights Finance Company	125,000,000 EUR	12 years	9,375,000 EUR
December 2013	TIB Diversified Payment Rights Finance Company	50,000,000 EUR	12 years	10,000,000 EUR
December 2014	TIB Diversified Payment Rights Finance Company	220,000,000 USD	14 years	100,000,000 USD
March 2015	TIB Diversified Payment Rights Finance Company	15,000,000 USD	15 years	11,718,750 USD
October 2015	TIB Diversified Payment Rights Finance Company	221,200,000 USD	10 years	48,387,500 USD
October 2016	TIB Diversified Payment Rights Finance Company	55,000,000 USD	12 years	26,829,260 USD
December 2016	TIB Diversified Payment Rights Finance Company	158,800,000 USD	10-13 years	64,005,715 USD
December 2017	TIB Diversified Payment Rights Finance Company	55,000,000 USD	7 years	11,000,000 USD
December 2017	TIB Diversified Payment Rights Finance Company	125,000,000 USD	9 years	77,380,952 USD
August 2022	TIB Diversified Payment Rights Finance Company	227,000,000 USD	5 years	227,000,000 USD
November,23	TIB Diversified Payment Rights Finance Company	195,000,000 USD	5 years	195,000,000 USD
November,23	TIB Diversified Payment Rights Finance Company	50,000,000 EUR	5 years	50,000,000 EUR

Other Transactions:

As of August 2014, in connection with the future cash flows securitization program amounting to USD 500 million on 10 years maturity, the bank has increased the total amount of the financial instrument USD 600 million by obtaining the same structured USD 100 million in September 2017.

d. Information on Debt Securities Issued (Net):

	Current Period		Prior Period	
	TL	FC	TL	FC
Bills	389,926	735,314	1,755,212	
Bonds	907,684	66,453,120	402,745	26,156,146
Total	1,297,610	67,188,434	2,157,957	26,156,146

e. Concentration on the Bank's liabilities:

68% of the Bank's liabilities consists of deposits, 5% of loans borrowed, 4% of securities issued and Tier II subordinated loans. Deposits have spread to a wide customer base with different characteristics. Borrowings are composed of funds obtained from various financial institutions through syndication, securitization, post-financing and money markets.

f. Information on Other Liabilities:

Other liabilities do not exceed 10% of the balance sheet total.

g. Information on Lease Payables (net):

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 Year	2,956	2,801	516	483
Between 1-4 Years	438,554	346,068	419,468	308,361
More than 4 Years	6,800,568	2,918,174	4,271,686	1,843,363
Total	7,242,078	3,267,043	4,691,670	2,152,207

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h. Explanations on Hedging Derivative Financial Liabilities:

The bank has no financial liabilities held for hedging derivatives.

i. Information on Provisions:

i.1. Reserves for employee benefits:

According to the related regulation and the collective bargaining agreements, the Bank is obliged to pay employee termination benefits to employees who retire, die, quit for their military service obligations, who have been dismissed as defined in the related regulation or to the female employees who have voluntarily quit within one year after the date of their marriage. In accordance with the related regulations, the amount of employee termination benefits is TL 23,489,83 (exact TL amount as of December 31, 2023), which is one month salary for each service year and cannot exceed the base wage ceiling for employee termination benefits. A provision for severance pays to allocate that employees need to be paid upon retirement is calculated by estimating the present value of probable amount. The liability of the Bank arising from severance payment is determined in accordance with the actuarial report prepared by an independent valuation company. As of December 31, 2023, provision amounting to TL 5,269,706 is reflected in the financial statements (December 31, 2022: TL 5,290,639).

Main actuarial assumptions used in calculation of severance pay liability are as follows:

- In the calculation, the discount rate is 23.58%, the inflation rate is 19.65%, and the real wage increase rate is 2%.
- In the calculation, the ceiling of 24,489,83 TL (full TL amount) valid as of 31.12.2023 was taken as basis.
- Retirement age is taken into account as the earliest age at which individuals can retire.
- CSO 1980 mortality table is used for probability of death for women and men.

The movements related to provision for employee termination benefits are given below:

	Current Period	Prior Period
Present value of defined benefit obligation at the beginning of the period	5,290,639	2,278,323
Service Cost	384,155	158,573
Interest Cost	1,147,833	421,268
Benefits paid	(1,707,843)	(173,319)
Loss/(Gain) due to Settlements / Reductions / Terminations	3,921	10,174
Past Service Cost	239,358	1,941
Actuarial loss/(gain)	(88,357)	2,593,679
Defined benefit obligation at the end of the period	5,269,706	5,290,639

In addition to the employee termination benefits the Bank allocates provisions for the unused vacation pay liability. As of December 31, 2023, provision for unused vacation pay is amounting to TL 375,111 (December 31, 2022: TL 216,615).

i.2. Provisions for exchange losses in the principal amount of foreign currency indexed loans: Since foreign currency indexed loans are followed based on the rates on the lending date, the Bank incurs a loss if the exchange rates decrease and makes profit if the exchange rate increases. As of December 31, 2023, and December 31, 2022, provision amount for the currency evaluation losses in the principal amount of foreign currency indexed loans is not available.

i.3. As of December 31, 2023, the Bank’s specific provisions for indemnified non-cash loans balance is TL 2,891,615 (December 31, 2022: TL 1,616,688) which is allocated for the non-cash loans of companies whose loans are followed under “Non-performing Loans” accounts.

i.4. Information on other provisions:

i.4.1. Liabilities arising from retirement benefits:

Liabilities of pension funds founded as per the Social Security Act:

Within the scope of the explanations given in Section Three Note XVII, in the actuarial report which was prepared as of December 31, 2023 for Türkiye İş Bankası A.Ş. Emekli Sandığı Vakfı (İşbank Pension Fund) by a licensed actuary, of which each Bank employee is a member, and which has been established according to the provisional Article 20 of the Social Security Act No. 506, the amount of actuarial and technical deficit stands at TL 14,288,742. As of the same date, a provision was reserved for this amount in the financial statements.

The above-mentioned actuarial audit, which was made in accordance with the principles of the related law, measures the cash value of the liability as of December 31, 2023, in other words; it measures the amount to be paid to the Social Security Institution by the Bank. Actuarial assumptions used in the calculation are given below.

- 9.8% technical deficit interest rate is used.
- 34.5% total premium rate is used.
- CSO 1980 woman/man mortality tables are used.

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Below table shows the cash values of premium and salary payments of the Bank as of December 31, 2023, taking the health expenses within the Social Security Institution limits into account.

	Current Period	Prior Period
Net Present Value of Total Liabilities Other Than Health	(57,235,905)	(30,350,164)
Net Present Value of Long-Term Insurance Line Premiums	25,775,506	13,123,522
Net Present Value of Total Liabilities Other Than Health	(31,460,399)	(17,226,642)
Net Present Value of Health Liabilities	(6,190,532)	(2,986,675)
Net Present Value of Health Premiums	18,687,242	9,514,553
Net Present Value of Health Liabilities	12,496,710	6,527,878

Pension Fund Assets	4,674,947	2,319,023
Amount of Actuarial and Technical Deficit	(14,288,742)	(8,379,741)

The assets of the pension fund are as follows.

	Current Period	Prior Period
Cash and Cash Equivalents	3,366,702	1,240,842
Securities Portfolio	604,264	742,714
Other	703,981	335,467
Total	4,674,947	2,319,023

Health benefits that are still being paid will be determined within the framework of the Social Security Institution legislation and related regulations with the transfer.

i.4.2. Provision of credit cards and promotion of banking services applications: As of December 31, 2023, the Bank has recognized provisions amounting to TL 642,592 for the amount which is recognized within the framework of credit card expenses of credit card customers or promotions for banking services. (December 31, 2022: TL 235,129).

i.4.3. In 1993, Dışbank A.Ş. shares which were owned by the Bank were sold to Lapis Holding A.Ş. In 2008, it was claimed that USD 75 million of the amount, which was paid upfront within the context of the sale agreement, had been provided from the funds of the insolvent TYT Bank A.Ş. by the buyer and payment of the mentioned amount as well as the interest to be calculated to the Savings Deposit Insurance Fund (SDIF) was demanded.

The administrative actions initiated by the SDIF in 2008 were revoked by Council of State Administrative Law Chambers 13th upon the application of the Bank. The decisions which were in favour of the Bank were reversed by Plenary Session of the Law Chamber upon the appeal of the SDIF. Council of State Administrative Law Chambers 13th decided to reject the applications of the Bank in January 2016 due to their obligation to obey the decisions of reversal.

After the aforementioned court decisions, although the legal process was still in progress, the collection procedures were carried out within the context of Law No. 6183 and TL 298,466 including the default interest, was collected from the Bank by the SDIF at prior periods and made provision for the whole amount.

In the legal process, positive results could not be obtained from the individual application made by the Bank to the Constitutional Court, and the negative declaratory action brought against the Bank to determine that the Bank is not indebted from the ongoing lawsuits has been finalized. An agreement was reached by mutual release and the total balance subject to trial was paid to the SDIF as USD 48 million on 05.02.2024, and 31 for the entire related amount., the required provision has been allocated in the financial statements as of 12.2023.

i.4.4. Except the other provisions indicated above, the Bank Management allocated free provision within conservatism principle, for negative circumstances which may arise from the possible changes that may arise in the economy and market conditions, amounting to TL 10,000,000 of which TL 8,475,000 provided in prior years and TL 1,525,000 was provided in the current period.

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Notes To The Unconsolidated Financial Statements For The Year Ended December 31, 2023

j. Information on Tax Liability:

j.1. Information on current tax liability:

j.1.1.Information on tax provision:

Explanations in relation to taxation and tax calculations were stated in section three notes XVIII. As of 31.12.2023, the remaining corporate tax debt as a result of netting of temporary taxes paid with corporate tax liability is TL 6,531,016. (31.12.2022: TL 5,311,636)

j.1.2.Information on taxes payable:

	Current Period	Prior Period
Corporate Tax Payable	6,531,016	5,311,636
Tax on Securities Income	869,297	376,516
Tax on Real Estate Income	9,051	7,431
Banking Insurance Transaction Tax	1,620,948	570,782
Foreign Exchange Transaction Tax	40,098	52,378
Value Added Tax Payable	118,176	67,390
Other	383,708	158,108
Total	9,572,294	6,544,241

j.1.3. Information on premiums:

	Current Period	Prior Period
Social Security Premiums – Employees	1,700	646
Social Security Premiums – Employer	1,962	756
Bank Pension Fund Premiums – Employees		
Bank Pension Fund Premiums – Employer		
Pension Fund Membership Fees and Provisions-Employees		
Pension Fund Membership Fees and Provisions-Employer		
Unemployment Insurance – Employees	10,646	5,759
Unemployment Insurance – Employer	21,295	11,520
Others		8
Total	35,603	18,689

j.2. Information on deferred tax liabilities: None.

Türkiye İş Bankası A.Ş.

Notes To The Unconsolidated Financial Statements For The Year Ended December 31, 2023

k. Information on Payables for Assets Held for Sale and Discontinued Operations

The Bank does not have any payables for assets held for sale and discontinued operations.

l. Information on subordinated loans

Bank has issued subordinated debt securities, to be included in the contribution capital calculation, with the following nominal values;

- 11 year-term having a call option on 6th year in the amount of USD 500,000,000 with interest rate of 7% on June 29, 2017 and 10 year-term having a call option on 5th year in the amount of USD 750,000,000 with interest rate of 7% (effective from June 29, 2023 with an interest rate of 9.192%) on January 22, 2020 for the purpose of making available to the individuals and legal persons who are resident abroad,
- TL 1,100,000,000 on August 8, 2017, TL 800,000,000 June 19, 2019, and TL 350,000,000 September 26, 2019 (Full TL amount) each with a 10-year maturity and floating interest rates for qualified investors without being offered to the public in Turkey.

The total of the aforementioned debt securities is TL 39,870,982 as of December 31, 2023 (December 31, 2022: TL 33,558,745).

	Current Period		Prior Period	
	TL	FC	TL	FC
Debt Instruments To Be Included In Additional Capital Calculation				
Subordinated Loans				
Subordinated Debt Instrument				
Debt Instruments To Be Included In Contribution Capital Calculation	2,324,411	37,546,571	2,277,824	31,280,921
Subordinated Loans				
Subordinated Debt Instrument	2,324,411	37,546,571	2,277,824	31,280,921
Total	2,324,411	37,546,571	2,277,824	31,280,921

m. Information on shareholders’ equity:

m.1. Presentation of paid-in capital:

	Current Period	Prior Period
Common shares	9,999,970	9,999,970
Preferred shares	30	30
Total	10,000,000	10,000,000

m.2. Explanation as to whether the registered share capital system ceiling is applicable at the Bank, if so, the amount of registered share capital

Capital System	Paid-in Capital	Ceiling
Registered Capital System	10,000,000	25,000,000

Türkiye İş Bankası A.Ş.

Notes To The Unconsolidated Financial Statements For The Year Ended December 31, 2023

m.3. The capital increase made in current period: None.

m.4. Information on capital increase through transfer from capital reserves during the current period: None.

m.5. Significant commitments of the Bank related to capital expenditures within the last year and the following quarter, the general purpose thereof, and the estimation of funds required for them: There is no capital commitment.

m.6. Information regarding the shares of the company acquired: The Bank has repurchased shares amounting to TL 530,307 in accordance with the Board of Directors Decision dated August 17, 2018.

m.7. Previous periods' indicators related to income, profitability and liquidity, and the estimated effects of forecasts, which are to be made by taking into consideration the uncertainties of these indicators, on the Bank's equity: The Bank's balance sheet is managed in a prudent way to ensure that the effect of risks arising from interest rates, exchange rates and loans is at the lowest level.

m.8. Privileges Granted to Shares:

Turkish Commercial Law and related registration are kept conditionally;

Group (A) shares each with a nominal value of 1 Kurus have the privileges of;

- Receiving 20 times the number of shares in the distribution of bonus shares issued from conversion of extraordinary and revaluation reserves generated in accordance with the relevant laws (Article 18 of the Articles of Incorporation)
- Exercising the preference rights as 20 times (Article 19 of the Articles of Incorporation), and

Despite having a lower nominal value, Group (B) shares, each with a nominal value of 1 Kurus, have the same rights with the Group (C) shares having a nominal value of 4 Kurus each. Furthermore, Group (A) and (B) shares, each with a nominal value of 1 Kurus, are granted privileges in distribution of profits pursuant to Article 58 of the Articles of Incorporation.

m.9. Information on marketable securities value increase fund:

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets At Fair Value Through Other Comprehensive Income	3,575,649	(1,805,393)	29,145,057	(4,586,932)
Valuation Difference	5,098,570	(2,495,5289	38,852,687	(5,949,482)
Deferred Tax Effect	(1,522,921)	690,135	(9,707,630)	1,362,550
Foreign Exchange Differences				
Total	3,575,649	(1,805,393)	29,145,057	(4,586,932)

n. Information on Dividend Distribution:

At the Bank's Ordinary General Assembly, held on March 30, 2023, it was decided to allocate net profit from operating

activities of 2022, amounting to TL 61,537,880 as follows;

- adding a total of TL 165,466, which is formed within the framework of various legislative regulations and is monitored in the profits of previous years,
- the balance sheet profit based on distribution amounting to TL 61,703,346 formed accordingly, TL 204,246 arising from real estate sales gains, of which it was decided to be used in capital increase, including the separation of TL 989 venture capital investment related to R&D discount, allocating a total of TL 476,341 as special reserves, of which TL 272,095 is allocated to venture capital investment trusts and funds,

Addition of the provision amount of TL 3,093,000 allocated during the period for the profit share to be distributed to the personnel within the framework of the accounting standard "TAS 19-Benefits Provided to the Employees",

of the amount as a basis for distribution of TL 64,320,005;

- TL 9,230,643 to A, B and C group shares as cash,
- TL 39 to the founding shares as cash,
- TL 3,092,161 as cash dividend to employees to be distributed,
- TL 51,997,162 as legal and extraordinary reserves to be reserved,

has been decided. As of March 30, 2023; TL 51,997,162 was transferred to reserves account, cash dividends were distributed to the shares other than the shares acquired by the Bank, as of April 3, 2023.

Since the Bank's Ordinary General Assembly Meeting for 2023 has not been held as of the report date, the profit from the activities of the aforementioned period has not been distributed

Türkiye İş Bankası A.Ş.

Notes To The Unconsolidated Financial Statements For The Year Ended December 31, 2023

III. DISCLOSURES AND FOOTNOTES ON OFF BALANCE SHEET ITEMS

a. Explanations to Liabilities Related to Off-Balance Sheet Items:

a.1. Types and amounts of irrevocable loan commitments:

Commitment for customer credit card limits amounts to TL 417,894,567 and commitment to pay for cheque leaves amounts to TL 9,204,813. The amount of commitment for the forward purchase of assets is TL 14,051,660 and for the forward sale of assets is TL 14,052,028.

a.2. The structure and amount of probable losses and commitments resulting from off-balance sheet items, including those below:

As of December 31, 2023, the Bank's provisions for indemnified non-cash loans balance is TL 2,891,615 (December 31, 2022: TL 1,616,688) which is allocated for the non-cash loans of companies whose loans are followed under "Non-performing Loans" accounts. Commitments are shown in the table of "off-balance sheet items".

a.3. Guarantees, bank acceptances, collaterals that qualify as financial guarantees, and non-cash loans including other letters of credit:

	Current Period	Prior Period
Bank Acceptances	15,800,134	9,331,476
Letters of Credit	85,384,944	53,246,223
Other Guarantees	6,231,597	4,836,131
Total	107,416,675	67,413,830

a.4. Certain guarantees, provisional guarantees, suretyships and similar transactions:

	Current Period	Prior Period
Letters of Tentative Guarantees	6,461,015	2,855,259
Letters of Certain Guarantees	181,228,524	107,173,811
Letters of Advance Guarantees	38,014,215	19,399,879
Letters of guarantee given to customs offices	14,947,470	9,508,835
Other Letters of Guarantee	79,302,905	40,344,900
Total	319,954,129	179,282,684

a.5. Total Non-cash Loans:

	Current Period	Prior Period
Non-cash Loans against Cash Risks	79,302,902	40,344,898
With Original Maturity of 1 Year or Less	14,101,754	11,721,587
With Original Maturity More Than 1 Year	65,201,148	28,623,311
Other Non-cash Loans	348,067,902	206,351,616
Total	427,370,804	246,696,514

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a.6. Sectoral risk concentration of non-cash loans:

	Current Period				Prior Period			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agriculture	915,302	0.55	706,706	0.27	612,476	0.68	278,356	0.18
Farming and Livestock	790,750	0.47	691,255	0.26	490,047	0.54	239,893	0.15
Forestry	112,662	0.07		0.00	107,093	0.12		0.00
Fishery	11,890	0.01	15,451	0.01	15,336	0.02	38,463	0.03
Industry	61,476,105	36.95	146,578,672	56.16	32,015,377	35.54	87,898,245	56.12
Mining and Quarrying	2,222,351	1.33	1,825,487	0.70	1,003,633	1.11	1,098,016	0.70
Manufacturing Industry	48,629,885	29.23	128,780,336	49.34	24,723,856	27.45	77,959,018	49.77
Electricity, Gas, Water	10,623,869	6.39	15,972,849	6.12	6,287,888	6.98	8,841,211	5.65
Construction	22,678,856	13.63	39,955,909	15.31	10,050,697	11.16	24,793,816	15.83
Services	80,815,381	48.58	67,591,473	25.89	47,046,797	52.24	42,402,651	27.07
Wholesale and Retail Trade	45,885,373	27.58	29,539,833	11.32	27,079,113	30.07	20,128,969	12.85
Hotel and Restaurant Services	1,695,948	1.02	794,264	0.30	1,159,849	1.29	790,171	0.50
Transport and Communications	8,148,175	4.90	19,068,607	7.31	5,336,375	5.93	11,905,619	7.60
Financial Institutions	18,895,736	11.36	13,290,622	5.09	9,684,784	10.75	7,338,409	4.69
Real Estate and Rental Services.	4,043,004	2.43	4,168,935	1.60	2,320,340	2.58	1,785,260	1.14
Self-Employment Services	1,034,103	0.62	243,485	0.09	812,991	0.90	128,125	0.08
Education Services	386,245	0.23	8,671	0.00	111,558	0.12	6,549	0.01
Health and Social Services	726,797	0.44	477,056	0.18	541,787	0.60	319,549	0.20
Other	475,991	0.29	6,176,409	2.37	337,958	0.38	1,260,141	0.80
Total	166,361,635	100	261,009,169	100	90,063,305	100	156,633,209	100

a.7. Non-cash Loans classified under Group I and Group II:

	Group I		Group II	
	TL	FC	TL	FC
Non-cash Loans	164,367,644	250,225,907	1,731,127	5,233,165
Letters of Guarantee	154,801,760	153,526,418	1,730,627	4,579,801
Bank Acceptances	9,434,550	6,365,084	500	
Letters of Credit	131,334	84,139,136		653,364
Endorsements				
Underwriting Commitments of the Securities Issued				
Factoring Related Guarantees				
Other Guaranties and Warranties		6,195,269		

b. Explanation on Derivative Financial Instruments:

Majority of the Bank's derivative transactions comprise foreign currency and interest rate swaps, forward foreign exchange trading, and currency and interest rate options. Even though some derivative transactions economically provide risk hedging, since all necessary conditions to be defined as items suitable for financial risk hedging accounting are not met, they are recognized as "fair value through profit or loss" within the framework of TFRS 9 "Financial Instruments".

c. Explanations Related to Contingencies and Commitments:

Balance of the "Other Irrevocable Commitments" account, which comprised the letters of guarantees, guarantees and commitments submitted by the Bank pursuant to its own internal affairs and guarantees given to third parties by other institutions in favor of the Bank and the commitments due to housing loans extended within the scope of unfinished house projects followed amounts to TL 30,363,985

The cheques given to customers is presented under off balance sheet commitments, as per the related regulations is amounting to TL 9,204,813. In case the cheques presented for payment to beneficiaries are not covered, the Bank will be obliged to pay the uncovered for the cheques that are subject to the Law numbered 3167 on "the Regulation of Payments by Cheque and Protection of Cheque Holders", and up to TL 6,000 (in exact TL amount) for the cheques that are subject to the "Cheque Law" numbered 5941. The uncollected amount will be followed under "Indemnified Non-Cash Loans".

d. Explanations Related to Transactions Made on Behalf of or on the Account of Others:

It is explained in Note X under Section Four.

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Notes To The Unconsolidated Financial Statements For The Year Ended December 31, 2023

IV. DISCLOSURES AND FOOTNOTES ON STATEMENT OF INCOME

a. Interest Income

a.1. Information on interest income on loans:

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Income on Loans (*)				
Short-term Loans	57,546,481	9,918,294	22,751,665	3,985,147
Medium and Long-term Loans	55,516,172	23,013,230	39,871,722	13,533,080
Interest on Non-performing Loans	3,492,159	6,199	2,436,866	1,429
Premiums Received from State Resource Utilization Support Fund				
Total	116,554,812	32,937,723	65,060,253	17,519,656

(*) Includes fee and commission income on cash loans.

a.2. Information on interest income on banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
The Central Bank of Turkey		38,987		52,130
Domestic Banks	148,447	4,899	155,264	2,725
Foreign Banks	88,174	528,654	39,543	194,883
Foreign Head Offices and Branches				
Total	236,621	572,540	194,807	249,738

a.3. Information on interest income from securities:

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets at Fair Value Through Profit or Loss	38,646	384,866	49,293	186,669
Financial Assets at Fair Value Through Other Comprehensive Income	37,872,160	4,288,810	21,905,813	2,341,238
Financial Assets Measured at Amortised Cost	27,337,648	642,788	14,951,212	224,110
Total	65,248,454	5,316,464	36,906,318	2,752,017

As detailed in Note VII of Chapter III, the Bank has consumer price indexed (CPI) government bonds classified as financial assets at fair value through other comprehensive income, financial assets at fair value through profit or loss and financial assets measured by amortized cost in its securities portfolio. In the case of CPI forecast changes by 100 basis points in a positive or negative direction, as of 31 December 2023, the Parent Bank's pre-tax profit will increase by approximately TL 147 million (full amount) or decrease by the same amount.

a.4. Information on interest income received from associates and subsidiaries:

	Current Period	Prior Period
Interest Income from Associates and Subsidiaries	2,385,488	1,253,289

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Notes To The Unconsolidated Financial Statements For The Year Ended December 31, 2023

b. Interest Expense

b.1. Information on interest expense from funds borrowed:

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	384,477	5,230,567	405,533	2,060,113
Central Bank of Turkey				
Domestic Banks	106,448	264,358	130,560	218,652
Foreign Banks	278,029	4,966,209	274,973	1,841,461
Foreign Head Offices and Branches				
Other Institutions		1,419,186		527,877
Total (*)	384,477	6,649,753	405,533	2,587,990

(*) Includes fee and commission expenses from cash loans

b.2. Information on interest paid to associates and subsidiaries:

	Current Period	Prior Period
Interest Paid to Associates and Subsidiaries	3,284,699	820,602

b.3. Information on interest paid on marketable securities issued:

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest on Securities Issued	977,456	6,431,642	1,144,803	4,625,715

b.4. Information on Interest Expense on Deposits According to Maturity Structure:

Current Period	Demand Deposits	Time Deposits						Total
		Up to One Month	Up to Three Months	Up to Six Months	Up to One Year	Over One Year	Accumulated Deposits	
TL								
Bank Deposits	60	3,055,134	183,747					3,238,941
Savings Deposits	106	2,252,500	25,071,982	42,191,641	2,213,742	1,233,077	394	72,963,442
Public Sector Deposits		9,358	110,246	13,742	19			133,365
Commercial Deposits	1,450	17,702,527	6,573,255	10,066,675	3,348,891	1,514,327		39,207,125
Other Institutions Deposits		759,413	1,703,750	607,223	13,205	137		3,083,728
Deposits with 7 Days Notice								
Total	1,616	23,778,932	33,642,980	52,879,281	5,575,857	2,747,541	394	118,626,601
FC								
Foreign Currency Deposits	97	265,462	880,859	484,485	105,349	753,437	7	2,489,696
Bank Deposits		233,825	201,132	65,830	46,595	335,168		882,550
Deposits with 7 Days Notice								
Precious Metals Deposits			5,623	11,030	10,569	520		27,742
Total	97	499,287	1,087,614	561,345	162,513	1,089,125	7	3,399,988
Grand Total	1,713	24,278,219	34,730,594	53,440,626	5,738,370	3,836,666	401	122,026,589

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Prior Period	Demand Deposits	Time Deposits						Total
		Up to One Month	Up to Three Months	Up to Six Months	Up to One Year	Over One Year	Accumulated Deposits	
TL								
Bank Deposits	75	215,565	132,256					347,896
Savings Deposits	8	1,540,779	8,305,750	9,067,691	536,973	396,682	464	19,848,347
Public Sector Deposits		2,663	23,780	10	42	2		26,497
Commercial Deposits	129	4,551,092	1,637,449	2,488,692	1,457,150	379,004		10,513,516
Other Institutions Deposits		117,461	562,135	18,097	1,699	223		699,615
Deposits with 7 Days' Notice								
Total	212	6,427,560	10,661,370	11,574,490	1,995,864	775,911	464	31,435,871
FC								
Foreign Currency Deposits	57	90,662	616,716	55,377	6,079	166,602	2	935,495
Bank Deposits	18	51,284	14,074	2,463	1,775	15,267		84,881
Deposits with 7 Days' Notice								
Precious Metals Deposits		11	6,524	744	16,422	890		24,591
Total	75	141,957	637,314	58,584	24,276	182,759	2	1,044,967
Grand Total	287	6,569,517	11,298,684	11,633,074	2,020,140	958,670	466	32,480,838

c. Information on dividend income:

	Current Period	Prior Period
Financial Assets at Fair Value Through Profit and Loss	16,028	12,976
Financial Assets at Fair Value Through Other Comprehensive Income	49,230	25,628
Other		
Total	65,258	38,604

d. Information on trading income/losses (Net):

	Current Period	Prior Period
Income		
Securities Trading Gains	8,132,487	3,326,481
Gains on Derivative Financial Instruments (*)	58,817,357	40,382,196
Foreign Exchange Gains	2,167,430,437	1,548,951,173
Losses (-)		
Securities Trading Losses	813,162	11,654
Losses on Derivative Financial Instruments (*)	64,851,084	53,925,636
Foreign Exchange Losses	2,156,492,673	1,534,199,967
Trading Income /Losses (Net)	12,223,362	4,522,593

(*) Income arising from foreign currency changes related to derivative transactions amounts to TL 38,030,389 and the losses amount to TL 45,782,379 and the amount of net losses TL 7,751,990 (December 31, 2022, profit: TL 27,805,262, loss: TL 44,333,328).

e. Information on other operating income:

Other operating income mainly consists of expected loss provisions for loans or collections from Stage-3 loans, cancellations of free provisions set aside for possible risks in previous periods, fee income from customers in return for various banking services and income from the sale of fixed assets. 2,000,000 TL of free provisions for possible risks in prior periods have been reversed in the current period.

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Notes To The Unconsolidated Financial Statements For The Year Ended December 31, 2023

f. Information on expected credit loss and other provision expense:

	Current Period	Prior Period
Expected Credit Loss	15,906,083	10,036,266
12 Month Expected Credit Loss (Stage I)	1,365,521	909,902
Significant Increase in Credit Risk (Stage II)	4,077,825	653,381
Non-performing Loans (Stage III)	10,462,737	8,472,983
Impairment Losses on Marketable Securities	824	74,601
Financial Assets at Fair Value Through Profit or Loss	824	18,954
Financial Assets at Fair Value Through Other Comprehensive Income		55,647
Impairment Losses on Associates, Subsidiaries and Joint-Ventures		
Associates		
Subsidiaries		
Jointly Controlled Entities		
Other (*)	4,164,000	5,693,577
Total	20,070,907	15,804,444

(*)Current period balance, with free provision expense of TL 3,525,000, details of the Fifth Part I-III- g,4,3 no., lu consists of the amount of TL 639,000 allocated for the litigation provision expense included in the footnote in the current period.

g. Other operating expenses:

	Current Period	Prior Period
Reserve for Employee Termination Benefits	720,366	418,637
Bank Pension Fund Deficit Provisions	5,909,001	2,284,686
Impairment Losses on Tangible Assets	142,047	3,937
Depreciation Expenses of Tangible Assets	1,652,474	911,637
Impairment Losses on Intangible Assets		
Impairment Losses on Goodwill		
Amortization Expenses of Intangible Assets	1,249,452	753,272
Impairment Losses on Equity Accounted Investments		
Impairment Losses on Assets to be Disposed	7,403	33,675
Depreciation Expenses of Assets to be Disposed		
Impairment Losses on Assets Held for Sale and Subject to Discontinued Operations	749	
Other Operating Expenses	28,300,349	11,266,794
Leasing Expenses Related to Exceptions to TFRS 16	245,152	154,605
Repair and Maintenance Expenses	760,284	398,243
Advertisement Expenses (*)	1,506,331	677,733
Other Expenses (*)	25,788,582	10,036,213
Loss on Sale of Assets	8,318	4,341
Other (**)	8,931,779	3,256,651
Total	46,921,938	18,933,630

(*) The amount of expenditure made by the Bank within the scope of donation, aid and social responsibility projects in the current period is total TL 348,272 (December 31, 2022:TL 119,660).

(**)It includes a cash donation of 2,300,000 TL made by companies included in the consolidation to the Disaster and Emergency Management Presidency (AFAD) due to the earthquake disaster, in the current period the part of the related item amounting to TL 1,491,290 (31.12.2022: TL 665,046) is comprised of expenses of fees, taxes, pictures and funds.

Türkiye İş Bankası A.Ş.

Notes To The Unconsolidated Financial Statements For The Year Ended December 31, 2023

i. Information on provision for taxes from continuing and discontinued operations

The Bank's profit before tax arises from continuing activities. As of 31 December 2023, TL 67,073,159 of the profit before tax consists of net interest income, TL 42,437,948 of net fee and commission income, and the total of personnel expenses and other operating expenses is TL 72,228,962.

j. Information on provision for taxes from continuing and discontinued operations

As of December 31, 2023, the amount of the Bank's tax provision is TL 4,817,703 and the amount consists of current tax expense that is amounting to TL 10,215,857 and consists of deferred tax expense amounting TL (5,398,154).

k. Information on Net Operating Profit/Loss after Net Profit/Loss from Continuing and Discontinued Operations:

The Bank's net profit made from its continuing operations as of December 31, 2023, amounts to TL 72,264,798.

l. Information on net period profit/loss:

l.1. Income and expenses resulting from ordinary banking activities: There is no specific issue required to be disclosed for the Bank's performance for the year ended period between January 1, 2023 – December 31, 2023.

l.2. Effects of changes in accounting estimates on the current and future periods' profit/loss: There is no issue to be disclosed.

l.3. "The other" item which is located at the bottom of "Fees and Commissions Received" in the income statement consist of various fees and commissions received from transactions such as credit card transactions, capital market transactions.

m. Explanation on other items on the income statement:

Other items do not exceed 10% of the total amount of the income statement.

n. Fees for services received from an independent audit firm:

In accordance with the decision of public oversight, accounting and auditing standards authority dated 26.03.2021, the fees for the reporting period regarding the services received from the independent auditor or independent audit firm are given in the table below. In addition to the Bank, the fees for services rendered to the Bank's domestic/ foreign subsidiaries and jointly controlled partnerships are included in the aforementioned fees, which are stated as VAT excluded.

	Current Period	Prior Period
Independent audit fee for the reporting period	81,759	30,347
Other Assurance Services and Other Non-Audit Fees	20,191	8,029
Total	101,950	38,376

V. DISCLOSURES AND FOOTNOTES ON STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

The paid-in capital is TL 10,000,000 in legal records. As of balance sheet date, the balance of legal reserves is TL 10,567,141 and the balance of extraordinary reserves is TL 100,220,034.

Detail of the securities increase fund is explained in Section Five Note II-m.9 and TL (832,786) of this amount is the deferred tax effect on financial assets at fair value through other comprehensive income (31 December 2022: TL (8,345,080)).

The exchange difference amounting to TL 1,121,189 arising from net investment hedging accounting, the details of which are included in the Third Part II-2 footnote, has been accounted for under the item "Accumulated Other Comprehensive Income or Expenses Reclassified in Profit or Loss",

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Notes To The Unconsolidated Financial Statements For The Year Ended December 31, 2023

VI. DISCLOSURES AND FOOTNOTES ON STATEMENT OF CASH FLOWS

The operating profit to TL 32,546,281 before the changes in operating assets and liabilities mostly comprised of TL 182,278,174 of interest received from loans and securities, and TL 131,447,615 of interest paid on deposits, loans, money market transactions and marketable securities borrowed by the Bank. The account "Other" classified under operating profit other than fees and commissions paid, cash payments to personnel and service suppliers and taxes paid consists of other operating expenses, exchange and derivative gains/losses accounts is TL (26,594,976) (December 31, 2022: TL (25,604,457)).

Net Increase (Decrease) in Other Liabilities account classified in changes of assets and liabilities resulting from the changes in Funds Provided Under Repurchase Agreements, miscellaneous payables, other liabilities and taxes, duties, charges, and premiums increase as TL 114,524,035 (December 31, 2022: TL 18,620,820 increase).

Net Cash Provided from Other Investing Activities account includes net cash flows from sale of intangible assets and declined by TL 4,129,309 (December 31, 2022: TL 2,515,348 decrease).

The effect of changes in foreign exchange rates on cash and cash equivalents is TL 5,094,705 as of December 31, 2023 (December 31, 2022: TL (967,080)). Due to the high rate of turnover of related foreign currency assets, the difference between the last 30 days' arithmetic average of currency exchange rates and the year-end currency exchange rate is used to calculate the effect of change in foreign exchange rate.

Cash, cash in foreign currency, unrestricted deposits in Central Bank of Turkey, money in transit, cheques purchased, precious metals, money market operations as well as demand and timed up to 3 months are defined as cash and cash equivalents.

Cash and cash equivalents at beginning of the period:

	December 31, 2021	December 31, 2020
Cash	79,630,416	96,225,661
Cash in TL and Foreign Currency	15,722,553	14,810,443
Central Bank of Turkey and Other	63,907,863	81,415,218
Cash Equivalents	14,983,586	18,668,788
Banks' Demand Deposits and Time Deposits Up to 3 Months	14,983,586	18,668,788
Money Market Receivables		
Total Cash and Cash Equivalents	94,614,002	114,894,449

The total amount resulting from the transactions made in the previous period shows the total cash and cash equivalents as of the beginning of the current period.

Cash and cash equivalents at end of the period:

	December 31, 2022	December 31, 2021
Cash	325,002,285	79,630,416
Cash in TL and Foreign Currency	30,724,839	15,722,553
Central Bank of Turkey and Other	294,277,446	63,907,863
Cash Equivalents	34,862,415	14,983,586
Banks' Demand Deposits and Time Deposits Up to 3 Months	34,862,415	14,983,586
Money Market Receivables		
Total Cash and Cash Equivalents	359,864,700	94,614,002

Türkiye İş Bankası A.Ş.

Notes To The Unconsolidated Financial Statements For The Year Ended December 31, 2023

VI. DISCLOSURES AND FOOTNOTES ON THE BANK'S RISK GROUP

a. Information on the volume of transactions relating to the Bank's risk group, incomplete loan and deposit transactions and period's profit and loss:

a.1. Information on loans held by the Bank's risk Group

Current Period:

Bank's Risk Group	Investments in Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures)		Direct and Indirect Shareholders of the Bank		Other Real Persons and Corporate Bodies that have been Included in the Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans						
Balance at the beginning of the period	13,925,479	17,111,566			7,328,993	1,309,862
Balance at the end of the period	30,091,136	28,515,121			9,751,588	2,191,346
Interest and commission income received	2,370,259	14,670			1,415,698	23,632

Prior Period:

Bank's Risk Group	Investments in Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures)		Direct and Indirect Shareholders of the Bank		Other Real Persons and Corporate Bodies that have been Included in the Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans						
Balance at the beginning of the period	6,287,638	16,814,945			4,452,442	608,277
Balance at the end of the period	13,925,479	17,111,566			7,328,993	1,309,862
Interest and commission income received	1,249,418	11,388			569,202	13,400

a.2. Information on deposits held by the Bank's risk group:

Bank's Risk Group	Investments in Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures)		Direct and Indirect Shareholders of the Bank		Other Individuals and Corporates in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposits						
Balance at the beginning of the period	16,910,042	12,421,537	130,226	302,826	8,771,749	2,053,129
Balance at the end of the period	31,663,727	16,910,042	1,700,282	130,226	7,193,861	8,771,749
Interest expense on deposits	2,958,186	629,948	404,204	58,439	1,071,975	160,522

a.3. Information on forward and option agreements and other similar agreements made with the Bank's risk group:

Bank's Risk Group	Investments in Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures)		Direct and Indirect Shareholders of the Bank		Other Individuals and Corporates in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Transactions at Fair Value Through Profit and Loss						
Beginning of the period	15,007,188	1,966,285			2,474,171	4,033
End of the period	6,952,556	15,007,188			310,289	2,474,171
Total Profit/Loss	274,803	(21,221)			(48,227)	1,226
Transactions for hedging purposes						
Beginning of the period						
End of the period						
Total Profit/Loss						

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Notes To The Unconsolidated Financial Statements For The Year Ended December 31, 2023

b. Disclosures for Bank's risk group:

b.1. The relation of the Bank with corporations in its risk group and under its control regardless of whether there are any transactions between the parties.

All types of corporate and retail banking services are provided to these corporations in line with the articles of Banking Law.

b.3. The type and amount of transaction carried out, and its ratio to the overall transaction volume, values of principal items and their ratios to overall items, pricing policy and other items in addition to the structure of the relationship:

The transactions carried out are mainly loan and deposit transactions. The ratio of loans extended to the risk group to the overall cash loans is 3.47%, while the ratio (excluding NPL) to the overall assets is 1.62%; the ratio of deposits of the risk group corporations to the overall deposits is 2.44%, while the ratio to overall liabilities is 1.65%, the comparable pricing method is used for the transactions.

b.3. Purchase and sale of real estates, other assets and services, agency agreements, finance lease contracts, transfer of information obtained through research and development, license agreements, funding (including loans and provision of support as cash capital or capital-in-kind), guarantees and collaterals, and management agreements:

Security purchases are made by İş Finansal Kiralama A.Ş., a subsidiary of the Bank, through leasing activities when required. The Parent Bank's branches act as agents of Anadolu Anonim Türk Sigorta Şirketi and Anadolu Hayat Emeklilik A.Ş. In addition, the Bank, through its branches and distribution channels, conducts Intermediary activities for the Transmission of Orders in favor of İş Yatırım Menkul Değerler A.Ş. Furthermore, through its branches, The Bank's Private Banking and Commercial and Corporate Banking branches are the agency of İş Portföy Yönetimi A.Ş.

If requested, cash and non-cash loan requirements of corporations within the risk group are met in accordance with the limits imposed by the Banking Law and the prevailing market conditions.

In the current period, a real estate owned by the Bank has been purchased by İş Gayrimenkul Yatırım Ortaklığı.

b.4. As of December 31, 2023, total worth of the shares, which the Bank purchased from its subsidiaries that are traded on Istanbul Stock Exchange and accounted under the Financial Assets at Fair Value Through Profit or Loss in accordance within the scope of the relevant Board of Directors decisions is TL 11,047 (December 31, 2022: TL 498,959).

c. Total salaries and similar benefits paid to the (executive members and senior executives)

In the current period, the gross total of payment provided to the key management amounts is TL 176,108 (December 31, 2022: TL 86,081).

VIII. DISCLOSURES ON THE BANK'S DOMESTIC, FOREIGN, OFF-SHORE BRANCHES OR ASSOCIATES AND FOREIGN REPRESENTATIVE OFFICES

	Number	Employees			
Domestic Branches (*)	1,066	20,809			
			Country of Incorporation		
Foreign Representative Offices	1	3	China		
	1	2	Egypt		
			Total Assets		Legal Capital
Foreign Branches	2	53	England		3,750
	15	214	T.R.N.C.		80,000
	2	45	Iraq		1,395,743
	2	35	Kosovo		325,698
	1	6	Bahrain		19,109,630
Off-Shore Branches					

(*) The Branches located in Free Trade Zones in Turkey are included among domestic branches.

IX. SUBSEQUENT EVENTS

Within the scope of the decision of the Board of Directors regarding the issue of debt instrument on 23.08.2023, the Bank issued a financial bond with a nominal value of TL 1,459,387 after December 31, 2023.

Within the scope of the decisions of the Bank's Board of Directors dated 23.11.2022, 14.06.2023 and 20.11.2023 for the issuance of debt instruments abroad, financing bonds and bonds with nominal values of USD 285 million and EUR 10 million were issued abroad after the date of 31.12.2023.

It was decided to increase the Bank's paid-in capital from TL 10,000,000 to TL 25,000,000 by covering all of it from internal sources (extraordinary reserves), accordingly, the approval of the BRSA regarding the capital increase was received on 11.01.2024 and the transfer of internal resources to the capital account was carried out, the process of applying to the Capital Markets Board (CMB) on 15.01.2024 is ongoing, the issuance of new shares and the necessary registration procedures after the approval of the CMB it will be performed.

Türkiye İş Bankası A.Ş.

Notes To The Unconsolidated Financial Statements For The Year Ended December 31, 2023

SECTION SIX: OTHER EXPLANATIONS

I. EXPLANATIONS ON THE BANK'S CREDIT RATINGS:

	Rating	Outlook (*)
MOODY'S		
Long-term Foreign Currency Deposit	B3	Positive
Long-term Local Currency Deposit	B3	Positive
Long-term Foreign Currency Senior Debt	B3	Positive
Short-term Foreign Currency Deposit	NP	-
Short-term Local Currency Deposit	NP	-
FITCH RATINGS		
Long-term Foreign Currency Issuer Default Rating	B-	Negative
Long-term Local Currency Issuer Default Rating	B	Negative
Short-term Foreign Currency Issuer Default Rating	B	-
Short-term Local Currency Issuer Default Rating	B	-
National Long-term Rating	A+ (tur)	Negative
Viability Rating	b	-

The dates when the Bank's credit ratings/outlooks were last updated are given below:

Moody's: 17.01.2024, Fitch Ratings: 22.09.2023

(*) Outlook:

"Stable" indicates that the current rating will not be changed in the short term; "positive" indicates that the current rating is very likely to be upgraded and "negative" indicates that the current rating is very likely to be downgraded.

SECTION SEVEN: EXPLANATIONS ON THE AUDITORS' INDEPENDENT AUDIT REPORT

I. EXPLANATIONS ON THE AUDITORS' INDEPENDENT AUDIT REPORT:

The unconsolidated financial statements and disclosures for the period ended December 31, 2023, have been audited by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi (A member firm of Ernst&Young Global Limited) and the independent auditors' report dated February 13, 2024, is presented preceding the unconsolidated financial statements.

II. EXPLANATIONS AND FOOTNOTES OF THE INDEPENDENT AUDITORS REPORT

There are no significant issues or necessary disclosures or notes in relation to the Bank's operations other than those mentioned above.

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Türkiye İş Bankası Anonim Şirketi

Audit of Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying consolidated financial statements of Türkiye İş Bankası A.Ş. (the Bank) and its subsidiaries (collectively referred as "The Group"), which comprise the consolidated statement of balance sheet

as at December 31, 2023, and the consolidated statement of income, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in shareholders' equity, consolidated statement of cash flows and a summary of significant accounting policies and other explanatory notes to the consolidated financial statements.

In our opinion, except for the effects of the matter on the consolidated financial statements described in the Basis of for Qualified Opinion paragraph, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Türkiye İş Bankası A.Ş. as at December 31, 2023 and consolidated financial performance and consolidated its cash flows for the year then ended in accordance with the Banking Regulation and Supervision Agency ("BRSA") Accounting and Financial Reporting Legislation which includes "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette no.26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency and circulars and interpretations published by BRSA and Turkish Financial Reporting Standards ("TFRS") for those matters not regulated by the aforementioned regulations.

Basis of Qualified Opinion

As explained in Section Five Part II-i.4.4., IV.e and IV.f the accompanying consolidated financial statements as at December 31, 2023, include a free provision at an amount of TL 10,000,000 thousands of which TL 8,475,000 thousands was provided in prior years, and TL 2,000,000 thousands and TL 3,525,000 thousands were reversed and provided, respectively in the current period by the Group management for the possible effects of the negative circumstances which may arise from the possible changes in the economy and market conditions which does not meet the recognition criteria of TAS 37 "Provisions, Contingent Liabilities and Contingent Assets".

Our audit was conducted in accordance with "Regulation on independent audit of the Banks" published in the Official Gazette no.29314 dated April 2, 2015 by BRSA (BRSA Independent Audit Regulation) and Independent Auditing Standards ("ISA") which are the part of Turkish Auditing Standards issued by the Public Oversight Accounting and Auditing Standards Authority ("POA") and the International Auditing and Accounting Standards Board (IAASB). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with of Code of Ethics for Independent Auditors (Code of Ethics) published by POA and International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and have fulfilled our other responsibilities in accordance with the code of ethics and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. Key audit matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section we have determined the matters described below to be the key audit matters to be communicated in our report.

Türkiye İş Bankası Anonim Şirketi

Consolidated Financial Statements

As at and For the Year Ended

December 31, 2023

With Independent Auditor's Report Thereon

(Convenience Translation of Consolidated Financial Statements
and Related Disclosures and Footnotes Originally Issued in Turkish)

INDEPENDENT AUDITOR’S REPORT

Key Audit Matter	How the Key Audit Matter is addressed in our audit
Financial impact of TFRS 9 “Financial Instruments” standard and impairment on financial assets and related important disclosures	
<p>As presented in Section III disclosure VIII, the Group recognizes expected credit losses of financial assets in accordance with TFRS 9 Financial Instruments standard. We considered impairment of financial assets as a key audit matter since:</p> <ul style="list-style-type: none">- Amount of on and off-balance sheet items that are subject to expected credit loss calculation is material to the financial statements.- There are complex and comprehensive requirements of TFRS 9.- The classification of the financial assets is based on the Group's business model and characteristics of the contractual cash flows in accordance with TFRS 9 and the Group uses significant judgment on the assessment of the business model and identification of the complex contractual cash flow characteristics of financial instruments.- Policies implemented by the Group management include compliance risk to the regulations and other practices.- Processes of TFRS 9 are advanced and complex.- Judgements and estimates used in expected credit loss, complex and comprehensive.- Disclosure requirements of TFRS 9 are comprehensive and complex.	<p>Our audit procedures included among others include:</p> <ul style="list-style-type: none">- Evaluating the appropriateness of accounting policies as to the requirements of TFRS 9, Group's past experience, local and global practices.- Reviewing and testing of processes which are used to calculate expected credit losses by involving our Information technology and process audit specialists.- Evaluation of the reasonableness and appropriateness of key judgments and estimates determined by management and the methods, judgments, and data sources used in calculating expected loss, taking into account the standard requirements, industry and global practices.- Reviewing the appropriateness of criteria in order to identify the financial assets having solely payments of principal and interest and checking the compliance to the Group's Business model.- Evaluating the alignment of the significant increase in credit risk determined during the calculation of expected credit losses, default definition, restructuring definition, probability of default, loss given default, exposure at default and macro-economic variables that are determined by the financial risk management experts with the Group's past performance, regulations, and other processes that has forward looking estimations.- Assessing the completeness and the accuracy of the data used for expected credit loss calculation.- Testing the mathematical accuracy of expected credit loss calculation on sample basis.- Evaluating the judgments and estimates used for the individually assessed financial assets.- Evaluating the necessity and accuracy of the updates made or required updates after the modeling process- Auditing of TFRS 9 disclosures

INDEPENDENT AUDITOR’S REPORT

Pension Fund Obligations	
<p>Employees of the Parent Bank are members of Emekli Sandığı Vakıfları", ("the Fund"), which is established in accordance with the temporary Article 20 of the Social Security Act No. 506 and related regulations. The Fund is a separate legal entity and foundation recognized by an official decree, providing all qualified employees with pension and post-retirement benefits. As disclosed in the “Section Three Note XX.2” to the financial statements, the Parent Bank will transfer their pension fund to the Social Security Institution and the authority of the “Council of Ministers” on the determination of the mentioned transfer date is changed as “President” in the Decree Law No. 703 published in the Official Gazette numbered 30473 and dated July 9, 2018. According to the technical balance sheet report as of 31 December 2023 prepared considering the related articles of the Law regarding the transferrable benefit obligations for the non- transferrable social benefits and payments which are included in the articles of association, the Fund has an actuarial and technical deficit which is fully provisioned for.</p> <p>The valuation of the Pension Fund liabilities requires judgment in determining appropriate assumptions such as defining the transferrable social benefits, discount rates, salary increases, demographic assumptions, inflation rate estimates and the impact of any changes in individual pension plans. The Group Management uses Fund actuaries to assist in assessing these assumptions.</p> <p>Considering the subjectivity of key assumptions and estimate used in the calculations of transferrable liabilities and the effects of the potential changes in the estimates used together with the uncertainty around the transfer date and given the fact that technical interest rate is prescribed under the law, we considered this to be a key audit matter.</p>	<p>It has been addressed whether there have been any significant changes in regulations governing pension liabilities, employee benefits plan during the period, that could lead to adjust the valuation of employee benefits. Support from actuarial auditor of another entity who is in the same audit network within our firm, has been taken to assess the appropriateness of the actuarial assumptions and calculations performed by the external actuary.</p> <p>We further focused on the accuracy and adequacy of the Group's provision provided for the deficit and also disclosures on key assumptions related to pension fund deficit.</p>
Derivative Financial Instruments	
<p>Derivative financial instruments including foreign exchange contracts, currency and interest rate swaps, currency and interest rate options, futures and other derivative financial instruments which are held for trading are initially recognized on the statement of financial position at fair value and subsequently are re-measured at their fair value. The details of the related amounts are explained in “Section Five Note I.c”, and “Section Five Note II.b”.</p> <p>Fair value of the derivative financial instruments is determined by selecting most convenient market data and applying valuation techniques to those particular derivative products. Derivative Financial Instruments are considered by us as a key audit matter because of the subjectivity in the estimates, assumptions and judgments used.</p>	<p>Our audit procedures included among others involve reviewing policies regarding fair value measurement accepted by the Group management fair value calculations of the selected derivative financial instruments which is carried out by valuation experts of our firm and the assessment of used estimations and the judgements and testing the assessment of operating effectiveness of the key controls in the process of fair value determination.</p>

INDEPENDENT AUDITOR’S REPORT

Responsibilities of Management and Directors for the Consolidated Financial Statements

Group management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the BRSA Accounting and Reporting Legislation and for such internal control as management determines is necessary to enable the preparation of the financial statement that is free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

In an independent audit, the responsibilities of us as independent auditors are:

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with BRSA Independent Audit Regulation and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with BRSA Independent Audit Regulation and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. (The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.)
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank and its subsidiaries internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's and its subsidiaries subject to consolidation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with government with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

- In accordance with Article 402 paragraph 4 of the Turkish Commercial Code ("TCC") no 6102; no significant matter has come to our attention that causes us to believe that the Bank's bookkeeping activities and financial statements for the period January 1 – December 31, 2022 are not in compliance with the TCC and provisions of the Bank's articles of association in relation to financial reporting.
- In accordance with Article 402 paragraph 4 of the TCC; the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

The engagement partner who supervised and concluded this independent auditor's report is Fatma Ebru Yücel.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi

A member firm of Ernst & Young Global Limited

Fatma Ebru Yücel, SMMM

Partner

February 13, 2023

İstanbul, Türkiye

Türkiye İş Bankası A.Ş.

Consolidated Financial Report As At And Fot The Year Ended December 31, 2023

Headquarters Address: İş Kuleleri, 34330,

Levent/İstanbul

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Fax: 0212 316 09 00

Web site: www.isbank.com.tr

E-mail: musterililiskileri@isbank.com.tr

The consolidated financial report as at and for the year ended prepared in accordance with the communiqué of “Financial Statements and Related Disclosures and Footnotes to be announced to Public by Banks” as regulated by Banking Regulation and Supervision Agency, comprises the following sections:

GENERAL INFORMATION ABOUT THE PARENT BANK

CONSOLIDATED FINANCIAL STATEMENTS OF THE PARENT BANK

EXPLANATIONS ON THE ACCOUNTING POLICIES

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE GROUP

DISCLOSURES AND FOOTNOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS

OTHER EXPLANATIONS

INDEPENDENT AUDITOR’S REPORT

Associates, subsidiaries and structured entities whose financial statements have been consolidated in the consolidated financial report are as follows:

Subsidiaries	Associates
ANADOLU ANONİM TÜRK SİGORTA ŞİRKETİ	ARAP-TÜRK BANKASI A.Ş.
ANADOLU HAYAT EMEKLİLİK A.Ş.	
EFES VARLIK YÖNETİM A.Ş.	
İŞ FAKTORİNG A.Ş.	
İŞ FİNANSAL KİRALAMA A.Ş.	
İŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.	
İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.	
İŞ PORTFÖY YÖNETİMİ A.Ş.	
İŞ YATIRIM MENKUL DEĞERLER A.Ş.	
İŞ YATIRIM ORTAKLIĞI A.Ş.	
İŞBANK AG	
JOINT STOCK COMPANY İŞBANK (JSC İŞBANK)	
JOINT STOCK COMPANY İŞBANK GEORGIA (JSC İSBANK GEORGIA)	
LEVENT VARLIK KİRALAMA A.Ş.	
MAXİS GİRİŞİM SERMAYESİ PORTFÖY YÖNETİMİ A.Ş.	
MAXİS INVESTMENTS LTD.	
MİLLİ REASÜRANS T.A.Ş.	
MOKA ÖDEME VE ELEKTRONİK PARA KURULUŞU A.Ş.	
TSKB GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.	
TÜRKİYE SİNAI KALKINMA BANKASI A.Ş.	
YATIRIM FİNANSMAN MENKUL DEĞERLER A.Ş.	
YATIRIM VARLIK KİRALAMA A.Ş.	
STRUCTURED ENTITIES	
TİB DIVERSIFIED PAYMENT RIGHTS FINANCE COMPANY	

The consolidated yearended financial statements and related disclosures and footnotes in this report are prepared, in accordance with the Regulation on the Procedures and Principles for Accounting Practices and Retention of Documents by Banks. Banking Regulation and Supervision Agency (BRSA) regulations, Turkish Accounting Standards, Turkish Financial Reporting Standards and the related statements and guidance and in compliance with the financial records of our Bank. Unless otherwise stated the accompanying consolidated financial report is presented in thousands of Turkish Lira (TL) and has been subjected to independent audit and presented as the attached.

Sadrettin Yurtsever
Member of the Board and
the Audit Committee

Güzide Meltem Kökden
Deputy Chairperson of the Board
of Directors and Chairperson of the
Audit Committee

Adnan Bali
Chairperson of the Board of
Directors

Ali Tolga Ünal
Head of Financial Management
Division

İzlem Erdem
Deputy Chief Executive
In Charge of Financial Reporting

Hakan Aran
Chief Executive Officer

The authorized contact person for questions on this consolidated financial report:

Name – Surname/Title: Nilgün Yosef Osman/Head of Investor Relations and Sustainability Division

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investorrelations@isbank.com.tr

Website: www.isbank.com.tr

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Türkiye İş Bankası A.Ş.

Consolidated Financial Statements For The Year Ended December 31, 2023

SECTION ONE: GENERAL INFORMATION ABOUT THE PARENT BANK

I. Explanations on the Establishment Date and Initial Status of the Parent Bank, and History Including the Changes in the Former Status

TÜRKİYE İŞ BANKASI A.Ş. (“the Bank” or “the Parent Bank”) was established on August 26, 1924 to operate in all kinds of banking activities and to initiate and/or participate in all kinds of financial and industrial sector undertakings when necessary. There is no change in the Bank’s status since its establishment.

II. Explanations on the Capital Structure, Shareholders who Directly or Indirectly, Solely or Jointly Undertake the Management and Control of the Parent Bank, any Changes in the Period, and Information on the Parent Bank’s Risk Group

As of December 31, 2023, 38.20% of the Bank’s shares are owned by T. İş Bankası A.Ş. Supplementary Pension Fund (Fund), 28.09% are owned by the Republican People’s Party- CHP (Atatürk’s shares) and 33.71% are on free float (December 31, 2022: Fund 37.31%, CHP 28.09%, Free float 34.60%).

III. Explanations on the Chairperson’s, Directors’, Auditors’, Chief Executive Officer’s and Deputy Chief Executives’ Shares, if any, and the Areas of their Responsibility at the Bank

Chairperson and Members of the Board of Directors:

Name and Surname	Areas of Responsibility
Adnan Bali	Chairperson of the Board of Directors, Remuneration Committee, Chairperson of the Risk Committee, Sustainability Committee and Chairperson of the Board of Directors Operating Principles Committee and the Member of the Credit Committee
Güzide Meltem Kökden	Deputy Chairperson of the Board of Directors, Chairperson of the Audit Committee, TRNC Internal Systems Committee and Operational Risk Committee, Member of the Risk Committee and Substitute Member of the Credit Committee
Hakan Aran	Chief Executive Officer and Board Member, Chairperson of the Credit Committee, Human Resources Committee and Information Systems Strategy Committee, Natural Member of the Risk Committee, Chairperson of the Executive Committee
Sadrettin Yurtsever	Director, Chairperson of the Corporate Governance Committee, Member of the Audit Committee, Remuneration Committee, TRNC Internal Systems Committee, Sustainability Committee Risk Committee, Member of the Operational Risk Committee Corporate Social Responsibility Committee, and the Member of the Board of Directors Operating Principles Committee
Fazlı Bulut	Director, Member of Corporate Social Responsibility Committee, Corporate Governance Committee, and Substitute Member of the Credit Committee
Durmuş Öztekin	Director, Member of Corporate Social Responsibility Committee, and the Member of the Board of Directors Operating Principles Committee
Şebnem Aydın	Director, Member of Corporate Governance Committee, Corporate Social Responsibility Committee, Credit Committee and Sustainability Committee
Recep Hakan Özyıldız	Director
Mustafa Rıdvan Selçuk	Director
Ahmet Gökhan Sungur	Director
Gökhan Şen	Director

Türkiye İş Bankası A.Ş.

Consolidated Financial Statements For The Year Ended December 31, 2023

Chief Executive Officer and Deputy Chief Executives:

Name and Surname	Areas of Responsibility
Hakan Aran	Chief Executive Officer and Member of the Board of Directors, Credit Committee, Chairperson of Human Resources Committee and Information Technologies Strategic Committee Natural Member of Risk Committee, Member of Operational Risk Committee and Chairperson of the Executive Committee
Nevzat Burak Seyrek	I. Deputy General Manager, Affiliates Corporate Architecture, Strategy and Corporate Performance Management, Information Systems Strategy Committee, Operational Risk Committee and Sustainability Committee Member
Ebru Özsuca	Treasury, Economic Research, Capital Markets, Member of the Risk Committee
Ozan Gürsoy	Corporate and Commercial Banking Marketing, Commercial Banking Sales, Cross-Border Banking, Free Zone Branches, Member of the Sustainability Committee
Sezgin Yılmaz	SME and Business Banking Marketing, and Sales and , Agricultural Banking Marketing, Commercial Banking Product, Member of the Corporate Social Responsibility Committee and Sustainability Committee
Sabri Gökmenler	Information Technologies, Data Management, Acquisition, Artificial Intelligence, Member of Operational Risk Committee, Sustainability Committee, and Information Technologies Strategic Committee
Sezgin Lüle	Retail Banking Marketing, Sales and Product, Personal Loans, Digital Banking, Customer Relations, Payment Systems Ecosystem, Payment Systems Operations, Payment Systems Product, Member of Operational Risk Committee, and Member of the Sustainability Committee
Can Yücel	Retail, Commercial and Corporate Loans Allocation, Credit Portfolio Management, Project Finance, Member of the Corporate Social Responsibility Committee, Member of the Risk Committee and Sustainability Committee
Sezai Sevgin	Internal Control, Corporate Compliance, Natural Member of the Risk Committee, Information Technologies Strategic Committee, Member of the Operational Risk Committee and Sustainability Committee
İzlem Erdem	Financial Management, Economic Research, Financial Law and Tax Management Consultancy, Investor Relations and Sustainability, Management Reporting and Internal Accounting, Member of Risk Committee, Information Systems Strategy Committee and Sustainability Committee
Suat E. Sözen	General Secretariat, Corporate Communications, Private Banking Marketing and Sales, Corporate Social Responsibility Committee and Member of the Sustainability Committee
O. Tufan Kurbanoğlu	Legal Affairs and Follow-Up, Legal Counsellorship, Loans Monitoring, Retail, Commercial and Corporate Loans and Retail Loans Proceedings
Mehmet Celayir	Banking Operations and Payment Operations, Support Services, External Operations and Commercial Loan Operations, Construction and Real Estate Management, Member of Operational Risk and sustainability Committee, Human Resources Management, Talent Management, Consumer Relations Coordination Officer,

Mrs. Gamze Yalcin and Mr. H. Cahit Çınar has left their duties at the Bank.

The Parent Bank’s shares attributable to the Directors and members of the Audit Committee, to the CEO and the Deputy Chief Executives are of minor importance.

IV. Information on the Parent Bank’s Qualified Shareholders

Name Surname/Company	Shares	Ownership	Paid-in Capital	Unpaid Capital
T, İş Bankası A.Ş. Mensupları Munzam Sosyal Güvenlik ve Yardımlaşma Sandığı Vakfı (“İşbank Members’ Supplementary Pension Fund”)	3,820,190	38.20%	3,820,190	
Cumhuriyet Halk Partisi – Republican People’s Party (Atatürk’s Shares)	2,809,205	28.09%	2,809,205	

V. Summary Information on the Parent Bank’s Functions and Business Lines

In line with the relevant legislation and principles stated in the Articles of Incorporation of the Bank, the Bank’s activities include operating in retail, commercial, corporate and private banking, foreign currency and money market operations, marketable securities operations, international banking services and other banking operations, as well as initiating or participating in all kinds of financial and industrial sector corporations as may be required.

VI. Differences between the Communiqué on Preparation of Consolidated Financial Statements of Banks and Turkish Accounting Standards and Explanation about the Institutions Subject to Full Consolidation Method or Proportional Consolidation and Institutions which are deducted from Equity or not included in these Three Methods

Banks are obligated to prepare consolidated financial statements for credit institutions and financial subsidiaries for creating legal restrictions on a consolidated basis based on the “Communiqué on Preparation of Consolidated Financial Statements of Banks” by applying Turkish Accounting Standards. There is not any difference between the related Communiqué and the consolidation operations that is based on Turkish Accounting Standards and Turkish Financial Reporting Standards.

The consolidated financial statements in this report includes the subsidiaries of the Bank, which are credit or financial institutions, in accordance with the BRSA regulations. As of current period, there is no credit or financial institution subsidiaries which are excluded in the scope of the consolidation.

Türkiye İş Bankası A.Ş.

Consolidated Financial Statements For The Year Ended December 31, 2023

The Parent Bank and its subsidiaries;

- ANADOLU ANONİM TÜRK SİGORTA ŞİRKETİ
- ANADOLU HAYAT EMEKLİLİK A.Ş.
- EFES VARLIK YÖNETİM A.Ş.
- İŞ FAKTORİNG A.Ş.
- İŞ FİNANSAL KİRALAMA A.Ş.
- İŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.
- İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.
- İŞ PORTFÖY YÖNETİMİ A.Ş.
- İŞ YATIRIM MENKUL DEĞERLER A.Ş.
- İŞ YATIRIM ORTAKLIĞI A.Ş.
- İŞBANK AG
- JSC İŞBANK
- JSC ISBANK GEORGIA
- LEVENT VARLIK KİRALAMA A.Ş.
- MAXİS GİRİŞİM SERMAYESİ PORTFÖY YÖNETİMİ A.Ş.
- MAXIS INVESTMENTS LTD.
- MİLLİ REASÜRANS T.A.Ş.
- MOKA ÖDEME VE ELEKTRONİK PARA KURULUŞU A.Ş.
- TSKB GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.
- TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.
- YATIRIM FİNANSMAN MENKUL DEĞERLER A.Ş.
- YATIRIM VARLIK KİRALAMA A.Ş.

and Structured Entity;

- TIB DIVERSIFIED PAYMENT RIGHTS FINANCE COMPANY

is included in the consolidated financial statements with “full consolidation method”.

The Parent Bank’s associate acting as a credit institution;

- ARAP-TÜRK BANKASI A.Ş.

is accounted under equity accounting method in the consolidated financial statements.

Consolidated companies are active in the areas of banking, insurance and reinsurance, private pensions, payment services, finance leasing, factoring, real estate investment, venture capital investment, brokerage, investment consulting, portfolio and asset management. Those companies are explained below.

Anadolu Anonim Türk Sigorta Şirketi

The Company was established in 1925 and operates in almost all non-life insurance service. The Company’s shares are traded in the Borsa İstanbul A.Ş.

Anadolu Hayat Emeklilik A.Ş.

The Company was founded in 1990 and its’ headquarter is located in Istanbul. The company’s main activities are private or group pension and life/death insurance and all kinds of insurance services related to these branches. There are 34 private pension funds offered by the company to the subscribers. The company’s shares are traded in the Borsa İstanbul A.Ş.

Efes Varlık Yönetim A.Ş.

The field of activity of the company, which was founded in February 2011, is to purchase and sell the receivables with other assets of deposit banks, participation banks and other financial institutions.

İş Faktoring A.Ş.

The Company, which operates in the factoring sector since 1993, is engaged in domestic and foreign factoring operations.

İş Finansal Kiralama A.Ş.

The Company, whose field of activity is financial leasing within the country and abroad started its business in 1988. The Company’s shares are traded in the Borsa İstanbul A.Ş.

İş Gayrimenkul Yatırım Ortaklığı A.Ş.

The Company, whose main field of activity is investing in real estate, capital market instruments backed by real estate, real estate projects and capital market instruments, is conducting its business in the sector as a real estate investment trust since 1999. The Company’s shares are traded in the Borsa İstanbul A.Ş. since its establishment.

İş Girişim Sermayesi Yatırım Ortaklığı A.Ş.

The Company, which started its venture capital business in the year 2000, aims to make long term investments in venture capital firms which established or to be founded in Turkey, have potential development and need resources. The Company’s shares are traded in the Borsa İstanbul A.Ş. since the year 2004.

Türkiye İş Bankası A.Ş.

Consolidated Financial Statements For The Year Ended December 31, 2023

İş Portföy Yönetimi A.Ş.

The purpose of the Company, which was founded in 2000, is to engage in capital market operations stated in its articles of association. Among the capital market operations, the company offers portfolio management and investment consulting services only to corporate investors.

İş Yatırım Menkul Değerler A.Ş.

The Company’s main field of activity is composed of intermediary, corporate finance, investment consulting and private portfolio management services. The Company’s shares are traded in the Borsa İstanbul A.Ş. since May 2007.

İş Yatırım Ortaklığı A.Ş.

The aim of the Company, which was founded in İstanbul in the year 1995, is to operate in capital market activities which is stated in the principal agreement, and Company’s main field of activities is portfolio management. The Company’s shares are traded in the Borsa İstanbul A.Ş. since April 1996.

İşbank AG

İşbank AG was founded to carry out the banking transactions in Europe. İşbank AG has 9 branches in total, 8 branches in Germany and 1 branch in Netherlands.

JSC İşbank

The Bank, which was acquired in 2011 and based in Moscow, is operating banking services as, corporate banking, individual deposits, treasury transactions and foreign trade financing operations with its Moscow Branch and representative offices in St. Petersburg and Kazan.

JSC İşbank Georgia

The Bank, which was established in Georgia in the third quarter of 2015, is operating banking services mainly deposit, loan and exchange transactions. As part of the organizational structure of Parent Bank in abroad, Batumi and Tbilisi branches which were established in 2012 and 2014 respectively proceed its operations as JSC Isbank Georgia.

Levent Varlık Kiralama A.Ş.

The purpose of the Company, which is founded in November, 2023, is to issue lease certificates exclusively within the framework of the Capital Market Law and related legislation provisions.

Maxis Girişim Sermayesi Porföy Yönetimi A.Ş.

The purpose of the Company, which was founded in November 2017, is to establish and manage capital investment funds in accordance with the Capital Markets Law and related legislations.

Maxis Investments Ltd.

The purpose of the Company, which was founded in England in the year 2005, is to operate in activities in foreign capital markets.

Milli Reasürans T.A.Ş.

The Company, which was founded in 1929, aims to provide reinsurance and retrocession services in foreign and domestic branches. It has 1 branch in Singapore.

Moka Ödeme ve Elektronik Para Kuruluşu A.Ş.

The company was acquired in 2021. The company established of 2014 and it operates in the field of payment services.

TSKB Gayrimenkul Yatırım Ortaklığı A.Ş.

The core business activity of the Company, which was founded in 2006, is to create and develop an investment property portfolio and to invest in capital market instruments that are based on investment properties. The Company’s shares are traded in the Borsa İstanbul A.Ş. since April 2010.

Türkiye Sınai Kalkınma Bankası A.Ş.

Türkiye Sınai Kalkınma Bankası A.Ş. (TSKB) which is an industrial development, and an investment bank is founded specially to support private sector investments in industry and to provide domestic and foreign capital to Turkish companies. The Bank’s shares are traded in the Borsa İstanbul A.Ş.

Yatırım Finansman Menkul Değerler A.Ş.

The Company was founded in 1976. The purpose of the Company is to engage in capital market operations stated in its articles of association.

Yatırım Varlık Kiralama A.Ş.

The purpose of the Company, which is founded in September 20, 2019, is to issue lease certificates exclusively within the framework of the Capital Market Law and related legislation provisions.

VII. Existing or Potential, Actual or Legal Obstacles on the Transfer of Shareholders’ Equity between the Parent Bank and its Subsidiaries or the Reimbursement of Liabilities

None.

VIII. Written Policies on Assessment of Ensuring Compliance on Market Discipline, Disclosure Obligations, Frequency and Accuracy of the Related Disclosures

The Parent Bank has written policies on assessment of ensuring compliance on market discipline, disclosure obligations, frequency and accuracy of related disclosures. The mentioned policies which are agreed by Board of Directors can be obtained from the Parent Bank’s website.

Türkiye İş Bankası A.Ş.

Consolidated Balancesheet (Statement Of Financial Position)

ASSETS		Footnotes	THOUSAND TL					
			CURRENTPERIOD (31/12/2023)			PRIOR PERIOD (31/12/2022)		
			TL	FC	Total	TL	FC	Total
I.	FINANCIAL ASSETS (Net)		390,336,844	591,744,745	982,081,589	191,469,562	310,657,416	502,126,978
1.1	Cash and Cash Equivalents		192,369,378	427,090,304	619,459,682	35,067,358	211,798,542	246,865,900
1.1.1	Cash and Balances with Central Bank	V-I-a	165,825,618	360,809,028	526,634,646	21,718,599	180,127,300	201,845,899
1.1.2	Banks	V-I-ç	18,731,062	66,536,675	85,267,737	7,187,687	31,807,128	38,994,815
1.1.3	Money Market Placements		7,939,685	0	7,939,685	6,195,342	0	6,195,342
1.1.4	Expected Credit Loss (-)		126,987	255,399	382,386	34,270	135,886	170,156
1.2	Financial Assets at Fair Value Through Profit or Loss	V-I-b	24,018,754	20,477,288	44,496,042	23,469,599	10,105,253	33,574,852
1.2.1	Government Debt Securities		372,461	19,192,296	19,564,757	711,666	9,566,112	10,277,778
1.2.2	Equity Securities		3,551,151	658,024	4,209,175	11,873,519	334,381	12,207,900
1.2.3	Other Financial Assets		20,095,142	626,968	20,722,110	10,884,414	204,760	11,089,174
1.3	Financial Assets at Fair Value Through Other Comprehensive Income	V-I-d	173,412,009	123,613,217	297,025,226	132,318,883	69,806,694	202,125,577
1.3.1	Government Debt Securities		170,689,290	116,832,858	287,522,148	129,555,447	64,099,567	193,655,014
1.3.2	Equity Securities		505,358	2,598,836	3,104,194	258,517	1,342,084	1,600,601
1.3.3	Other Financial Assets		2,217,361	4,181,523	6,398,884	2,504,919	4,365,043	6,869,962
1.4	Derivative Financial Assets	V-I-c-i	536,703	20,563,936	21,100,639	613,722	18,946,927	19,560,649
1.4.1	Derivative Financial Assets at Fair Value Through Profit or Loss		536,703	20,563,936	21,100,639	613,722	18,946,927	19,560,649
1.4.2	Financial Assets at Fair Value Through Other Comprehensive Income		0	0	0	0	0	0
II	FINANCIAL ASSETS MEASURED AT AMORTISED COST (Net)		958,404,269	590,776,237	1,549,180,506	586,224,751	393,104,327	979,329,078
2.1	Loans	V-I-e	777,452,231	556,841,298	1,334,293,529	502,248,199	375,845,283	878,093,482
2.2	Lease Receivables	V-I-e-i	6,843,234	17,883,403	24,726,637	4,961,490	13,400,104	18,361,594
2.3	Factoring Receivables	V-I-e	19,150,379	3,341,707	22,492,086	13,696,739	2,211,918	15,908,657
2.4	Other Financial Assets Measured at Amortised Cost (Net)	V-I-f	184,774,042	31,404,006	216,178,048	91,311,985	15,644,176	106,956,161
2.4.1	Government Debt Securities		184,190,708	15,316,159	199,506,867	90,427,061	9,829,112	100,256,173
2.4.2	Other Financial Assets		583,334	16,087,847	16,671,181	884,924	5,815,064	6,699,988
2.5	Expected Credit Loss (-)		29,815,617	18,694,177	48,509,794	25,993,662	13,997,154	39,990,816
III.	ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	V-I-n	1,545,205	17,749	1,562,954	1,598,635	20,359	1,618,994
3.1	Held for Sale		1,545,205	17,749	1,562,954	1,598,635	20,359	1,618,994
3.2	Discontinued Operations		0	0	0	0	0	0
IV.	EQUITY INVESTMENTS		81,035,427	311,107	81,346,534	42,680,123	190,321	42,870,444
4.1	Investments in Associates (Net)	V-I-g	569,486	0	569,486	405,345	0	405,345
4.1.1	Associates Accounted by Using Equity Method		453,026	0	453,026	385,225	0	385,225
4.1.2	Unconsolidated Associates		116,460	0	116,460	20,120	0	20,120
4.2	Subsidiaries (Net)	V-I-ğ	80,430,190	311,107	80,741,297	42,258,868	190,321	42,449,189
4.2.1	Unconsolidated Financial Subsidiaries		0	0	0	0	0	0
4.2.2	Unconsolidated Non-Financial Subsidiaries		80,430,190	311,107	80,741,297	42,258,868	190,321	42,449,189
4.3	Joint Ventures (Net)	V-I-h	35,751	0	35,751	15,910	0	15,910
4.3.1	Joint Ventures Accounted by Using Equity Method		0	0	0	0	0	0
4.3.2	Unconsolidated Joint Ventures		35,751	0	35,751	15,910	0	15,910
V.	TANGIBLE ASSETS (Net)	V-I-j	44,255,046	540,492	44,795,538	24,107,773	370,345	24,478,118
VI.	INTANGIBLE ASSETS (Net)	V-I-k	6,877,527	260,714	7,138,241	3,880,370	199,443	4,079,813
6.1	Goodwill		27,994	0	27,994	27,994	0	27,994
6.2	Other		6,849,533	260,714	7,110,247	3,852,376	199,443	4,051,819
VII.	INVESTMENT PROPERTY (Net)	V-I-l	18,056,230	0	18,056,230	11,320,190	0	11,320,190
VIII.	CURRENT TAX ASSET		39,440	10,895	50,335	16,486	9,868	26,354
IX.	DEFERRED TAX ASSET	V-I-m	14,637,453	0	14,637,453	963,685	10,425	974,110
X.	OTHER ASSETS (Net)	V-I-o	223,161,320	32,731,871	255,893,191	132,660,097	15,947,393	148,607,490
	TOTAL ASSETS		1,738,348,761	1,216,393,810	2,954,742,571	994,921,672	720,509,897	1,715,431,569

Türkiye İş Bankası A.Ş.

Consolidated Balancesheet (Statement Of Financial Position)

LIABILITIES		Footnotes	THOUSAND TL					
			CURRENTPERIOD (31/12/2023)			PRIOR PERIOD (31/12/2022)		
			TL	FC	Total	TL	FC	Total
I.	DEPOSITS	V-II-a	875,970,187	834,081,633	1,710,051,820	381,017,089	571,618,843	952,635,932
II.	FUNDS BORROWED	V-II-c	10,088,579	231,152,014	241,240,593	12,101,494	143,880,105	155,981,599
III.	MONEY MARKETS		85,108,713	52,604,325	137,713,038	37,777,875	13,462,281	51,240,156
IV.	SECURITIES ISSUED (Net)	V-II-ç	10,315,459	98,828,108	109,143,567	11,523,746	46,820,814	58,344,560
4.1	Bills		6,165,382	735,314	6,900,696	10,463,791	0	10,463,791
4.2	Asset Backed Securities		1,508,031	0	1,508,031	164,426	0	164,426
4.3	Bonds		2,642,046	98,092,794	100,734,840	895,529	46,820,814	47,716,343
V.	FUNDS		132,820	1,349,660	1,482,480	27,907	709,826	737,733
5.1	Borrower Funds		132,820	1,349,660	1,482,480	27,907	709,826	737,733
5.2	Other		0	0	0	0	0	0
VI.	FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		0	0	0	0	0	0
VII.	DERIVATIVE FINANCIAL LIABILITIES	V-II-b-g	602,277	7,762,079	8,364,356	3,060,665	7,030,436	10,091,101
7.1	Derivative Financial Liabilities at Fair Value Through Profit or Loss		602,277	7,762,079	8,364,356	3,060,665	7,030,436	10,091,101
7.2	Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income		0	0	0	0	0	0
VIII.	FACTORING PAYABLES		0	0	0	0	0	0
IX.	LEASE PAYABLES (Net)	V-II-f	1,835,905	461,609	2,297,514	1,326,947	316,106	1,643,053
X.	PROVISIONS	V-II-ğ	80,916,682	26,716,635	107,633,317	54,155,322	13,137,153	67,292,475
10.1	Restructuring Provisions		0	0	0	0	0	0
10.2	Reserve for Employee Benefits		6,162,265	12,347	6,174,612	5,886,941	6,798	5,893,739
10.3	Insurance Technical Provisions (Net)		42,121,605	23,658,483	65,780,088	23,985,529	11,602,637	35,588,166
10.4	Other Provisions		32,632,812	3,045,805	35,678,617	24,282,852	1,527,718	25,810,570
XI.	CURRENT TAX LIABILITY	V-II-h	13,264,627	464,721	13,729,348	8,077,499	48,488	8,125,987
XII.	DEFERRED TAX LIABILITY	V-II-h	71,374	42,819	114,193	1,599,383	0	1,599,383
XIII.	LIABILITIES RELATED TO ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	V-II-i	0	0	0	0	0	0
13.1	Held for Sale		0	0	0	0	0	0
13.2	Discontinued Operations		0	0	0	0	0	0
XIV.	SUBORDINATED DEBT	V-II-i	2,324,411	37,546,571	39,870,982	2,277,824	31,280,921	33,558,745
14.1	Loans		0	0	0	0	0	0
14.2	Other Debt Instruments		2,324,411	37,546,571	39,870,982	2,277,824	31,280,921	33,558,745
XV.	OTHER LIABILITIES	V-II-e	242,325,905	37,418,618	279,744,523	143,167,968	20,960,184	164,128,152
XVI.	SHAREHOLDERS' EQUITY	V-II-j	301,694,287	1,662,553	303,356,840	213,719,591	(3,666,898)	210,052,693
16.1	Paid-in Capital		10,000,000	0	10,000,000	10,000,000	0	10,000,000
16.2	Capital Reserves		1,269,954	0	1,269,954	1,218,092	0	1,218,092
16.2.1	Share Premium		138,553	0	138,553	138,551	0	138,551
16.2.2	Share Cancellation Profits		0	0	0	0	0	0
16.2.3	Other Capital Reserves		1,131,401	0	1,131,401	1,079,541	0	1,079,541
16.3	Accumulated Other Comprehensive Income or Loss Not Reclassified Through Profit or Loss		45,527,841	717	45,528,558	20,231,121	(429)	20,230,692
16.4	Accumulated Other Comprehensive Income or Loss Reclassified Through Profit or Loss		29,367,334	(1,454,175)	27,913,159	44,402,975	(4,867,474)	39,535,501
16.5	Profit Reserves		109,918,245	941,934	110,860,179	58,255,995	539,625	58,795,620
16.5.1	Legal Reserves		11,735,223	62,094	11,797,317	7,063,017	28,268	7,091,285
16.5.2	Status Reserves		403,399	0	403,399	289,294	0	289,294
16.5.3	Extraordinary Reserves		97,779,623	879,840	98,659,463	50,903,684	511,357	51,415,041
16.5.4	Other Profit Reserves		0	0	0	0	0	0
16.6	Profit or Loss		70,737,833	1,887,486	72,625,319	60,681,842	789,181	61,471,023
16.6.1	Prior Periods' Profit or Loss		(8,463)	380,009	371,546	(10,877)	(116,770)	(127,647)
16.6.2	Current Period Profit or Loss		70,746,296	1,507,477	72,253,773	60,692,719	905,951	61,598,670
16.7	Minority Shares	V-II-k	34,873,080	286,591	35,159,671	18,929,566	(127,801)	18,801,765
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,624,651,226	1,330,091,345	2,954,742,571	869,833,310	845,598,259	1,715,431,569

Türkiye İş Bankası A.Ş.

Consolidated Statement Of Off-Balance Sheet Items

OFF-BALANCE SHEET ITEMS		Footnotes	THOUSAND TL					
			CURRENT PERIOD (31/12/2023)			PRIOR PERIOD (31/12/2022)		
			TL	FC	Total	TL	FC	Total
A.	OFF-BALANCE SHEET CONTINGENCIES and COMMITMENTS (I+II+III)		982,736,242	1,524,431,477	2,507,167,719	486,977,283	950,378,400	1,437,355,683
I.	GUARANTEES AND SURETYSHIPS	V-III	168,764,667	262,730,679	431,495,346	91,557,242	158,958,679	250,515,921
1.1	Letters of Guarantee		159,064,124	160,736,332	319,800,456	85,483,077	95,269,548	180,752,625
1.1.1	Guarantees Subject to State Tender Law		1,508,058	1,770,160	3,278,218	1,344,063	1,143,615	2,487,678
1.1.2	Guarantees Given for Foreign Trade Operations		16,505,345	63,545,208	80,050,553	11,143,447	40,340,109	51,483,556
1.1.3	Other Letters of Guarantee		141,050,721	95,420,964	236,471,685	72,995,567	53,785,824	126,781,391
1.2	Bank Acceptance		9,435,050	4,960,260	14,395,310	5,576,890	2,476,617	8,053,507
1.2.1	Import Letter of Acceptances		0	2,834,392	2,834,392	0	704,717	704,717
1.2.2	Other Bank Acceptances		9,435,050	2,125,868	11,560,918	5,576,890	1,771,900	7,348,790
1.3	Letters of Credit		261,037	90,802,490	91,063,527	492,132	56,376,383	56,868,515
1.3.1	Documentary Letters of Credit		245,881	58,717,904	58,963,785	455,314	36,316,518	36,771,832
1.3.2	Other Letters of Credit		15,156	32,084,586	32,099,742	36,818	20,059,865	20,096,683
1.4	Prefinancing Given as Guarantee		0	0	0	0	0	0
1.5	Endorsements		0	0	0	0	0	0
1.5.1	Endorsements to the Central Bank of Turkey		0	0	0	0	0	0
1.5.2	Other Endorsements		0	0	0	0	0	0
1.6	Purchase Guarantees for Securities Issued		0	0	0	0	0	0
1.7	Factoring Guarantees		0	0	0	0	0	0
1.8	Other Guarantees		4,456	6,231,597	6,236,053	5,143	4,836,131	4,841,274
1.9	Other Suretyships		0	0	0	0	0	0
II.	COMMITMENTS		573,359,840	71,511,904	644,871,744	197,736,666	40,558,403	238,295,069
2.1	Irrevocable Commitments		569,766,880	57,695,865	627,462,745	194,762,484	22,659,219	217,421,703
2.1.1	Forward Asset Purchase Commitments		2,775,678	26,011,453	28,787,131	55,113	4,658,659	4,713,772
2.1.2	Forward Deposit Purchase and Sales Commitments		0	0	0	0	0	0
2.1.3	Capital Commitments to Associates and Subsidiaries		0	168,814	168,814	1,000,000	138,750	1,138,750
2.1.4	Loan Granting Commitments		118,244,588	4,022,975	122,267,563	65,197,193	2,105,370	67,302,563
2.1.5	Securities Underwriting Commitments		0	0	0	0	0	0
2.1.6	Commitments for Reserve Deposit Requirements		0	0	0	0	0	0
2.1.7	Commitments for Cheque Payments		9,204,813	0	9,204,813	5,447,537	0	5,447,537
2.1.8	Tax and Fund Liabilities from Export Commitments		22,019	0	22,019	22,490	0	22,490
2.1.9	Commitments for Credit Card Expenditure Limits		417,894,567	0	417,894,567	112,111,363	0	112,111,363
2.1.10	Commitments for Credit Cards and Banking Services Promotions		1,085,145	0	1,085,145	277,375	0	277,375
2.1.11	Receivables from Short Sale Commitments		0	0	0	0	0	0
2.1.12	Payables for Short Sale Commitments		0	0	0	0	0	0
2.1.13	Other Irrevocable Commitments		20,540,070	27,492,623	48,032,693	10,651,413	15,756,440	26,407,853
2.2	Revocable Commitments		3,592,960	13,816,039	17,408,999	2,974,182	17,899,184	20,873,366
2.2.1	Revocable Loan Granting Commitments		3,592,960	13,816,039	17,408,999	2,939,182	17,899,184	20,838,366
2.2.2	Other Revocable Commitments		0	0	0	35,000	0	35,000
III.	DERIVATIVE FINANCIAL INSTRUMENTS		240,611,735	1,190,188,894	1,430,800,629	197,683,375	750,861,318	948,544,693
3.1	Derivative Financial Instruments Held for Risk Management		0	38,788,055	38,788,055	0	26,497,037	26,497,037
3.1.1	Fair Value Hedges		0	38,788,055	38,788,055	0	26,497,037	26,497,037
3.1.2	Cash Flow Hedges		0	0	0	0	0	0
3.1.3	Net Foreign Investment Hedges		0	0	0	0	0	0

Türkiye İş Bankası A.Ş.

Consolidated Statement Of Off-Balance Sheet Items

		Footnotes	THOUSAND TL					
			CURRENT PERIOD (31/12/2023)			PRIOR PERIOD (31/12/2022)		
			TL	FC	Total	TL	FC	Total
3.2	Derivative Financial Instruments Held for Trading		240,611,735	1,151,400,839	1,392,012,574	197,683,375	724,364,281	922,047,656
3.2.1	Forward Foreign Currency Buy/Sell Transactions		45,086,612	150,221,875	195,308,487	10,640,362	58,699,042	69,339,404
3.2.1.1	Forward Foreign Currency Buy Transactions		32,446,782	65,946,872	98,393,654	9,117,920	25,804,206	34,922,126
3.2.1.2	Forward Foreign Currency Sell Transactions		12,639,830	84,275,003	96,914,833	1,522,442	32,894,836	34,417,278
3.2.2	Currency and Interest Rate Swaps		163,259,055	844,538,982	1,007,798,037	172,439,374	579,101,581	751,540,955
3.2.2.1	Currency Swap Buy Transactions		101,944	240,148,199	240,250,143	14,912,056	201,323,125	216,235,181
3.2.2.2	Currency Swap Sell Transactions		154,243,873	124,389,343	278,633,216	155,910,430	85,151,884	241,062,314
3.2.2.3	Interest Rate Swap Buy Transactions		4,456,619	240,000,720	244,457,339	808,444	146,313,286	147,121,730
3.2.2.4	Interest Rate Swap Sell Transactions		4,456,619	240,000,720	244,457,339	808,444	146,313,286	147,121,730
3.2.3	Currency, Interest Rate and Security Options		30,161,708	83,635,857	113,797,565	6,223,543	23,979,673	30,203,216
3.2.3.1	Currency Call Options		19,595,726	31,548,029	51,143,755	3,160,239	8,188,384	11,348,623
3.2.3.2	Currency Put Options		9,931,673	40,569,812	50,501,485	2,560,163	8,138,756	10,698,919
3.2.3.3	Interest Rate Call Options		0	5,759,008	5,759,008	0	3,822,162	3,822,162
3.2.3.4	Interest Rate Put Options		0	5,759,008	5,759,008	0	3,822,162	3,822,162
3.2.3.5	Securities Call Options		161,125	0	161,125	102,031	8,209	110,240
3.2.3.6	Securities Put Options		473,184	0	473,184	401,110	0	401,110
3.2.4	Currency Futures		1,801,256	2,315,162	4,116,418	1,468,797	2,388,511	3,857,308
3.2.4.1	Currency Buy Futures		1,739,302	627,609	2,366,911	531,608	1,878,869	2,410,477
3.2.4.2	Currency Sell Futures		61,954	1,687,553	1,749,507	937,189	509,642	1,446,831
3.2.5	Interest Rate Futures		0	0	0	0	0	0
3.2.5.1	Interest Rate Buy Futures		0	0	0	0	0	0
3.2.5.2	Interest Rate Sell Futures		0	0	0	0	0	0
3.2.6	Other		303,104	70,688,963	70,992,067	6,911,299	60,195,474	67,106,773
B.	CUSTODY AND PLEDGES RECEIVED (IV+V+VI)		2,101,117,035	4,450,415,695	6,551,532,730	1,321,757,181	2,507,090,956	3,828,848,137
IV.	ITEMS HELD IN CUSTODY		168,718,304	258,845,119	427,563,423	126,082,554	177,367,218	303,449,772
4.1	Customers' Securities Held		0	0	0	0	0	0
4.2	Investment Securities Held in Custody		89,804,295	10,527,854	100,332,149	73,694,920	9,302,513	82,997,433
4.3	Cheques Received for Collection		71,751,500	122,441,796	194,193,296	46,921,949	93,195,648	140,117,597
4.4	Commercial Notes Received for Collection		4,991,481	59,891,659	64,883,140	3,969,225	36,196,124	40,165,349
4.5	Other Assets Received for Collection		0	0	0	0	0	0
4.6	Assets Received for Public Offering		0	0	0	0	0	0
4.7	Other Items Under Custody		2,171,028	65,983,810	68,154,838	1,496,460	38,672,933	40,169,393
4.8	Custodians		0	0	0	0	0	0
V.	PLEDGED ITEMS		1,932,398,731	4,191,570,576	6,123,969,307	1,195,674,627	2,329,723,738	3,525,398,365
5.1	Marketable Securities		90,629,125	377,511,569	468,140,694	70,796,111	214,601,746	285,397,857
5.2	Guarantee Notes		28,760,470	101,929,480	130,689,950	22,783,627	73,150,399	95,934,026
5.3	Commodity		372,589,614	538,762,101	911,351,715	261,292,144	230,129,478	491,421,622
5.4	Warranty		0	0	0	0	0	0
5.5	Real Estates		925,688,136	2,060,964,425	2,986,652,561	612,933,020	1,140,910,774	1,753,843,794
5.6	Other Pledged Items		514,731,386	1,112,403,001	1,627,134,387	227,869,725	670,931,341	898,801,066
5.7	Pledged Items-Depository		0	0	0	0	0	0
VI.	ACCEPTED BILL, GUARANTEES AND SURETIES		0	0	0	0	0	0
	TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)		3,083,853,277	5,974,847,172	9,058,700,449	1,808,734,464	3,457,469,356	5,266,203,820

Türkiye İş Bankası A.Ş.

Consolidated Statement Of Profit or Loss

STATEMENT OF PROFIT OR LOSS		Footnote	THOUSAND TL	
			CURRENT PERIOD (01/01-31/12/2023)	PRIOR PERIOD (01/01-31/12/2022)
I.	INTEREST INCOME	V-IV-a	257,253,164	140,591,973
1.1	Interest Income on Loans		164,230,889	88,814,283
1.2	Interest Income on Reserve Deposits		774,911	284,989
1.3	Interest Income on Banks		3,771,730	1,192,676
1.4	Interest Income on Money Market Placements		2,347,134	1,235,823
1.5	Interest Income on Marketable Securities Portfolio		78,317,720	45,597,027
1.5.1	Financial Assets At Fair Value Through Profit or Loss		475,254	295,244
1.5.2	Financial Assets At Fair Value Through Other Comprehensive Income		45,774,148	26,924,548
1.5.3	Financial Assets At Measured at Amortised Cost		32,068,318	18,377,235
1.6	Financial Lease Income		3,029,117	1,656,789
1.7	Other Interest Income		4,781,663	1,810,386
II.	INTEREST EXPENSE (-)	V-IV-b	168,229,605	54,160,597
2.1	Interest on Deposits		121,340,486	32,510,139
2.2	Interest on Funds Borrowed		14,506,563	5,536,809
2.3	Interest on Money Market Funds		11,181,957	4,642,178
2.4	Interest on Securities Issued		10,339,531	8,236,025
2.5	Financial Lease Expense		398,684	247,662
2.6	Other Interest Expenses		10,462,384	2,987,784
III.	NET INTEREST INCOME (I - II)		89,023,559	86,431,376
IV.	NET FEES AND COMMISSIONS INCOME		40,133,066	14,671,415
4.1	Fees and Commissions Received		56,642,029	22,118,215
4.1.1	Non-cash Loans		3,880,249	2,329,047
4.1.2	Other		52,761,780	19,789,168
4.2	Fees and Commissions Paid		16,508,963	7,446,800
4.2.1	Non-cash Loans		143,376	40,129
4.2.2	Other		16,365,587	7,406,671
V.	DIVIDEND INCOME	V-IV-c	421,522	263,526
VI.	TRADING INCOME /(LOSS) (Net)	V-IV-ç	40,744,739	19,477,788
6.1	Gains /(Losses) on Securities Trading		17,928,872	10,507,138
6.2	Derivative Financial Transactions Gains/Losses		-936,083	-10,163,186
6.3	Foreign Exchange Gains / (Losses)		23,751,950	19,133,836
VII.	OTHER OPERATING INCOME	V-IV-d	64,136,738	32,573,886
VIII.	GROSS OPERATING INCOME (III+IV+V+VI+VII)		234,459,624	153,417,991
IX.	EXPECTED CREDIT LOSS (-)	V-IV-e	19,759,355	13,055,945
X.	OTHER PROVISION EXPENSES (-)	V-IV-e	4,630,217	6,175,130
XI.	PERSONNEL EXPENSE (-)		30,644,805	17,710,092
XII.	OTHER OPERATING EXPENSES (-)	V-IV-f	93,011,616	42,171,552
XIII.	NET OPERATING INCOME/(LOSS) (VIII-IX-X-XI-XII)		86,413,631	74,305,272
XIV.	AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER		0	0
XV.	PROFIT/LOSS FROM ASSOCIATES ACCOUNTED FOR USING THE QUITY METHOD		13,434,857	10,205,448
XVI.	NET MONETARY POSITION GAIN/LOSS		0	0
XVII.	PROFIT/LOSS ON CONTINUING OPERATIONS BEFORE TAX (XIII+...+XVI)	V-IV-g	99,848,488	84,510,720
XVIII.	TAX PROVISION FOR CONTINUING OPERATIONS(±)	V-IV-ğ	13,478,534	15,453,038
18.1	Current Tax Provision		20,258,987	20,565,318
18.2	Deferred Tax Income Effect (+)		7,439,918	2,936,091
18.3	Deferred Tax Expense Effect (-)		14,220,371	8,048,371
XIX.	NET PERIOD PROFIT/LOSS FROM CONTUNUING OPERATIONS (XVII±XVIII)	V-IV-h	86,369,954	69,057,682
XX.	INCOME ON DISCONTINUED OPERATIONS		0	0
20.1	Income on Assets Held for Sale		0	0
20.2	Gain on Sale of Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures)		0	0
20.3	Other Income on Discontinued Operations		0	0
XXI.	EXPENSE ON DISCONTINUED OPERATIONS (-)		0	0
21.1	Expense on Assets Held for Sale		0	0
21.2	Loss on Sale of Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures)		0	0
21.3	Other Expense on Discontinued Operations		0	0
XXII.	PROFIT/LOSS ON DISCONTINUED OPERATIONS BEFORE TAX (XX-XXI)	V-IV-g	0	0
XXIII.	TAX PROVISION FOR DISCONTINUED OPERATIONS (±)	V-IV-ğ	0	0
23.1	Current Tax Provision		0	0
23.2	Deferred Tax Expense Effect (+)		0	0
23.3	Deferred Tax Income Effect (-)		0	0
XXIV.	NET PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)	V-IV-h	0	0
XXV.	NET PERIOD PROFIT/LOSS (XIX+XXIV)	V-IV-ı	86,369,954	69,057,682
25.1	Group's Profit / Loss		72,253,773	61,598,670
25.2	Non-controlling Interest Profit / Loss (-)		14,116,181	7,459,012
	Earnings per Share (*)		0.289012491	0.246392462

(*) Expressed in exact TL.

Türkiye İş Bankası A.Ş.

Consolidated Statement Of Profit or Loss and Other Comprehensive Income

PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		THOUSAND TL	
		CURRENT PERIOD (01/01-31/12/2023)	PRIOR PERIOD (01/01-31/12/2022)
I.	PROFIT/LOSS FOR THE PERIOD	86,369,954	69,057,682
II.	OTHER COMPREHENSIVE INCOME	16,285,846	45,775,586
2.1	Other comprehensive income that will not be reclassified to profit or loss	27,358,460	13,867,929
2.1.1	Revaluation Surplus on Tangible Assets	19,312,374	11,710,234
2.1.2	Revaluation Surplus on Intangible Assets	0	0
2.1.3	Gains / (Losses) on remeasurements of Defined Benefit Plans	11,018	(2,718,358)
2.1.4	Other Income/ Expense Items of Other Comprehensive Income not to be Reclassified to Profit Or Loss	8,385,793	5,265,037
2.1.5	Taxes Relating To Components Of Other Comprehensive Income not to be Reclassified To Profit Or Loss	(350,725)	(388,984)
2.2	Other Income/ Expense Items not be Reclassified to Profit or Loss	(11,072,614)	31,907,657
2.2.1	Exchange Differences on Translation	6,527,303	2,141,102
2.2.2	Valuation and/or Reclassification Profit or Loss from Financial Assets at Fair Value through Other Comprehensive Income	(28,885,874)	33,631,708
2.2.3	Income/ (Loss) Related with Cash Flow Hedges	0	0
2.2.4	Income/ (Loss) Related with Hedges of Net Investments in Foreign Operations	(1,121,189)	0
2.2.5	Other Income/ Expense Items of Other Comprehensive Income to be Reclassified to Other Profit or Loss	4,723,021	4,492,270
2.2.6	Taxes Relating To Components Of Other Comprehensive Income to be Reclassified To Profit Or Loss	7,684,125	(8,357,423)
III.	TOTAL COMPREHENSIVE INCOME (I+II)	102,655,800	114,833,268

Türkiye İş Bankası A.Ş.

Consolidated Statement Of Changes In Shareholders' Equity

CHANGES IN SHAREHOLDERS' EQUITY	Footnotes					Accumulated Other Comprehensive Income That will not be Reclassified in Profit / (Loss)			Accumulated Other Comprehensive Income That will be Reclassified in Profit/(Loss)								
		Paid-in Capital	Share Premium	Share Certificate Cancellation Profits	Other Capital Reserves	Tangible assets accumulated revaluation reserve Increase / (Decrease)	Accumulated gains/(losses) on remeasurements of defined benefit plans	Other (1)	Exchange differences on translation reserve	Accumulated gains/ (losses) due to revaluation and/or reclassification of financial assets measured at fair value through other comprehensive income	Other (2)	Profit Reserves	Prior Period Profit/ (Loss)	Net Current Period Profit/ (Loss)	Total Shareholder' s Equity Except Non-controlling Interest	Non-controlling Interest	Total Shareholder' s Equity
PRIOR PERIOD (31/12/2022)	V-V																
I. Beginning Balance		4,500,000	143,633		1,059,835	5,604,057	(883,232)	3,333,368	3,861,415	384,249	4,043,379	51,383,634	13,502,913		86,933,251	9,234,928	96,168,179
II. Adjustment in accordance with TAS 8																	
2.1 The Effect of Adjustments																	
2.2 The Effect of Changes in Accounting Policies																	
III. New Balance (I+II)		4,500,000	143,633		1,059,835	5,604,057	(883,232)	3,333,368	3,861,415	384,249	4,043,379	51,383,634	13,502,913		86,933,251	9,234,928	96,168,179
IV. Total Comprehensive Income						8,866,109	(1,950,954)	5,266,266	2,137,596	24,630,342	4,478,519			61,598,670	105,026,548	9,806,720	114,833,268
V. Capital Increase in Cash																	
VI. Capital Increase Through Internal Reserves		5,500,000										(5,500,000)					
VII. Paid-in Capital inflation adjustment difference																	
VIII. Convertible Bonds																	
IX. Subordinated Debt																	
X. Increase /(Decrease) Through Other Changes			(5,082)		19,706	(4,916)		(6)	1			425,707	152,261		587,671	(16,876)	570,795
XI. Profit Distribution												12,486,279	(13,782,821)		(1,296,542)	(223,007)	(1,519,549)
11.1 Dividend Paid													(1,307,884)		(1,307,884)	(226,322)	(1,534,206)
11.2 Transfer to Resewes												12,474,937	(12,474,937)				
11.3 Other												11,342			11,342	3,315	14,657
Ending Balance (III+IV+ +X+XI)		10,000,000	138,551	0	1,079,541	14,465,250	(2,834,186)	8,599,628	5,999,012	25,014,591	8,521,898	58,795,620	(127,647)	61,598,670	191,250,928	18,801,765	210,052,693
CURRENT PERIOD (31/12/2023)																	
I. Beginning Balance		10,000,000	138,551		1,079,541	14,465,250	(2,834,186)	8,599,628	5,999,012	25,014,591	8,521,898	58,795,620	61,471,023		191,250,928	18,801,765	210,052,693
II. Adjustment in accordance with TAS 8																	
2.1 The Effect of Adjustments																	
2.2 The Effect of Changes in Accounting Policies																	
III. New Balance (I+II)		10,000,000	138,551		1,079,541	14,465,250	(2,834,186)	8,599,628	5,999,012	25,014,591	8,521,898	58,795,620	61,471,023		191,250,928	18,801,765	210,052,693
IV Total Comprehensive Income						16,700,491	214,834	8,376,739	6,499,991	(22,055,900)	3,932,965			72,253,773	85,922,893	16,732,907	102,655,800
V. Capital Increase in Cash																	
VI. Capital Increase Through Internal Reserves																	
VII. Paid-in -Capital inflation adjustment difference																	
VIII. Convertible Bonds																	
IX. Subordinated Debt																	
X. Increase/(Decrease) Through Other Changes			2		51,860	6,715	(913)			602		(119,882)	35,396		(26,220)	(33,199)	(59,419)
XI. Profit Distribution												52,184,441	(61,134,873)		(8,950,432)	(341,802)	(9,292,234)
11.1 Dividend Paid													(8,964,030)		(8,964,030)	(346,380)	(9,310,410)
11.2 Transfer to Reserves												52,170,843	(52,170,843)				
11.3 Other (**)												13,598			13,598	4,578	18,176
Ending Balance (III+IV+ +X+XI)		10,000,000	138,553		1,131,401	31,172,456	(2,620,265)	16,976,367	12,499,003	2,959,293	12,454,863	110,860,179	371,546	72,253,773	268,197,169	35,159,671	303,356,840

(1) Other Compæhensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will not be Reclassified to Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income that will not be Reclassified to Profit or Loss.

(2) Accumulated gains / (losses) on cash flow hedges, Other Comprehensive Income of Associates and Joint Ventures Accounted for using equity method that will be classified to Profit / (Loss), Other Accumulated Amounts of Other Comprehensive Income that will be Reclassified to Profit or Loss

(*) Includes changes in the Group Shares.

(**) In accordance with TMS 19 ' Benefits to Employees', die provisions allocated in the relevant period for the dividend to be distributed to the personel were added to distributable profit figure. In the prior period the amount of dividends distributed to bank personnel to the main contract of the Parent Bank is also included.

Türkiye İş Bankası A.Ş.

Consolidated Statement Of Chash Flows

		Footnotes	THOUSAND TL	
			CURRENT PERIOD (01/01-31/12/2023)	PRIOR PERIOD (01/01-31/12/2022)
A.	CASH FLOWS FROM BANKING OPERATIONS			
1.1	Operating Profit Before Changes in Operating Assets and Liabilities		86,645,439	65,423,795
1.1.1	Interest Received		211,263,314	118,786,745
1.1.2	Interest Paid		(143,037,374)	(49,665,722)
1.1.3	Dividend Received		1,617,556	1,040,005
1.1.4	Fees and Commissions Received		56,642,029	22,118,215
1.1.5	Other Income		56,180,996	25,750,270
1.1.6	Collections from Previously Written Off Loans and Other Receivables		5,507,942	3,590,123
1.1.7	Cash Payments to Personnel and Service Suppliers		(58,075,682)	(25,862,712)
1.1.8	Taxes Paid		(21,023,710)	(16,911,467)
1.1.9	Other	V-VI	(22,429,632)	(13,421,662)
1.2	Changes in Operating Assets and Liabilities		355,067,984	23,009,505
1.2.1	Net (Increase) / Decrease in Financial Assets at Fair Value Through Profit or Loss		(3,554,663)	(15,496,512)
1.2.2	Net (Increase) / Decrease in Due From Banks		(51,891,917)	(8,121,373)
1.2.3	Net (Increase) / Decrease in Loans		(323,756,757)	(187,313,018)
1.2.4	Net (Increase) / Decrease in Other Assets		(65,666,161)	(49,948,337)
1.2.5	Net Increase / (Decrease) in Bank Deposits		79,303,708	(625,735)
1.2.6	Net Increase / (Decrease) in Other Deposits		555,677,084	236,383,401
1.2.7	Net Increase/ (Decrease) in Financial Liabilities at Fair Value Through Profit or Loss		0	0
1.2.8	Net Increase / (Decrease) in Funds Borrowed		4,137,659	(15,257,022)
1.2.9	Net Increase / (Decrease) in Matured Payables		0	0
1.2.10	Net Increase / (Decrease) in Other Liabilities	V-VI	160,819,031	63,388,101
I.	Net Cash Provided From Banking Operations		441,713,423	88,433,300
B.	CASH FLOWS FROM INVESTING ACTIVITIES			
II.	Net Cash Provided from Investing Activities		(171,340,162)	(77,786,425)
2.1	Cash Paid for the Purchase of Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures)		(9,252,857)	(3,689)
2.2	Cash Obtained from Sale of Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures)		147,626	0
2.3	Cash Paid for the Purchase of Tangible Asset		(3,738,511)	(2,396,667)
2.4	Cash Obtained from the Sale of Tangible Asset		226,747	1,387,612
2.5	Cash Paid for Purchase of Financial Assets at Fair Value Through Other Comprehensive Income		(136,128,560)	(79,595,524)
2.6	Cash Obtained from Sale of Financial Assets at Fair Value Through Other Comprehensive Income		62,809,311	44,385,721
2.7	Cash Paid for Purchase of Financial Assets Measured at Amortised Cost		(121,861,350)	(60,382,102)
2.8	Cash Obtained from Sale of Financial Assets Measured at Amortised Cost (*)		40,745,444	21,574,387
2.9	Other	V-VI	(4,288,012)	(2,756,163)
C.	CASH FLOWS FROM FINANCING ACTIVITIES			
III.	Net cash provided from financing activities		4,185,113	(29,800,559)
3.1	Cash obtained from funds borrowed and securities issued		60,961,708	48,911,840
3.2	Cash used for repayment of funds borrowed and securities issued		(43,184,062)	(76,093,320)
3.3	Equity Instruments		0	0
3.4	Dividends Paid		(12,402,571)	(1,894,206)
3.5	Payments for Finance Leases		(1,189,962)	(724,873)
3.6	Other	V-VI	0	0
IV.	Effect of change in foreign exchange rate on cash and cash equivalents	V-VI	8,591,643	975,670
V.	Net increase in cash and equivalents		283,150,017	(18,178,014)
VI.	Cash and cash equivalents at beginning of the period		114,144,588	132,322,602
VII.	Cash and cash equivalents at end of the period		397,294,605	114,144,588

(*) Includes Redeemed Financial Assets measured at amortized cost.

Türkiye İş Bankası A.Ş.

Consolidated Statement Of Profit Distribut,on Table

		THOUSAND TL	
		CURRENT PERIOD (01/01-31/12/2023)	PRIOR PERIOD (01/01-31/12/2022)
I.	DISTRIBUTION OF CURRENT YEAR PROFIT (1)		
1.1	CURRENT PERIOD PROFIT (2)	77,082,501	77,207,514
1.2	TAXES AND DUES PAYABLE (-)	4,817,703	12,411,168
1.2.1	Corporate Tax (Income Tax)	9,929,002	17,082,925
1.2.2	Income Tax Withholding	286,855	121,205
1.2.3	Other Taxes and Dues Payable (3)	(5,398,154)	(4,792,962)
A.	NET PROFIT FOR THE PERIOD (1.1-1.2)	72,264,798	64,796,347
1.3	PRIOR YEARS' LOSSES (-)	0	0
1.4	FIRST LEGAL RESERVES (-)	0	4,398,284
1.5	OTHER STATUTORY RESERVES (-)	0	476,342
B.	NET PROFIT ATTRIBUTABLE TO [(A-(1.3+1.4+1.5))]	72,264,798	59,921,721
1.6	FIRST DIVIDEND TO SHAREHOLDERS (-)	0	600,000
1.6.1	To Owners of Ordinary Shares	0	599,998
1.6.2	To Owners of Preferred Shares	0	2
1.6.3	To Preferred Shares (Preemptive Rights)	0	0
1.6.4	To Profit Sharing Bonds	0	0
1.6.5	To Holders of Profit / Loss Share Certificates	0	0
1.7	DIVIDENDS TO PERSONNEL (-)	0	3,092,161
1.8	DIVIDENDS TO THE BOARD OF DIRECTORS (-)	0	0
1.9	SECOND DIVIDEND TO SHAREHOLDERS (-)	0	8,630,682
1.9.1	To Owners of Ordinary Shares	0	8,630,411
1.9.2	To Owners of Privileged Shares	0	232
1.9.3	To Owners of Prefered Shares	0	39
1.9.4	To Profit Sharing Bonds	0	0
1.9.5	To Holders of Profit / Loss Share Certificates	0	0
1.1	STATUTORY RESERVES (-)	0	0
1.11	EXTRAORDINARY RESERVES	0	47,598,878
1.12	OTHER RESERVES	0	0
1.13	SPECIAL FUNDS	0	0
II.	DISTRIBUTION FROM RESERVES		
2.1	DISTRIBUTED RESERVES	0	0
2.2	DIVIDENDS TO SHAREHOLDERS (-)	0	0
2.2.1	To Owners of Ordinary Shares	0	0
2.2.2	To Owners of Privileged Shares	0	0
2.2.3	To Owners of Preferred Shares	0	0
2.2.4	To Profit Sharing Bonds	0	0
2.2.5	To Holders of Profit / Loss Share Certificates	0	0
2.3	DIVIDENDS TO PERSONNEL (-)	0	0
2.4	DIVIDENDS TO THE BOARD OF DIRECTORS (-)	0	0
III.	EARNINGS PER SHARE		
3.1	TO OWNERS OF ORDINARY SHARES (4)	0.2891	0.2461
3.2	TO OWNERS OF ORDINARY SHARES (%)	723	615
3.3	TO OWNERS OF PRIVILEGED SHARES (4)	0	0
3.4	TO OWNERS OF PRIVILEGED SHARES (%)	0	0
IV.	DIVIDEND PER SHARE		
4.1	TO OWNERS OF ORDINARY SHARES (4)	0	0.0369
4.2	TO OWNERS OF ORDINARY SHARES (%)	0	92.0
4.3	TO OWNERS OF PRIVILEGED SHARES (4)	0	0.0780
4.4	TO OWNERS OF PRIVILEGED SHARES (%)	0	780.32

(1) The decision for dividend payment is made at the Annual General Meeting. Annual General Meeting has not been held as of the reporting date.

(2) In accordance with "TAS 19 Employee Benefits TL 165,466 allocated for the profit share to be distributed to the personnel in 2022 and added to the profit distribution base of the same year, and TL 3,093,000 retained earnings added to the profit distribution base of the same year are added to the previous period's profit in the table

(3) Deferred Tax Expense/Income.

(4) Expressed in exact TL.

Türkiye İş Bankası A.Ş.

Notes To The Consolidated Financial Statement For The Year Ended December 31, 2023

SECTION THREE: EXPLANATION ON ACCOUNTING POLICIES

I. Basis of Presentation

The consolidated financial statements, related notes and explanations in this report are prepared in accordance with the “Regulation on Accounting Applications for Banks and Safeguarding of Documents” and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency and circulars and interpretations published by Banking Regulation and Supervision Authority, (together referred as “BRSA Accounting and Financial Reporting Legislation”) and requirements of Turkish Financial Reporting Standards (TFRS) published the Public Oversight Accounting and Auditing Standards Authority for the matters not regulated by the aforementioned legislations.

TAS 29 Financial Reporting in Hyperinflation Economies requires entities whose functional currency is that of a hyperinflationary economy to prepare their financial statements in terms of the measuring unit current at the end of the reporting period. TAS 29 describes characteristics that may indicate that an economy is hyperinflationary, and it requires all entities that report in the currency of the same hyperinflationary economy apply this Standard from the same date. With the announcement made on November 23 2023, POA stated that, entities that is applying TFRS on their financial statements for the annual reporting period ending on or after 31 December 2023 should be presented by adjusting for the inflation effect in accordance with the relevant accounting principles in the TAS 29 standard, on the other hand, He explained that institutions or organizations authorized to regulate and supervise may determine different transition dates in their own fields for the implementation of TMS 29 provisions. In accordance with the BRSA's decision dated December 12 2023 and numbered 10744, the financial statements of banks and financial leasing, factoring, financing, savings financing and asset management companies dated 31 December 2023 will not be subject to the inflation adjustment required within the scope of TMS 29. and In accordance with the Decision No. 10825 dated January 11 2024 , it was decided to be used in open transactions with variable interest rates indexed to USD LIBOR. The mentioned changes did not have a significant impact on the financial statements dated 31 December 2023.

TFRS 17 “Insurance Contracts” standard, published by the POA on 16.02.2019 to be implemented in accounting periods starting after 31.12.2022, determines the principles regarding the financial statements, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The purpose of TFRS 17 is to ensure that businesses represent the contracts in question in a realistic manner. POA has decided to apply TFRS 17 in the consolidated and individual financial statements of companies as of 01.01.2024. In this context, the relevant standard was not applied in the financial statements dated 31.12.2023.

Within the scope of the project to change the benchmark interest rates carried out by the International Accounting Standards Board (IASB), the “Benchmark Interest Rate Reform - 2nd stage” which brings changes to various TAS/TFRS, effective as of January 1, 2021, was published in December 2020. As of June 30, 2023, the Secured Overnight Financing Rate (SOFR) has started to be used in open transactions with variable interest rates indexed to USD LIBOR. The mentioned changes did not have a significant impact on the Group's financial statements as of December 31, 2023.

The accounting policies applied in the current period are in line with the prior period consolidated financial statements. The accounting policies and the valuation principles used in the preparation of the consolidated financial statements are presented below in detail.

II. Strategy for Use of Financial Instruments and Foreign Currency Transactions

1. The Group's Strategy on Financial Instruments

The Group's main financial activities comprise a wide range of activities such as banking, insurance and reinsurance services, brokerage services, investment consulting, real estate portfolio and asset management, payment services, financial lease, factoring services, portfolio and asset management. The liabilities on the Group's balance sheet are mainly composed of relatively short-term deposits, parallel to general liability structure of the banking system, which is its main field of activity. As for the non-deposit liabilities, funds are collected through medium and long-term instruments. The liquidity risk that may arise from this liability structure can be easily controlled through deposit continuity, as well as widespread network of the correspondent banks, market maker status (The Parent Bank is one of the market maker banks) and by the use of liquidity facilities of the Central Bank of the Republic of Turkey (CBRT). As a result, the liquidity of the Group and the banking system can be easily monitored. On the other hand, foreign currency liquidity requirements are met by the money market operations and currency swaps.

Most of the funds collected bear fixed-interest, and by closely monitoring the developments in the sector, both fixed and floating rate placements are made based on the yields of alternative investment instruments.

Some of the fixed interest liabilities that are issued/used by the Group companies are subject to fair value hedge accounting. The fair value risk of the related fixed interest financial liabilities is protected by interest rate swaps. Explanations on hedge accounting are explained in Section Three, footnote IV.2.

The principle of safety is prioritized in placement works, placements are directed to high yield and low risk assets by considering their maturity structures, while taking global and national economic expectations, market conditions, expectations and tendencies of current and potential loan customers, interest rate, liquidity, currency risks and etc, into consideration. In long term placements, a pricing policy aiming at high return is applied in general and attention is paid to maximizing non-interest income generation opportunities. In addition, the Bank and its subsidiaries within the scope of consolidation act in parallel with these strategies and within the legal limits in management of Financial Statements.

The primary objectives related to balance sheet components are set by the long-term plans shaped along with budgeting; and the Parent Bank takes the required positions against the short-term currency, interest rates and price fluctuations in accordance with these plans and the course of the market conditions.

Foreign currency, interest rate and price fluctuations in the markets are monitored instantaneously. While taking positions, in addition to the legal limits, the Parent Bank's own transaction and control limits are also effectively monitored in order to avoid limit overrides.

The Parent Bank's asset-liability management is executed by the Asset-Liability Management Committee, within the risk limits determined by the Board of Directors, in order to keep the liquidity risk, interest rate risk, currency risk and credit risk within certain limits depending on the equity adequacy and to maximize profitability.

Türkiye İş Bankası A.Ş.

Notes To The Consolidated Financial Statement For The Year Ended December 31, 2023

2. Foreign Currency Transactions

The financial statements of the Parent Bank's branches and financial institutions that have been established abroad are prepared in functional currency prevailing in the economic environment that they operate in; and when they are consolidated, they are presented in TL, which are the functional currency of the Parent Bank and also the currency used in presentation of the financial statements.

Foreign currency monetary assets and liabilities on the balance sheet are converted into Turkish Lira by using the prevailing exchange rates at the balance sheet date. Non-monetary items in foreign currencies carried at fair value are converted into Turkish Lira by the rates at the date of which the fair value is determined. Exchange rate differences arising from the conversions of monetary foreign currency items and the collections of and payments in foreign currency transactions are reflected to the income statement.

While the Parent Bank and Türkiye Sınai Kalkınma Bankası A.Ş. one of the consolidated subsidiaries, use their own foreign currency exchange rates for their foreign currency transactions, other consolidated institutions residing domestically use the CBRT rates for their foreign currency transactions.

Assets and liabilities of the foreign branches of the Parent Bank and financial institutions that have been established abroad are converted into TL by using the prevailing exchange rates at the balance sheet date. Income and expenses of foreign branches are converted by at exchange rates at the dates of the transactions. Incomes and expenses of foreign financial institutions are converted into TL at average foreign currency rates of the balance sheet date as long as there is not a significant fluctuation in currency rates during the period. The exchange rate differences arising from the conversion to TL are recognized in the shareholders' equity.

The Parent Bank has been applying net investment hedge accounting as of 01.11.2023 to the 397 million EURO portion of its net investment in its subsidiary Isbank AG, headquartered in Germany and whose functional currency is Euro, in order to hedge against exchange rate risk. The part of the EURO demand deposit subject to hedge accounting has been determined as a hedging instrument. Exchange rate changes in the portion of foreign currency demand deposits subject to hedge accounting are recognized in equity under “Accumulated Other Comprehensive Income or Expense Reclassified to Profit or Loss”.

III. Information on the Consolidated Companies

1. Basis of Consolidation:

The consolidated financial statements have been prepared in accordance with the procedures and principles listed in the “Communiqué Related to Regulation on the Preparation of the Consolidated Financial Statements of Banks” published in the Official Gazette numbered 26340 dated November 8, 2006.

a. Subsidiaries:

A subsidiary is an entity that is controlled by the Parent.

Control; is the power of the Parent Bank to appoint or remove from office the decision-taking majority of members of board of directors through direct or indirect possession of the majority of a legal person's capital irrespective of the requirement of owning minimum fifty-one per cent of its capital; or by having control over the majority of the voting right as a consequence of holding privileged shares or of agreements with other shareholders although not owning the majority of capital.

As per the “Communiqué Related to the Preparation of Consolidated Financial Statements of Banks” published in the Official Gazette numbered 26340 dated November 8, there is no subsidiary or financial institution that is not included in the scope of consolidation as of the current period. Detailed information about the Bank's subsidiaries related to credit and financial institution is given in Section Five Note I.i.3

Under full consolidation method, the assets, liabilities, income and expenses, and off-balance sheet items of subsidiaries are combined with the equivalent items of the Parent Bank. The book value of the Parent Bank's investment in each of the subsidiaries and the Group's portion of equity of each subsidiary are eliminated. All significant transactions and balances between consolidated subsidiaries are eliminated reciprocally. Non-controlling interests in the net period profit/loss and in the equity of consolidated subsidiaries are calculated separately from the Group's net period profit/loss and the Group's shareholders' equity. Non-controlling interests are presented separately in the balance sheet and in the period profit/loss statement.

In preparing its consolidated financial statements, the Bank performed necessary corrections to ensure consistency of accounting policies used by consolidated subsidiaries. On the other hand, insurance companies under consolidation are obliged to carry their activities in accordance with the regulations and other legislations issued by Republic of Turkey Ministry t of Treasury and Finance and in the accompanying consolidated financial statements, financial reporting presentations of these companies are maintained in accordance with the insurance legislation.

TFRS 3 “Business Combinations” standard prescribes no depreciation to be recognized for goodwill arising on the acquisitions on or after March 31, 2004, realizing positive goodwill as an asset and application of impairment analysis as of balance sheet dates. In the same standard, it is also required from that date onwards that the negative goodwill, which occurs in the case of the Group's interest in the fair value of acquired identifiable assets and liabilities exceeds the acquisition cost to be recognized in profit or loss.

In the prior periods, positive consolidation goodwill amounting to TL 27,994 resulting from the acquisition of Moka Payment and Electronic Para Organization Inc. is included in the consolidated financial statements.

The structured entity that is established within the Bank's securitization loan transactions are included in the consolidated financial statement although the bank does not have any subsidiaries.

Türkiye İş Bankası A.Ş.

Notes To The Consolidated Financial Statement For The Year Ended December 31, 2023

b. Associates:

An associate is a domestic or foreign entity which the Parent Bank participates in its capital and over which it has a significant influence but no control.

Significant influence is the power to participate in the financial and operating policy of the investee. If the Parent Bank holds qualified shares in the associate, it is presumed that the Parent Bank has significant influence unless otherwise demonstrated. A substantial or majority ownership by another investor does not necessarily preclude the Parent Bank from having significant influence.

Qualified share is the share that directly or indirectly constitutes ten or more than ten percent of an entity’s capital or voting rights and irrespective of this requirement, possession of privileged shares giving right to appoint members of board of directors.

Equity method is a method of accounting whereby the book value of the investor’s share capital in the subsidiary or the joint venture is either added to or subtracted in proportion with investor’s share from the change in the subsidiary’s or joint venture’s equity within the period. The method also foresees that profit will be deducted from the subsidiaries’ or joint venture’s accordingly recalculated value.

Arap-Türk Bankası A.Ş. is a subsidiary of the Bank acting as a credit institution or financial institution, is accounted under the equity method in the consolidated financial statements according to the “Communiqué on the Preparation of Consolidated Financial Statements”. Accounting policies of Arap Türk Bankası A.Ş. are not different than the Parent Bank’s accounting policies. Detailed information about Arap Türk Bankası A.Ş. is given in Section Five Note I.h.2.

c. Jointly controlled entities:

A joint venture is an agreement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

The Bank does not have any jointly controlled entities which are credit or financial institutions in nature and to be consolidated in the financial statements by the equity method according to the “Regulation on Preparation of Consolidated Financial Statements of Banks”.

d. Principles applied during share transfer, merger and acquisition:

None.

2. Presentation of subsidiaries, associates and jointly controlled entities which are not credit or financial institutions in consolidated financial statements:

The subsidiaries, associates and jointly controlled entities which are not credit or financial institutions owned by the Bank and its subsidiaries are accounted accordingly to the equity method described in TAS 28 “Investments in Associates and Joint Ventures”.

IV. Forward, Option Contracts and Derivative Instruments

Derivative transactions of the Group consist of foreign currency and interest rate swaps, forwards, foreign currency options and interest rate options. The Group has no derivative instruments decomposed from the main contract.

The Group classifies derivative products “Derivative Financial Instruments at Fair Value through Profit or Loss” or “Derivative Financial Instruments through Other Comprehensive Income” according to the “TFRS 9-Financial Instruments” principles.

1. Derivative Financial Instruments

Derivative transactions are recorded at their fair values as of the date of the contract and receivables and payables arising from these transactions are recorded in off-balance sheet accounts. Derivative transactions are measured at their fair values in the reporting periods after their recognition and if the valuation difference is positive, difference is presented under the “Derivative Financial Assets at Fair Value through Profit or Loss” and if the valuation difference is negative, then it is presented under the “Derivative Financial Liabilities at Fair Value through Profit and Loss”. The differences arising from the valuation of derivative transactions are associated with the income statement.

On off-balance sheet items table, options which generated assets for the Group are presented under “call options” line and which generated liabilities are presented under “put options” line.

2. Hedging Derivative Financial Instruments

TFRS 9 “Financial Instruments” rules that TAS 39 “Financial Instruments: Recognition and Measurement” value hedge accounting may continue to be implemented to hedge the fair value changes against interest rate risk. In this context, the principles of TAS 39 regarding hedge accounting for fair value hedge accounting continue to be applied in the accompanying financial statements.

Interest rate swaps are performed in order to hedge the changes in fair value of fixed interest rate financial instruments.

In this context, if the valuation differences of the derivative transactions are positive, they are included in “Derivative financial assets at Fair Value through Profit or Loss” and if the valuation differences are negative, they are included in “Derivative Financial Liabilities at Fair Value through Profit or Loss”. Changes in the fair value of the fixed rate financial liabilities subject to hedge accounting and changes in the fair value of interest rate swaps as hedging instruments are recorded under “Trading Profit/Loss” in the income statement.

At the beginning of the hedging transaction and in each reporting period, it is expected that the hedging transaction will offset the changes in the hedged risk arising from the hedged transaction (related to the hedged risk) and effectiveness tests are performed in this context. Efficiency tests are carried out with the “Dollar off-set method” and the hedging accounting is continued if the efficiency is between 80% and 125%.

The hedge accounting is terminated if the hedging instrument is terminated, realized, sold or the effectiveness test is ineffective. In the case of termination of fair value hedge accounting, the valuation effects of the fair value hedge accounting applied on the hedged financial instruments is reflected to the statement of profit or loss on a straight-line basis over the life of the hedged financial instrument.

Türkiye İş Bankası A.Ş.

Notes To The Consolidated Financial Statement For The Year Ended December 31, 2023

V. Interest Income and Expenses

Interest income is calculated by using the effective interest rate method (the rate that equals the future cash flows of a financial asset or liability to its present net book value) to gross carrying amount of financial asset in conformity with “TFRS 9 Financial Instruments” except financial asset that is not a purchased or originated credit-impaired financial asset but subsequently has become credit-impaired.

Under the scope of TFRS 9 application, the Group does not reverse the interest accruals and discounts of non-performing loans and other receivables and monitors the related amounts under interest income and calculates expected credit loss on these amounts according to the related methodology.

VI. Fees and Commission Income and Expenses

Wages and commissions those that are not an integral part of the effective interest rate of the financial instruments measured at amortized cost are accounted for in accordance with “TFRS 15 - Revenue from Customer Contracts”. Fees and commission income and expenses are recognized either on accrual basis or by using the effective interest method. Income earned in return for services rendered contractually or due to operations like sale or purchase of assets on behalf of a third-party real person or corporate body are recognized in income accounts in the period of collection.

VII. Financial Assets

The Bank and its companies within the scope of “TFRS 9 Financial Instruments”, classifies and accounts its financial assets as “Financial Assets at Fair Value Through Profit or Loss”, “Financial Assets at Fair Value Through Other Comprehensive Income” or “Financial Assets at Measured at Amortized Cost” by taking into account their business model and contractual cash flow characteristics. Financial assets are recognized or derecognized according to TFRS 9 “Recognition and Derecognition in Statement of Financial Position” requirements. Financial asset is recognized in the statement of financial position when it becomes party to the contractual provisions of the financial instrument. Financial assets are measured at their fair value on initial recognition in the financial statements.

The Group has three different business models for classification of financial assets;

- Business model aimed at holding financial assets in order to collect contractual cash flows; Financial assets held under the mentioned business model are managed to collect contractual cash flows over the life of these assets. The Group manages its assets held under this portfolio in order to collect certain contractual cash flows.
- Business model aimed at collecting contracted cash flows of financial assets and selling; in this business model, the Group intends both to collect contractual cash flows of financial assets and to sell these assets.
- Other business models; A business model in which financial assets; are not held within the scope of a business model aimed at collection of contractual cash flows and within the scope of a business model aimed at collecting and selling contracted cash flows, are measured by reflecting fair value in profit or loss.

The Group is able to reclassify all affected financial assets in case it changes the business model that is used for the management of financial asset.

In the event of the termination of the rights related to the cash flows from a financial asset, the transfer of all risks and rewards of the financial asset to a significant extent or has no longer control of the financial assets, the financial asset is derecognized.

1. Financial Assets at Fair Value Through Profit or Loss

Financial assets except financial assets measured at amortized cost or at fair value through other comprehensive income, are measured at fair value through profit or loss. Financial assets at fair value through profit or loss are financial assets held for the purpose of generating profit from short-term fluctuations in price or similar factors in the market or being part of a portfolio for profitability in the short term, regardless of the acquisition reason or financial assets that are not held in a business model that aims at collecting and/or selling contractual cash flows of financial assets.

Financial assets at fair value through profit or loss are initially measured at fair value on the balance sheet and are subsequently re-measured at fair value. Gains or losses arising from the valuation are related to profit and loss accounts.

In some cases, restructuring, alteration or counterparty changes of contractual cash flows of loans may lead to derecognition of related loans in accordance with TFRS 9. When the change in the financial asset results from derecognizing the existing financial asset from the financial statements and the revised financial asset is recognized in the financial statements, the revised financial asset is considered as a new financial asset in accordance with TFRS 9. When it is determined that there are significant changes between the new conditions of the revised financial asset and the first conditions in related agreements, the Group evaluates the new financial asset according to the current business models. When it is determined that the contractual conditions do not only result in cash flows that include principal and interest payments at certain dates, the financial asset is recognized at fair value and is subject to valuation. The differences arising from the valuation are reflected in the nominal accounts.

The Group recognizes loans at fair value through profit or loss, if the contractual terms of the loan, do not result in cash flows including the principal payments and interest payments generated from principal amounts at certain dates. These loans are valued at their fair values after their recognition and the losses or gains arising from the valuation are included in the profit and loss accounts.

2. Financial Assets at Fair Value Through Other Comprehensive Income

Financial assets at fair value through other comprehensive income are financial assets that are held under a business model that aims both to collect contractual cash flows and to sell financial assets, and financial assets with contractual terms that lead to cash flows that are solely payments of principal and interest on the principle amount outstanding at specific dates.

Financial assets at fair value through other comprehensive income are initially recognized at their fair value including their transaction costs on the financial statements. The initial recognition and subsequent valuation of such financial assets, including the transaction costs, are carried out on a fair value basis and the difference between amortized cost and the cost of borrowing instruments is recognized in profit or loss by using the effective interest method. Dividend income arising from investments in equity instruments that are classified as at fair value through other comprehensive income is also recognized in income statements.

Türkiye İş Bankası A.Ş.

Notes To The Consolidated Financial Statement For The Year Ended December 31, 2023

Gains and losses, except impairment gain or loss and foreign exchange gain or loss, arising from changes in the fair value of financial assets at fair value through other comprehensive income are reflected to other comprehensive income until derecognized or reclassified. When the value of the financial asset is collected or financial asset is disposed, the related fair value differences accumulated in the shareholders' equity are transferred to the profit/loss statement.

During the initial introduction to financial statements, amendments to the fair value of an investment in an equity instrument within the framework of TFRS 9 that are not held for trading or that are not valued in a financial statement of an entity that acquires business combinations under the "TFRS 3 Business Combinations" may be subject to an irreversible preference regarding these amendments being accounted in other comprehensive income. In such case, dividends taken from mentioned investment will be accounted in financial statement as profit or loss.

3. Financial Assets Measured at Amortized Cost

Financial assets measured at amortized cost are those financial assets that are held within the framework of a business model aimed at collecting contractual cash flows over the life of the asset and which result in cash flows that include principal and interest on the principal amount outstanding at specific dates. Financial assets measured at amortized cost with the initial recognition at fair value including transaction costs are subject to valuation with their discounted cost value by using the effective interest rate method, after eliminating any provision for impairment if there is any. Interest income measured by using the effective interest rate method are recognized in the income statement as an "interest income".

The Bank and subsidiaries evaluate their loans within the framework of current business models and depending on these evaluations, they can be classified as Financial Assets measured at Amortized Cost.

The Parent Bank also holds consumer price indexed government bonds ("CPI") in its securities portfolio, reclassified as financial assets measured at fair value through other comprehensive income, financial assets measured at fair value through profit or loss and financial assets measured at amortised cost. In the valuation of the mentioned securities, the estimated inflation curve created by using the CPI index announced by Turkish Statistical Institute ("TÜİK") and the "Annual CPI Expectation After 12 Months" from the CBRT Market Participants Survey is used. Future cash flows of securities are estimated by using the mentioned inflation data and valuation is made according to the effective interest method within the framework of the reference inflaiton index formula specified in the Undersecretariat of Treasury's Investor Guide of CPI.

VIII. Impairment of Financial Assets

In accordance with the "TFRS 9- Financial Instruments" and the regulation "Procedures and Principals regarding Classification of Loans and Allowances Allocated for Such Loans" issued by BRSA, the Bank recognizes expected credit loss allowance on financial assets at fair value through other comprehensive income, financial assets measured at amortized cost, impaired credit commitments and financial guarantee contracts.

Within the scope of TFRS 9, the expected credit loss is calculated according to the "three-stage" impairment model based on the change in the loan quality of financial assets after the initial recognition and detailed in the following headings:

Stage 1:

An important determinant for calculating the expected credit loss in accordance with TFRS 9 is to assess whether there is a significant increase in the credit risk of the financial asset. Financial assets that have not experienced a significant increase in credit risk since the initial recognition are monitored in the stage 1. Impairment for credit risk for the Stage 1 financial assets is equal to the 12-month expected credit losses.

Stage 2:

Financial assets that experienced a significant increase in the credit risk since initial recognition, are transferred to Stage 2. The expected credit loss of these financial assets are measured at an amount equal to the instrument's lifetime expected credit loss.

In order to classify a financial asset in the Stage 2, the following criteria is considered:

- Overdue between 30-90 days
- Restructuring of the loan
- Significant deterioration in the probability of default

In case of a significant deterioration in the probability of default, the credit risk is considered to be increased significantly and the financial asset is classified as stage 2. The absolute and gradual thresholds used to increase the probability of default are differentiated on the basis of portfolio and product group. In this manner, for the commercial portfolio, definition of increase in the probability of default is the comparison between the probability of default on loan's opening date, obtained from the integrated rating/score based on internal rating and probability of default of the same loan on reporting date, obtained from the integrated rating/score based on internal rating. For the individual portfolio, it is accepted that the probability of default is worsened in cases where the behavioral score falls below the thresholds determined on the basis of the product and the probability of default exceeds the thresholds determined on the basis of the product.

Stage 3:

Financial assets with sufficient and fair information for impairment at the reporting date, are classified in the third stage. Expected credit loss of these financial assets is measured at an amount equal to the lifetime expected credit loss. The following basic factors are considered for the classification of a financial asset in the stage 3.

- More than 90 days past due
- Whether the credit rating is weakened, has suffered a significant weakness or cannot be collected or there is a certain opinion on this matter

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While estimating the expected credit loss, statistical models, methods and tools are used in accordance with the relevant legislation and accounting standards. Expected credit loss is measured using reasonable and supportable information by taking current and forecasts of future economic information into consideration, including macroeconomic factors. Three scenarios, base scenario, optimistic scenario and the worst scenario, are used in forecasting studies made by macroeconomic models. The variables used in these macroeconomic estimates include Industrial Production Index, Employment Ratio and Credit Default Swap indicators. The validity of the risk parameter estimates used in the calculation of expected credit losses is reviewed and evaluated at least annually within the framework of model validation processes. In 2023, loss at default models were updated in individual and commercial portfolios, and statistical models that estimate the loss at default parameter through decision trees differentiated according to risk variables in the relevant portfolios began to be used in expected credit loss calculations. Macroeconomic forecasts and risk delinquency data used in risk parameter models are re-evaluated every quarter to reflect the changes in economic conjuncture and are updated if needed. In the expected credit loss calculations, macroeconomic information is taken into account under multiple scenarios. Except for demand or revolving loans, the maximum period for which expected credit losses are to be determined is the contractual life of the financial asset. For demand or revolving loans, maturity is determined by taking the future risk mitigation processes into account such as behavioral maturity analyses performed by the Bank and cancellation/revision of the Bank's credit limit.

While calculating the expected credit loss, aside from assessment of whether there is a significant increase in credit risk or not, basic parameters expressed as probability of default, loss given default and exposure at default are used.

Probability of Default: Represents the probability of default on the loan over a specified time period. In this context, the Bank has developed models to calculate 12-month and life-time default probabilities by using internal rating based credit rating models. As for the Group Companies historical probability of default data has also been observed.

Loss Given Default (LGD): Defined as the damage caused by the default of borrower to the total balance of the exposure at the time of default. The LGD estimates are determined by models in terms of credit risk groups that are detailed in the Bank's data resources and system facilities. The model used for LGD forecasting based on the Bank's historical collection data, statistical models are used to explain the LGD ratios formed in past periods, taking into account the direct cost items in the collection process, using risk variables that differ for each credit risk group.

Exposure at Default: For cash loans, the cash balance at the date of report, for non-cash loans the balance calculated using the Credit Conversion Factor (CCF) is represented by Exposure at Default.

Credit Conversion Factor: It is calculated for non-cash loans (undrawn limit for revolving loans, commitments, non-cash loans etc.) The historical limit usage data of the Bank for revolving loans are analyzed and the limit amount that can be used until the moment of default is estimated. For non-cash loans, the cash conversion ratio of the loan amount is estimated by analyzing the product type and the past compensation amount of the Group.

Credit risks, which require qualitative assessments due to their characteristics and differ followed by grouping in this manner, are considered as individual within the internal policies. Calculations are made by the method of discounted cash flows with the effective interest rate expected from the relevant financial instrument. Discounted cash flows are estimated for 3 different scenarios in which parameters are differentiated, and individual expected credit loss is calculated by taking into consideration the cash deficit amounts weighted according to probabilities.

As mentioned above, the Parent Bank allocated expected credit losses by reflecting additional provisions through individual assessments performed for the customers that operates in sectors where the impact might be high in accordance with the Bank's risk policies.

On the other hand, the possible effects of the earthquake disaster that occurred on 06.02.2023 on the loan portfolio have been the subject of expected loan loss calculations on the basis of loan classes, taking into account the current regulations and data on the subject.

Expected credit loss is reflected in the income statement. Released provisions in the current year are accounted under "Expected Credit Loss Expenses" and released provision which is carried from the prior year are accounted under "Other Operating Income".

Receivables evidenced through the Legal Process that collection is not possible can be written-off by fulfilling the requirements of the Tax Procedure Law. Besides, loans for which specific provision is allocated and for which there is no reasonable expectation of recovery might be written-off.

IX. Offsetting Financial Instruments

Financial assets and financial liabilities shall be offset and the net amount shall be presented in the balance sheet only when a party currently has a legally enforceable right to set off the recognized amounts or intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

X. Sale and Repurchase Agreements and Securities Lending Transactions

Marketable securities subject to repurchase agreements are classified under "Financial Assets at Fair Value through Profit and Loss", "Financial Assets at Fair Value through Other Comprehensive Income" or "Financial Assets Measured at Amortized Cost" in the portfolio and they are valued according to the valuation principles of the related portfolios.

Funds obtained from the repurchase agreements are recognized under "Funds from Repurchase Transactions" account in liabilities. For the difference between the sale and repurchase prices determined by the repo agreements for the period; expense accrual is calculated using the effective interest rate method.

Reverse repo transactions are recognized under the "Receivables from Reverse Repo Transactions" account. For the difference between the purchase and resale prices determined by the reverse repo agreements for the period, income accrual is calculated using the effective interest rate method.

XI. Non-current Assets Held for Sale and Discontinued Operations and Related Liabilities

Assets that meet the criteria to be classified as held for sale within the scope of "TFRS 5 – Non-current Assets Held for Sale and Discontinued Operations" are measured at the lower one of their fair value and their carrying amount which from the costs to sell are deducted and presented separately within the financial statements. In order to classify a tangible fixed asset as held for sale, the asset (or the disposal group) should be available for an immediate sale in its present condition subject to the terms of any regular sales of such assets (or such disposal groups) and the sale should be highly probable. For a highly probable sale, the appropriate level of management must be committed to a plan to sell the asset (or the disposal group), and an active programme to complete the plan should be initiated to locate a customer. Also, the asset (or the disposal group) should have an active market sale value, which is a reasonable value in relation to its current fair value. Events or circumstances may extend the completion of the sale more than one year. Such assets are still classified as held for sale if there is sufficient evidence that the delay in the sale process is due to the events and circumstances occurred beyond the control of the entity or the entity remains committed to its plan to sell the asset (or disposal group).

A discontinued operation is a component of a group that either has been disposed of or is classified as held for sale. Gains or losses relating to discontinued operations are presented separately in the income statement.

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XII. Goodwill and Other Intangible Assets

The Group's intangible assets consist of consolidation goodwill, software programs and rights.

Goodwill arising from the acquisition of a subsidiary represents the excess of cost of acquisition over the fair value of Group's share of the identifiable assets, liabilities, or contingent liabilities of the acquired subsidiary at the date of acquisition of the control. Goodwill is recognized as an asset at cost and then carried at cost less accumulated impairment losses. In impairment-loss test, goodwill is allocated between the Group's every cash-generating unit that is expected to benefit from the synergies of the business combination. To control whether there is an impairment loss in the cash-generating units that goodwill is allocated, impairment- loss test is applied every year or more often if there are indications of impairment loss. In the cases, recoverable amount of cash-generating unit is smaller than its book value; impairment loss is firstly used in reduction of book value of the cash-generating unit, and then the other assets proportionally. Goodwill which is allocated for the impairment losses could not be reversed. When a subsidiary is to be sold, related goodwill amount is combined with the profit/loss relating to this disposal. Positive goodwill arising from the Group's investments in its subsidiaries is recognized in "Intangible Assets". Explanations on consolidation goodwill are given in Section Three, Note III.1.a.As for other intangible assets, the purchased items are presented with their acquisition costs less the accumulated amortization and impairment provisions. In case there is an indication of impairment, the recoverable amount of the related intangible asset is estimated within the framework of TAS 36 "Impairment of Assets" and impairment provision is set aside in case the recoverable amount is below its acquisition cost. The related assets are amortized by the straight-line method considering their estimated useful life. The amortization method and period are periodically reviewed at the end of each year.

XIII. Tangible Assets

The Bank and Group companies follow their real estates in use, which are recorded under tangible fixed assets, according to the revaluation model within the framework of "TAS 16 – Property, Plant and Equipment". The positive difference between the net book value of real estate property values and the renewed expertise values which are determined by the licensed valuation companies, are recorded under the shareholders' equity in current period.

In case there is an indication of impairment, the recoverable amount of the related intangible asset is estimated within the framework of "TAS 36 – Impairment of Assets" and impairment provision is set aside in case the recoverable amount is below its acquisition cost.

Tangible assets other than the land and construction in progress are amortized by the straight-line method, according to their estimated useful lives. The estimated useful life, residual amount and the method of amortization are reviewed every year for the possible effects of the changes that occur in the estimates and if there is any change in the estimates, they are recognized prospectively.

Assets held under finance lease are depreciated over the expected useful life of the related assets.

Assets subject to leasing are depreciated according to relevant contract periods.

Within the scope of the TFRS 16 standard, development costs related to leases that cannot be added to the cost of the right-of-use asset and are within the scope of exceptions in the mentioned standard are amortized in equal amounts, taking into account the useful-life period. However, in any case the useful life cannot exceed leasing term. When the lease period is not certain or longer than 5 years, the amortization period is recognized as 5 years.

The difference between the sales proceeds arising from the disposal of tangible assets or the inactivation of tangible asset and the book value of the tangible assets are recognized in the profit and loss accounts.

Regular maintenance and repair cost incurred for tangible assets are recognized as expense.

There are no pledges, mortgages and similar encumbrances on tangible assets.

The "Regulation on Procedures and Principles for the Trading of Precious Metals by Banks and the Disposal of Commodities and Real Properties acquired by Banks due to their Receivables" has been abolished by BRSA effective from January 1, 2017. Real properties acquired by Group due to their receivables and not treated in the scope of "TFRS 5 - Non-current Assets Held for Sale and Discontinued Operations" has been started to follow under "Other Assets" in accordance with the related accounting standard from the current period.

The depreciation rates used in amortization of tangible assets and their estimated useful lives are as follows:

	Estimated Economic Life (Year)	Depreciation Rate
Buildings	50	% 2
Safe Boxes	2-50	% 2 - % 50
Other Movables	2-25	% 4 - % 50

XIV. Investment Property

Investment properties are kind of properties held by the Group to earn rent income or benefit from valuation surplus. The investment properties of the Group are measured at their fair values in the consolidated financial statements in accordance with "TAS 40 Investment Property". Any gains or losses arising from changes in fair values of investment properties are recognised in "Other Operating Incomes" and "Other Operating Expenses" for the related period.

XV. Leasing Transactions

Banks and companies within the scope of consolidation account for their leases within the scope of TFRS 16 "Leases" standard. For contracts within the scope of TFRS 16, right-of-use assets and lease liabilities are reflected in the financial statements, and these are shown under "Tangible Assets" and "Leasing Transactions Liabilities", respectively.

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In accordance with TFRS 16, the right of use asset is first measured at cost. The cost of the right-of-use asset consists of the present value of the lease payments as of the date the lease obligation begins, the amount obtained by deducting all lease incentives received, and the sum of all initial direct costs incurred by the lessee. The right-of-use assets of banks and companies within the scope of consolidation are measured by the cost method. Fixed assets accounted for as right-of-use assets are depreciated taking into account the contract period.

In accordance with TFRS 16, the lease liability is calculated by discounting future lease payments using the Bank's or alternative borrowing interest rates at the date of initial application or contract. The interest on the lease obligation for each period in the lease term is the amount found by applying a fixed periodic interest rate to the remaining balance of the lease obligation. Interest expenses and exchange differences related to lease obligations are associated with the profit or loss statement.

Within the scope of consolidation, there is 1 company (İş Finansal Kiralama A.Ş.) that exclusively engages in financial leasing transactions and 1 bank (Türkiye Sınai Gelişim Bankası A.Ş.) that engages in financial leasing activities in accordance with Article 4 of the Banking Law No. 5411, financial leasing activities are carried out within the framework of the Financial Leasing, Factoring, Financing and Saving Financing Companies Law No. 6361.

XVI. Insurance Technical Income and Expense

In insurance companies, premium income is obtained after diminishing the shares transferred from arranged policy income to reinsurer.

Claims are recorded in expense on accrual basis. Outstanding loss provisions are recognized for the claims reported but not paid yet and for the claims that incurred but not reported. Reassurer' shares of outstanding and paid claims are offset in these provisions.

XVII. Insurance Technical Provisions

TFRS 4 "Insurance Standards" requires that all contracts issued by insurance companies be classified as either insurance contracts or investment contracts. Contracts with significant insurance risk are considered insurance contracts. Insurance risk is defined as risk, other than financial risk, transferred from the holder of a contract to the issuer. Contracts issued by insurance companies without significant insurance risk are considered investment contracts. Investment contracts are accounted for in accordance with TAS 39 "Turkish Accounting Standard for Financial Instruments: Recognition and Measurement".

Within the framework of the current insurance regulation, insurance technical provisions accounted by insurance companies for unearned premium claims, unexpired risk reserves, outstanding claims and life-mathematical reserves are presented in the consolidated financial statements.

Unearned premium reserve is recognized on accrued premiums without discount or commission which extends to the next period or periods on a daily basis for the current insurance contracts.

In case the expected loss premium ratio is over 95%, the unexpired risk reserves are recognized for the main branches specified by the Undersecretariat of Treasury. For each main branch, the amount found by multiplying the ratio exceeding 95% by the net unearned premium provision, is added to the unearned premium provision of that main branch.

If the outstanding claim reserve is established and confirmed by approximation and if there are unpaid or unidentified compensation amounts in both prior and current accounting periods; it is separated for estimated yet unreported compensation amounts.

Mathematical reserve is recognized on actuarial bases in order to meet the requirements of policyholders and beneficiaries for life, health and personal accident insurance contracts for a period longer than a year.

On the other hand, actuarial chain ladder method is used to estimate the reserve amount to be set aside in the current period by looking at the data of the past materialized losses. If the reserve amount found as a result of this method exceeds the amount of reserve for the amount of uncertain indemnity, additional reserve must be set aside for the difference.

Reinsurance companies recognize for the outstanding claims that is declared by the companies, accrued and determined on account.

Insurance companies of the Group cede premium and risks in the normal course of business in order to limit the potential for losses arising from risks accepted. Insurance premiums ceded to reinsurers on contracts that are deemed to transfer significant insurance risk are recognized as an expense in a manner that is consistent with the recognition of insurance premium revenue arising from the underlying risks being protected.

Costs which vary and are directly associated with the acquisition of insurance and reinsurance contracts including brokerage, commissions, underwriting expenses and other acquisition costs are deferred and amortized over the period of contract, consistent with the earning of premium.

XVIII. Provisions and Contingent Liabilities

As of the end of the reporting period, a past event is deemed to give rise to a present obligation if, taking account of all available evidence, it is more likely than not that a present obligation exists, the entity recognizes a provision in the financial statements. As of the end of the reporting period where it is more likely that no present obligation exists at the end of the reporting period, the entity discloses a contingent liability on footnotes unless the possibility of an outflow of resources embodying economic benefits is remote.

In the financial statements, a provision is made for an existing commitment resulted from past events if it is probable that the commitment will be settled and a reliable estimate can be made of the amount of the obligation.

Provisions are calculated based on the reliable estimates of management of the Parent Bank and subsidiaries on the expenses to incur as of the balance sheet date to fulfill the liability by considering the risks and uncertainties related to the liability. In case the provision is measured by using the estimated cash flows required to fulfill the existing liability, the book value of the related liability is equal to the present value of the related cash flows.

If the amount is not reliably estimated and there is no probability of cash outflow from the Group to settle the liability, the related liability is considered as "contingent" and disclosed in the notes to the financial statements.

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XIX. Contingent Assets

The contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the Parent Bank and the Group. Since showing the contingent assets in the financial statements may result in the accounting of an income, which will never be generated, the related assets are not included in the financial statements, but if there is a possibility that an inflow of economic benefits of these assets may occur then it is explained in the footnotes of the financial statements. Nevertheless, the developments related to the contingent assets are constantly evaluated and if it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements of the period in which the change occurs.

XX. Liabilities Regarding Employee Benefits

1. Severance Indemnities and Short-Term Employee Benefits

According to the related regulation and the collective bargaining agreements, the Parent Bank and consolidated Group companies (excluding the subsidiaries residing outside Turkey) are obliged to pay termination benefits for employees who retire, die, quit for their military service obligations, who have been dismissed as defined in the related regulation or (for the female employees) who have voluntarily quit within one year after the date of their marriage. Within the scope of TAS 19 "Employee Benefits", the Parent Bank allocates severance indemnity provisions for employee benefits by estimating the present value of the probable future liabilities. According to TAS 19, all actuarial gains and losses occurred are recognized under shareholders' equity. As the legislations of the countries in which the Parent Bank's non-resident subsidiaries operate do not require retirement pay provision, no provision liability has been recognized for the related companies. In addition, provision is also allocated for the unused paid vacation.

2. Retirement Benefit Obligations

İşbank Pension Fund (Türkiye İş Bankası A.Ş. Emekli Sandığı Vakfı), of which each employee of the Parent Bank is a member, has been established according to the provisional Article 20 of the Social Security Act No 506. As per provisional article numbered 23 of the Banking Law numbered 5411, it is ruled that Bank pension funds, which were established within the framework of Social Security Act, will be transferred to the Social Security Institution, within 3 years after the publication of such law. Methods and principles related to transfer have been determined as per the Cabinet decision dated 30 November 2006 numbered 2006/11345. However, the related article of the act has been cancelled upon the President's application dated November 2, 2005, by the Supreme Court's decision dated March 22, 2007. Nr.E.2005/39. K.2007/33, which was published on the Official Gazette dated March 31, 2007 and numbered 26479 and the execution decision was ceased as of the issuance date of the related decision.

After the justified decree related to cancelling the provisional Article 23 of the Banking Law was announced by the Constitutional Court on the Official Gazette dated December 15, 2007 and numbered 26731. Turkish Grand National Assembly started to work on establishing new legal regulations, and after it was approved at the General Assembly of the TGNA, the Law numbered 5754 "Emendating Social Security and General Health Insurance Act and Certain Laws and Decree Laws", which was published on the Official Gazette dated May 8, 2008 and numbered 26870, came into effect. The new law decrees that the contributors of the Bank pension funds, the ones who receive salaries or income from these funds and their rightful beneficiaries will be transferred to the Social Security Institution and will be subject to this Law within 3 years after the release date of the related article, without any need for further operation. The three-year transfer period can be prolonged for maximum 2 years by the Cabinet decision.

However related transfer period has been prolonged for 2 years by the Cabinet decision dated, March 14, 2011. which was published on the Official Gazette dated April 9, 2011 and numbered 27900, In addition, by the Law "Emendating Social Security and General Health Insurance Act", which was published on the Official Gazette dated March 8, 2012 and numbered 28227, this period of 2 years has been raised to 4 years after that related transfer period has been prolonged for one more year by the Cabinet decision dated April 8, 2013, which was published on the Official Gazette dated May 3, 2013 and numbered 28636 also this period has revalidated one more year by the Cabinet decision dated February 24, 2014, which was published on the Official Gazette dated April 30, 2014 and numbered 28987.

The Council of Ministers has been lastly authorized to determine the transfer date in accordance with the last amendment in the first paragraph of the 20th provisional article of Law No.5510 implemented by the Law No. 6645 on Amendment of the "Occupational Health and Safety Law and Other Laws and Decree Laws" published in the Official Gazette dated April 23, 2015 and numbered 29335. This authority was transferred to the President with the delegated legislation No.703 which published in the repetitive Official Gazette No. 30473 dated July 9, 2018.

On the other hand, the application made on June 19, 2008 by the Republican People's Party to the Constitutional Court for the annulment and motion for stay of some articles, including the first paragraph of the provisional article 20 of the Law, which covers provisions on transfers, was rejected in accordance with the decision taken at the meeting of the afore-mentioned court on March 30, 2011.

The above mentioned Law also states that;

- Through a commission constituted by the attendance of one representative separately from the Social Security Institution, Ministry of Finance, Turkish Treasury, State Planning Organization. Banking Regulation and Supervision Agency. Savings Deposit Insurance Fund, one from each pension fund, and one representative from the organization employing pension fund contributors, related to the transferred persons, the cash value of the liabilities of the pension fund as of the transfer date will be calculated by considering their income and expenses in terms of the lines of insurance within the context of the related Law, and technical interest rate of 9.8% will be used in the actuarial calculation of the value in cash
- And that after the transfer of the pension fund contributors, the ones who receive salaries or income from these funds and their rightful beneficiaries to the Social Security Institution, these persons' uncovered social rights and payments, despite being included in the trust indenture that they are subject to, will be continued to be covered by the pension funds and the employers of pension fund contributors.

In line with the new law, the Parent Bank obtained a technical actuarial valuation report from a licensed actuary for the year ended December 31, 2023. In related period's financial statements, Bank provided full provision for the total amount of technical and actual deficit stated in the actuarial report of the aforementioned period The actuarial assumptions used in the related actuarial report are given in Section Five Note II-h-4-1. Besides the Parent Bank; Anadolu Anonim Türk Sigorta Şirketi, Milli Reasürans T.A.Ş. and Türkiye Sınai Kalkınma Bankası A.Ş. also had actuarial valuations as of December 31, 2023 for their pension funds. The provision amount of actuarial and technical deficit, which was measured according to actuarial report of Milli Reasürans T.A.Ş., is added in the financial statements for the current period. According to actuarial report of Anadolu Anonim Türk Sigorta Şirketi and Türkiye Sınai Kalkınma Bankası, there is not any additional operational or actuarial liability.

On the other hand, within the scope of the temporary article added to the Social Insurance and General Health Insurance Law No. 5510 dated 31.5.2006 by Law No. 7438 published in the Official Gazette No. 32121 dated 01.03.2023, those who request to receive a pension after the effective date of the relevant article are subject to the relevant regulations. Accordingly, those who will be granted old-age or retirement pensions are given the opportunity to benefit from old-age and retirement pensions if they meet other conditions other than age in the said provisions.

İşbank Members' Supplementary Pension Fund has been founded by the Parent Bank to provide beneficiaries with additional social security and solidarity rights to compulsory social security benefits as per the provisions of the Turkish Commercial Code and Turkish Civil Code. Those are also valid for the supplementary pension funds of the employees of Anadolu Anonim Türk Sigorta Şirketi, Milli Reasürans T.A.Ş. and Türkiye Sınai Kalkınma Bankası A.Ş. which are among the other financial institutions of the Group.

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Notes To The Consolidated Financial Statement For The Year Ended December 31, 2023

XXI. Taxation

1. Corporate Tax:

Turkish tax legislation does not permit a parent company and its subsidiary to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the accompanying consolidated financial statements, have been calculated on a separate-entity basis.

Pursuant to the amendment made in Article 32 of the Corporate Tax Law with the Law No. 7394, the corporate tax rate has been determined as 25%, starting from the declarations that must be submitted as of 01.07.2022 and being valid for the corporate earnings for the taxation period starting from 01.01.2022. On the other hand, the Law No. 7456 published in the Official Gazette No. 32249 dated 15.07.2023 and the Corporate Tax Law No. 32. in accordance with the amendment made to the article, the corporate tax rate has been determined as 30% starting from the returns that must be submitted as of 01.10.2023 and applying to corporate earnings of institutions for the year 2023 and subsequent taxation periods. The corporate tax rate valid for the period 31.12.2023 is 30%.

As per the Corporate Tax law, temporary tax is calculated and in the first nine months of the year, paid quarterly in line with the principles of the Income Tax Law and at the corporate tax rate. The temporary tax payments are deducted from the current period's corporate tax.

Tax provision consists of current tax provision and deferred tax income/expense. The current tax liability is calculated over the portion of the period subject to taxation. The taxable profit differs from the profit involved in the statement of profit and loss, as the income and expense items that can be taxable or deductible at other periods, and items that are not taxable or deductible are excluded. The current tax amounts payable is netted off with prepaid tax amounts and presented on the financial statements.

Within the framework of the Corporate Tax Law numbered 5520, 75% of the gains on the sale of the participation shares, which were held in the assets for a minimum of 2 whole years and 75% of the gains on the sale of immovable are exempt from tax provided that they are added to the capital as set forth by the Law or that they are kept in a special fund under liabilities for a period of 5 years. However, in accordance with Article 89 / a of the Law No. 7061 and Article 5.1.e and Article 5.1.f of the Corporate Tax Law, which were published in the Official Gazette dated December 5, 2017, and numbered 30261, the 75% applied in terms of immovable sales mentioned above has been reduced to 50% which is effective from the date of publication of the Law. On the other hand, with the Law No. 7456 published in the Official Gazette dated 15.07.2023 and numbered 32249, the exception for 50% of the income arising from the sale of immovables in Article 5.1.e of the Corporate Tax Law has been abolished. However, pursuant to the temporary article 16 added to the Corporate Tax Law with the 22nd article of the Law No. 7456, the pre-amendment provisions will be taken into consideration for the immovables included in the assets of the institutions before 15.07.2023. The 50% rate will be applied as 25% for the real estate sales earnings to be made after 15.07.2023.

In accordance with the provision of Article 298 / A of the Tax Procedure Law, the necessary conditions for inflation adjustment in the calculation of corporate tax as of the end of the 2021 calendar year have been met. However, the application of inflation adjustment in the calculation of corporate tax was postponed to 2023 with the regulation made with the "Law on the Amendment of the Tax Procedure Law and the Corporate Tax Law" numbered 7352 published in the Official Gazette dated 29.01.2022 and numbered 31734. Accordingly, the TPL financial statements were not subjected to inflation correction in the 2021,2022 and 2023 accounting periods and the provisional tax periods of the 2023 accounting period, including the provisional tax periods, and the TPL financial statements dated 31.12.2023 were subject to inflation correction, regardless of whether the inflation adjustment conditions were met or not. In accordance with TPL Provisional Article 33, profit/loss differences arising from the inflation adjustment made on 31.12.2023 and required to be shown in previous years' profit/loss accounts do not affect the corporate tax base. However, with the regulation made by the Law No. 7491 on Amendments to Certain Laws and Decree Laws, the profit/loss difference arising from the inflation adjustment to be made by banks and financial institutions in the 2024 and 2025 accounting periods, including the provisional tax periods, will be taken into account in determining the earnings. It is regulated that it will not be taken.

With the regulations in paragraph (Ç) of Article 298 of the TPL and Provisional Article 32, taxpayers have been given the opportunity to optionally reevaluate within the scope of the TPL General Communiqué No. 537. However, these revaluation opportunities cannot be used in periods where inflation adjustment is applied in accordance with Article 298 bis of the TPL. However, in accordance with paragraph (A) of Article 298 of the TPL and Provisional Article 33, revaluation cannot be made within the scope of paragraph (Ç) of the same article in periods when inflation adjustment is required. In case of inflation adjustment in the period following the end of the revaluation period, inflation adjustment is applied based on the values found by taking into account the last values of the revalued depreciated economic assets.

2. Deferred Tax:

Deferred tax asset or liability is determined by calculating the tax effects of temporary differences between the carrying amounts of assets and liabilities in the financial statements and the amounts considered in the legal tax base account, by taking the legal tax rates into account. Deferred tax debts are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Free provisions that are allocated for possible future risks and they are not subject to deferred tax calculation. No tax assets or liabilities are recognized for the temporary timing difference that affects neither the taxable profit nor the accounting profit and that arises from the initial recognition in the balance sheet, of assets and liabilities, other than the goodwill and mergers. The Bank calculates deferred tax for the provisions allocated for Stage 1 and Stage 2 expected credit loss.

The carrying values of deferred tax assets are reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated based on the tax rates that are valid or almost certain to come into force in the period when assets are created or liabilities are fulfilled and are recorded as expense or income in the income statement. However, deferred tax is recognized directly in equity accounts if it relates to assets directly attributable to equity in the same or a different period.

Pursuant to the amendment made in Article 32 of the Corporate Tax Law with the Law No. 7394, the corporate tax rate has been determined as 25%, starting from the declarations that must be submitted as of 01.07.2022 and being valid for the corporate earnings for the taxation period starting from 01.01.2022. On the other hand, in accordance with the Law No. 7456 published in the Official Gazette dated 15.07.2023 and numbered 32249 and the amendment made in Article 32 of the Corporate Tax Law, the corporate tax rate should start from the declarations that must be submitted as of 01.10.2023 and it has been determined as 30% to be applied to the corporate earnings of the institutions for the year 2023 and the following taxation periods. The deferred tax rate valid is 30%.

According to the Provisional Article 33 of the Tax Procedural Law, in the financial statements dated 31.12.2023, the tax effects resulting from the inflation correction of corporate tax are included in the deferred tax calculation as of 31.12.2023.

Deferred tax assets and liability of the Bank and consolidated companies are shown by way of offsetting in separate financial statements of each entity. In the consolidated financial statements, on the other hand, the deferred tax assets and liabilities that come from the companies as offset are separately involved in the assets and liabilities.

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3. Tax Practices in the Countries that Foreign Branches Operate:

Turkish Republic of Northern Cyprus (TRNC)

In accordance with TRNC tax legislation, 15% income tax is accrued on the remaining tax base after 10% corporate tax is deducted from corporate income. The tax bases for companies are determined by adding the expenses that cannot be deducted according to TRNC regulations, to commercial gains and by subtracting exemptions and deductions from commercial gains. Income tax is paid in June, and corporate tax payment is made in two equal installments, in May and in October. On the other hand, withholding tax is paid in TRNC over interest income and similar gains of the companies. The related withholding tax payments and provisional tax paid every quarter during the year are deducted from corporate tax payable and the difference between withholding and provisional tax amounts and corporate tax payable is discounted from income tax provided that the withholding tax and paid provisional tax amounts are higher than corporate tax amount.

England

Although corporate profits in the England are subject to 19% corporate tax, the corporate tax rate has been determined as 25% for companies with commercial profits over 250 thousand GBP as of 01.04.2023. The relevant rate is applied to the tax base that is determined by adding the expenses that cannot be deducted due to the regulations, to commercial gains and by subtracting exemptions and deductions from commercial gains. In other respect, if the tax base calculated in accordance with the country legislation is within a certain range, the temporary corporate tax is paid in July, October of the relevant year and in January and April of the following year; If it is over a certain amount, it is paid in 4 installments in March, June, September and December of the relevant year. The corporate tax amount must be finalized and paid by the end of September of the year following the year of profit. In case the corporate tax payable as a result of the calculation is below the temporary taxes paid, the difference amount is deducted later or paid back to the Branch by the authority.

Bahrain

Banks in Bahrain are not subject to tax according to the regulations of the country.

The Republic of Iraq (Iraq)

The corporate tax rate in Iraq is 15%, and the corporate tax is paid on a consolidated basis to the tax office of the foreign bank's central branch. The first branch established in Iraq is considered as the central branch. Foreign bank branches whose central branch is within the boundaries of the Central Government must present their consolidated financial statements and pay accrued tax to the relevant tax office by the end of May of the following year, and branches of foreign banks whose central branch is within the boundaries of the Northern Iraq Regional Government must present their financial statements and pay accrued tax by the end of June of the following year at the latest. Northern Iraq Regional Government tax offices can accrue fixed taxes other than the specified rate and can postpone the due date.

Kosovo

Corporate earnings are subject to income tax rate of 10% according to the Kosovo legislation. This ratio is applied to the tax base that will be calculated as a result of the implementation of exemptions, deductions, addition of disallowable expenses, to the corporate income and that are calculated in accordance with the tax laws. Tax has to be paid in advance until April, July, October and the 15th day of January of the following year by four installments. If those prepaid taxes are lower than the final corporate tax, the difference is paid until the end of March of the following year, in case of a claim made by company, if it is higher, then the difference is returned to the institution by the tax authorities after the inspection conducted by those institution.

Georgia

Corporate earnings are subject to income tax rate of 20% according to the Georgian legislation. This ratio is applied to the tax base that will be calculated as a result of the implementation of exemptions, deductions, addition of disallowable expenses, to the income of corporations and that are calculated in accordance with the tax laws. In addition, in accordance with the legislation of Georgia, each year during May, July, September and December the amount of tax, that calculated according to the previous year income tax, is paid to the tax office by four equal installments of the probable income that is likely to be obtained the current year. If those prepaid taxes are lower than the final corporate tax, the difference is paid until the beginning of April of the following year, if it is higher, then the difference is returned to the institution by the tax authorities.

Germany

According to the tax regulations in Germany, corporate gains are subject to 15% corporate tax, 16.7% income and industrial tax. In addition to this, a solidarity tax of 5.5% is calculated over this corporate tax. The tax bases for corporate, income and industrial services are determined by adding the expenses that cannot be deducted according to Germany regulations, to interest, commissions and other operating gains and by subtracting exemptions and deductions from these. The corporate tax payments are made as temporary tax payments in four installments and are deducted from the corporate tax that is finalized at the end of the current year.

Russia

According to the Russian regulations, corporate gains are subject to 20% corporate tax. The corporate tax base is determined on accrual basis and it is measured by adding the non-deductible expenses to the corporate income gained during the period. Companies in Russia make quarterly tax returns and make provisional tax payment by offsetting the advance taxes paid during the period. Final taxation period for corporate tax is one year and the corporate tax is paid until the 25th of March of the following year, by considering the provisional taxes paid during the year. Coupon income from government bonds of the Russian Federation and Belarus, as well as the Ruble and some other private bonds issued by Russian companies after January 1, 2017 and traded on the stock exchange are subject to a corporate tax of 15%. The tax on the income of the securities in question is paid within the framework of a single tax payment every month, as is the case with the tax on other securities.

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4. Transfer Pricing:

Transfer pricing is regulated through Article 13 of Corporate Tax Law titled "Transfer Pricing through Camouflage of Earnings". Detailed information for the practice regarding the subject is found in the "General Communiqué Regarding Camouflage of Earnings through Transfer Pricing".

According to the aforementioned regulations, in the case of making purchase or sales of goods or services with relevant persons/corporations at a price that is determined against "arm's length principle", the gain is considered to be distributed implicitly through transfer pricing and such distribution of gains is not subject to deductions according to article 11 of Corporate Tax Law in means of corporate tax.

XXII. Additional Information on Borrowings

The Parent Bank and its consolidated companies, whenever required, generates funds from individuals and institutions residing domestically and abroad by approaching the borrowing instruments in the form of syndication, securitization, collateralized borrowing and issue of bonds/bills. Such transactions are at first carried at acquisition cost, and in the following periods they are valued at amortized cost measured by using the effective interest rate method.

Part of the bills issued by the Group with fixed interest and a part of its liabilities with fixed interest are subject to fair value hedge accounting. While the rediscounted credit risk and accumulated interest amount subject to hedging liability are recognized in "Interest Expenses" under profit/loss statement; net amount resulted of the hedge accounting other than the credit risk and accumulated interest amount are recognized in "Derivative Financial Transactions Gains/Losses" under profit/loss statement by using fair value model. In the balance sheet, these valuations are presented with the related liabilities.

XXIII. Information on Equity Shares and Their Issuance

Share issuance related to costs is recognized as expenses.

Dividend income related with the equity shares are determined by the General Assembly of the Shareholders.

Weighted average number of shares outstanding is taken into account in the calculation of earnings per share. In case the number of shares increases by way of bonus issues as a result of the capital increases made by using the internal sources, the calculation of earnings per share is made by adjusting the weighted average number of shares, which were previously calculated as at the comparable periods.

The adjustment means that the number of shares used in calculation is taken into consideration as if the bonus issue occurred at the beginning of the comparable period. In case such changes in the number of shares occur after the balance sheet date, but before the ratification of the financial statements to be published, the calculation of earnings per share are based on the number of new shares. The Parent Bank's earnings per share calculations taking place in the consolidated profit/loss statement are as follows.

	Current Period	Prior Period
Group's net profit	72,253,773	61,598,670
Weighted average number of shares (thousands)	250,002,250	250,002,250
Earnings per share – (in exact TL)	0.289012491	0.246392462

XXIV. Bank Acceptances and Bills of Guarantee

Bill guarantees and acceptances are realized simultaneously with the customer payments and they are presented as possible liabilities and commitments in the off-balance sheet accounts.

XXV. Government Incentives

There are no government incentives utilized by the Bank or the companies included in consolidation, during the current or prior accounting periods.

XXVI. Segment Reporting

Business segment is the part of an enterprise.

- which conducts business operations where it can gain revenues and make expenditures (including the revenues and expenses related to the transactions made with the other parts of the enterprise).
- whose operating results are regularly monitored by the authorities with the power to make decisions related to the operations of the enterprise in order to make decisions related to the funds to be allocated to the segment and to evaluate the performance of the segment and
- which has its separate financial information.

Information on business segmentation and related information is explained in Section IV Footnote VIII.

XXVII. Other Disclosures

None.

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Notes To The Consolidated Financial Statement For The Year Ended December 31, 2023

SECTION FOUR: INFORMATION ON THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP

I. Explanations on Shareholders' Equity:

1. Explanations on Consolidated Shareholders' Equity

The Bank's consolidated capital adequacy ratio is 19.86%. (31.12.2022: 21.84%). The capital adequacy standard ratio has been calculated based on the Regulation on Shareholder's Equity of Banks, the Regulation on Measurement and Assessment of Capital Adequacy of Bank and other legal regulations related with BRSA decisions dated 21.12.2021, numbered 9996 and dated 31.01.2023, numbered 10496. Within the scope of the Board decisions, the amount subject to credit risk has been calculated by using the CBRT exchange rates as of 30.12.2022, and the shareholders' equity has been calculated without taking into account the negative effects of financial assets in the portfolio of "Financial Assets Through Other Comprehensive Income" acquired before the Board decision dated 21.12.2021.

	Current Period	Prior Period
COMMON EQUITY TIER I CAPITAL		
Paid-in Capital to be Entitled for Compensation after All Creditors	11,615,938	11,615,938
Share Premium	138,553	138,551
Legal Reserves	109,809,482	58,096,893
Other Comprehensive Income According to TAS	87,512,538	68,326,750
Profit	72,625,319	61,471,023
Net Current Period Profit	72,253,773	61,598,670
Prior Period Profit	371,546	(127,647)
Bonus Shares from Associates, Subsidiaries and Joint-Ventures not Accounted in Current Period's Profit	(1,070)	(1,117)
Minority Shares	4,542,611	3,350,917
Common Equity Tier I Capital Before Deductions	286,243,371	202,998,955
Deductions From Common Equity Tier I Capital		
Valuation adjustments calculated as per the article 9, (i) of the Regulation on Bank Capital		
Current and prior periods' losses not covered by reserves, and losses accounted under equity according to TAS	7,950,753	2,921,913
Leasehold improvements on operational leases	271,232	138,681
Goodwill Netted with Deferred Tax Liabilities	27,994	27,994
Other Intangible Assets Netted with Deferred Tax Liabilities Except Mortgage Servicing Rights	6,858,049	3,739,302
Remaining after deducting from the related deferred tax liability with the deferred tax asset based on future taxable income, except for deferred tax assets based on temporary differences		
Differences Arise When Assets and Liabilities Not Held at Fair Value, are Subjected to Cash Flow Hedge Accounting		
Total Credit Losses That Exceed Total Expected Loss Calculated According to the Regulation on Calculation of Credit Risk by Internal Ratings Based Approach		
Securitization Gains		
Unrealized Gains and Losses from Changes in Bank's Liabilities' Fair Values due to Changes in Creditworthiness		
Net Amount of Defined Benefit Plans		
Direct and Indirect Investments of the Bank on its own Tier 1 Capital	799,140	548,624
Shares Obtained against Article 56, Paragraph 4 of the Banking Law		
Total of Net Long Positions of the Investments in Equity Items of Consolidated Banks and Financial Institutions where the Bank owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital		
Total of Net Long Positions of the Investments in Equity Items of Consolidated Banks and Financial Institutions where the Bank owns more than %10 % of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital		
Mortgage Servicing Rights (amount above 10% threshold of above Tier I capital)		
Deferred Tax Assets Arising from Temporary Differences (amount above 10% threshold of above Tier I Capital)		
Amount Exceeding the 15% Threshold of Tier 1 Capital as per the Article 2, Clause 2 of the Regulation on Measurement and Evaluation of Capital Adequacy of Banks		
The Portion of Net Long Position of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital not deducted from Tier I Capital		

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Notes To The Consolidated Financial Statement For The Year Ended December 31, 2023

	Current Period	Prior Period
Excess Amount arising from Mortgage Servicing Rights		
Excess Amount arising from Deferred Tax Assets from Temporary Differences		
Other Items to be Defined by the BRSA		
Deductions from Tier I Capital in Cases where there are no Adequate Additional Tier I or Tier II Capitals		
Total Deductions from Common Equity Tier 1	15,907,168	7,376,514
Total Common Equity Tier I capital	270,336,203	195,622,441
ADDITIONAL TIER I CAPITAL		
Privileged stocks not included in common equity and share premiums		
Debt Instruments and the Related Issuance Premiums Defined by the BRSA		
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Covered by Temporary Article 4)		
Shares of Third Parties in Additional Tier I Capital	5,348,088	2,931,155
Shares of Third Parties in Additional Tier I Capital (Covered by Temporary Article 3)		
Additional Tier I Capital before Deductions	5,348,088	2,931,155
Deductions from Additional Tier 1 Capital		
Direct and Indirect Investments of the Bank on its own Additional Core Capital		
Investments in Equity Instruments Issued by Banks or Financial Institutions Invested in Bank's Additional Tier I Capital and Having Conditions Stated in the Article 7 of the Regulation		
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital		
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital		
Other items to be defined by the BRSA		
Items to be Deducted from Tier 1 Capital during the Transition Period		
Goodwill and Other Intangible Assets and Related Deferred Taxes not deducted from Tier 1 Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Evaluation of Capital Adequacy of Banks (-)		
Net Deferred Tax Asset/Liability not deducted from Tier 1 Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Evaluation of Capital Adequacy of Banks (-)		
Deduction from Additional Tier 1 Capital when there is not enough Tier II Capital (-)		
Total Deductions from Additional Tier I Capital		
Total Additional Tier I Capital	5,348,088	2,931,155
Total Tier I Capital (Tier I Capital= Common Equity Tier I Capital + Additional Tier I Capital)	275,684,291	198,553,596
TIER II CAPITAL		
Debt Instruments and the Related Issuance Premiums Defined by the BRSA	35,660,250	25,342,500
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Covered by Temporary Article 4)		
Shares of Third Parties in Additional Tier I Capital	2,262,711	1,418,336
Shares of Third Parties in Additional Tier I Capital (Covered by Temporary Article 3)		
Provisions (Amounts explained in the first paragraph of the article 8 of the Regulation on Bank Capital)	18,868,119	12,249,588
Tier II Capital before Regulatory Adjustments	56,791,080	39,010,424
Deductions from Tier II Capital		
Direct and Indirect Investments of the Bank on its own Tier II Capital (-)		
Investments in Equity Instruments Issued by Banks and Financial Institutions Invested in Bank's Tier II Capital and Having Conditions Stated in the Article 8 of the Regulation		
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)		
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital and Tier II Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital Exceeding the 10% Threshold of Tier I Capital		
Other items to be Defined by the BRSA (-)		
Total Deductions from Tier II Capital		
Total Tier II Capital	56,791,080	39,010,424
Total Equity (Total Tier I and Tier II Capital)	332,475,371	237,564,020
Deductions from Total Equity	3,230	2,650
Loans Granted against the Articles 50 and 51 of the Banking Law	3,230	2,650
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years		

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	Current Period	Prior Period
Other items to be Defined by the BRSA		
Items to be Deducted from the Sum of Tier I and Tier II Capital (Capital) during the Transition Period		
The Portion of Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital not deducted from Tier I Capital, Additional Tier I Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation		
The Portion of Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital not deducted from Additional Tier I Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation		
The Portion of Net Long Position of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital, of the Net Deferred Tax Assets arising from Temporary Differences and of the Mortgage Servicing Rights not deducted from Tier I Capital as per the Temporary Article 2, Clause 2, Paragraph (1) and (2) and Temporary Article 2, Clause 1 of the Regulation		
CAPITAL		
Total Capital (Total of Tier I Capital and Tier II Capital)	332,472,141	237,561,370
Total Risk Weighted Assets	1,673,761,385	1,087,995,231
CAPITAL ADEQUACY RATIOS		
Consolidated CET1 Capital Ratio (%)	16.15	17.98
Consolidated Tier I Capital Ratio (%)	16.47	18.25
Consolidated Capital Adequacy Ratio (%)	19.86	21.84
BUFFERS		
Total Additional Common Equity Requirement Ratio (a+b+c)	4.070	4.060
a) Capital Conservation Buffer Ratio (%)	2.500	2.500
b) Bank-specific Counter-Cyclical Capital Buffer Ratio (%)	0.070	0.060
c) Systemic Bank Buffer Ratio (%)	1.500	1.500
Additional CET1 Capital Over Total Risk Weighted Assets Ratio Calculated According to the Article 4 of Capital Conservation and Counter-Cyclical Capital Buffers Regulation (%)	10.47	12.25
Amounts Lower Than Excesses as per Deduction Rules		
Remaining Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital		
Remaining Total of Net Long Positions of the Investments in Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% or less of the Issued Share Capital	453,026	385,225
Remaining Mortgage Servicing Rights		
Net Deferred Tax Assets arising from Temporary Differences	14,637,453	974,110
Limits for Provisions Used in Tier II Capital Calculation		
General Loan Provisions for Exposures in Standard Approach (before limit of one hundred and twenty-five per ten thousand	26,712,369	20,463,080
General Loan Provisions for Exposures in Standard Approach Limited by 1,25% of Risk Weighted Assets	18,868,119	12,249,588
Total Loan Provision that Exceeds Total Expected Loss Calculated According to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach		
Total Loan Provision that Exceeds Total Expected Loss Calculated According to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach, Limited by 0,6% Risk Weighted Assets		
Debt Instruments Covered by Temporary Article 4 (effective between January 1, 2018 - January 1, 2022)		
Upper Limit for Additional Tier I Capital Items subject to Temporary Article 4		
Amount of Additional Tier I Capital Items Subject to Temporary Article 4 that Exceeds Upper Limit		
Upper Limit for Additional Tier II Capital Items subject to Temporary Article 4		
Amount of Additional Tier II Capital Items Subject to Temporary Article 4 that Exceeds Upper Limit		

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2. Information on instruments to be included in the consolidated capital calculation:

Issuer	Türkiye İş Bankası A.Ş.	
Unique identifier (CUSIP, ISIN etc.)	US90016BAF58 XS1623796072	XS2106022754
Governing law(s) of the instrument	It is subject to English Law except for certain articles that will be subject to Turkish Law. Issued within the scope of BRSA Regulation on Banks' Equity.	It is subject to English Law except for certain articles that will be subject to Turkish Law. Issued within the scope of BRSA Regulation on Banks' Equity.
Subject to 10% deduction as of 01.01.2015	No	No
Eligible at unconsolidated / consolidated	Unconsolidated –Consolidated	Unconsolidated –Consolidated
Instrument type (types to be specified by each jurisdiction)	Bond	Bond
Amount recognized in regulatory capital (Currency in mil. as of most recent reporting date)	11,774	22,076
Par value of instrument (Expressed in million TL)	14,718	22,076
Accounting classification	Subordinated Liabilities	Subordinated Liabilities
Original date of issuance	29.06.2017	22.01.2020
Perpetual or dated	Dated	Dated
Original maturity date	11 Years	10 Years
Issuer call subject to prior supervisory approval	Yes	Yes
Optional call date. contingent call dates and redemption amount	The Bank; (1) provided that subject to having obtained the prior approval of the related legislation, can purchase or otherwise acquire treasury stock (2) provided that subject to having obtained the prior approval of the related legislation, can purchase or otherwise acquire treasury stock (2) provided that subject to having obtained the prior approval of the BRSA, (a) can redeem all bonds if any taxes imposed or levied (b) can redeem all bonds in case of the deduction from equity.	The Bank has the option to repay all of the related bonds on January 22, 2025 provided that subject to having obtained the prior approval of the BRSA. The Bank; (1) provided that subject to having obtained the prior approval of the related legislation, can purchase or otherwise acquire treasury stock (2) provided that subject to having obtained the prior approval of the BRSA, (a) can redeem all bonds if any taxes imposed or levied (b) can redeem all bonds in case of the deduction from equity.
Subsequent call dates. if applicable	None	None
Coupons / dividends		
Fixed or floating dividend/coupon	Fixed	Fixed
Coupon rate and any related index	9.192 %	7.75 %
Existence of a dividend stopper	None	None
Fully discretionary, partially discretionary or mandatory	None	None
Existence of step up or other incentive to redeem	None	None
Noncumulative or cumulative	Noncumulative	Noncumulative
Convertible or non-convertible	None	None
If convertible, conversion trigger (s)		

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If convertible, fully or partially		
If convertible, conversion rate		
If convertible, mandatory or optional conversion		
If convertible, specify instrument type convertible into		
If convertible, specify issuer of instrument it converts into		
Write-down feature	In accordance with Regulations on Equities of Banks.Article 8.2.ğ bonds have deleted option from records.	In accordance with Regulations on Equities of Banks.Article 8.2.ğ. bonds have deleted option from records.
If write-down, write-down trigger(s)	Due to the losses incurred, where the Bank is at the point at which the BRSA may determine pursuant to Article 71 of the Banking Law that: (i) its operating license is to be revoked and the Bank is liquidated or (ii) the rights of all of its shareholders (except to dividends), and the management and supervision of the Bank, are to be transferred to the SDIF on the condition that losses are deducted from the capital of existing shareholders (occurrence of either condition means the issuer has become non-viable)	Due to the losses incurred, where the Bank is at the point at which the BRSA may determine pursuant to Article 71 of the Banking Law that: (i) its operating license is to be revoked and the Bank is liquidated or (ii) the rights of all of its shareholders (except to dividends), and the management and supervision of the Bank, are to be transferred to the SDIF on the condition that losses are deducted from the capital of existing shareholders (occurrence of either condition means the issuer has become non-viable)
If write-down, full or partial	Partially or completely	Partially or completely
If write-down, permanent or temporary	Permanent	Permanent
If temporary write-down, description of write-up mechanism		
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Paid before shares and the primary of subordinated debt and after all the other debts.	Paid before shares and the primary of subordinated debt and after all the other debts.
Incompliance with article number 7 and 8 of “Own fund regulation”	Yes.	Yes.
Details of incompliances with article number 7 and 8 of “Own fund regulation”	To vest conditions stated in clause of the Article 8 and don't vest the conditions stated in clause of the Article 7.	To vest conditions stated in clause of the Article 8 and don't vest the conditions stated in clause of the Article 7.

Türkiye İş Bankası A.Ş.

Notes To The Consolidated Financial Statement For The Year Ended December 31, 2023

Issuer	Türkiye İş Bankası A.Ş.		
Unique identifier (CUSIP, ISIN etc.)	TRSTISB72712	TRSTISB62911	TRSTISB92918
Governing law(s) of the instrument	Is subject to Turkish Law. Has been issued in accordance with the BRSA Communiqué regarding the Equity of Banks.	Is subject to Turkish Law. Has been issued in accordance with the BRSA Communiqué regarding the Equity of Banks.	Is subject to Turkish Law. Has been issued in accordance with the BRSA Communiqué regarding the Equity of Banks.
Taking into account in equity calculation			
Subject to 10% deduction as of 01.01.2015	No	No.	No
Eligible at unconsolidated / consolidated	Unconsolidated – Consolidated	Unconsolidated - Consolidated	Unconsolidated - Consolidated
Instrument type (types to be specified by each jurisdiction)	Bond	Bond	Bond
Amount recognized in regulatory capital (Currency in TL million, as of most recent reporting data)	660	800	350
Nominal value of instrument (TL Million)	1,100	800	350
Accounting classification	Subordinated Liabilities	Subordinated Liabilities	Subordinated Liabilities
Original date of issuance	08.08.2017	19.06.2019	26.09.2019
Perpetual or dated	Dated	Dated	Dated
Original maturity date	10 Years	10 Years	10 Years
Issuer call subject to prior supervisory approval	Yes	Yes	Yes
Optional call date, contingent call dates and redemption amount	The Bank; (1) can purchase bills that subject to having obtained the prior approval of the BRSA and the date which may not be earlier than fifth anniversary of the Issue Date (2) (a) can redeem all bonds if any taxes imposed or levied (b) can redeem all bonds in case of the deduction from equity	The Bank; (1) can purchase bills that subject to having obtained the prior approval of the BRSA and the date which may not be earlier than fifth anniversary of the Issue Date (2) (a) can redeem all bonds if any taxes imposed or levied (b) can redeem all bonds in case of the deduction from equity	The Bank; (1) can purchase bills that subject to having obtained the prior approval of the BRSA and the date which may not be earlier than fifth anniversary of the Issue Date (2) (a) can redeem all bonds if any taxes imposed or levied (b) can redeem all bonds in case of the deduction from equity
Subsequent call dates, if applicable	None.	None.	None.
Interest/Dividend Payment			
Fixed or floating coupon/dividend payments	Floating	Floating	Floating
Coupon rate and any related index	Government Debt Security for 5 years+350 base points	Turkish Lira Overnight Reference Interest Rate (TLREF) + 193 base points	Government Debt Security for 5 years + 350 base points
Existence of a dividend stopper	None..	None..	None.
Fully discretionary, partially discretionary or mandatory	None.	None.	None.
Existence of step up or other incentive to redeem	None.	None.	None.
Noncumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative
Convertible into equity shares	None.	None.	None.
If convertible, conversion trigger (s)			
If convertible, fully or partially			
If convertible, conversion rate			

Türkiye İş Bankası A.Ş.

Notes To The Consolidated Financial Statement For The Year Ended December 31, 2023

If convertible, mandatory or optional conversion			
If convertible, specify instrument type convertible into			
If convertible, specify issuer of instrument it converts into			
Write-down feature	In accordance with Regulations on Equities of Banks, Article 8.2.ğ, bonds have deleted option from records.	In accordance with Regulations on Equities of Banks, Article 8.2.ğ, bonds have deleted option from records.	In accordance with Regulations on Equities of Banks, Article 8.2.ğ, bonds have deleted option from records.
If write-down, write-down trigger(s)	Due to the losses incurred, within the framework of Article 71 of the Banking Law, (1) the Bank's operating license is to be revoked and liquidated or (2) the rights of all of its shareholders (except to dividends) and the management and supervision of the Bank are to be transferred to the SDIF on the condition that losses are deducted from the capital of existing shareholders (occurrence of either condition means the issuer has become non-viable) based on the decision of the BRSA.	Due to the losses incurred, within the framework of Article 71 of the Banking Law, (1) the Bank's operating license is to be revoked and liquidated or (2) the rights of all of its shareholders (except to dividends) and the management and supervision of the Bank are to be transferred to the SDIF on the condition that losses are deducted from the capital of existing shareholders (occurrence of either condition means the issuer has become non-viable) based on the decision of the BRSA.	Due to the losses incurred, within the framework of Article 71 of the Banking Law, (1) the Bank's operating license is to be revoked and liquidated or (2) the rights of all of its shareholders (except to dividends) and the management and supervision of the Bank are to be transferred to the SDIF on the condition that losses are deducted from the capital of existing shareholders (occurrence of either condition means the issuer has become non-viable) based on the decision of the BRSA.
If bond can be written-down, full or partially	Partially or Completely	Partially or Completely	Partially or Completely
If bond can be written-down, permanent or temporary	Permanent	Permanent	Permanent
If temporary write-down, description of write-up mechanism			
Position in subordination hierarchy in case of liquidation (instrument type immediately senior to the instrument)	Paid before shares and the primary of subordinated debt and after all the other debts.	Paid before shares and the primary of subordinated debt and after all the other debts.	Paid before shares and the primary of subordinated debt and after all the other debts.
Incompliance with article number 7 and 8 of Regulation on Bank Capital	Yes.	Yes.	Yes.
Details of incompliances with article number 7 and 8 of Regulation on Bank Capital	To vest conditions stated in clause of the Article 8 and don't vest the conditions stated in clause of the Article 7.	To vest conditions stated in clause of the Article 8 and don't vest the conditions stated in clause of the Article 7.	To vest conditions stated in clause of the Article 8 and don't vest the conditions stated in clause of the Article 7.

3. Explanations on Reconciliations of Amounts in the Consolidated Capital Items Table and Carrying Amounts in the Consolidated Financial Statements

	Carrying Amount	Amounts in Equity Calculation (1)
Shareholders' Equity	303,356,840	285,373,110
Group Share	268,197,169	273,219,700
Minority Interest	35,159,671	12,153,410
Leasehold improvements on operational leases	271,232	(271,232)
Goodwill and intangible assets	7,138,241	(6,886,043)
Provisions	26,712,369	18,868,119
Subordinated debt	39,870,982	35,660,250
Deductions from shareholders' equity	272,063	(272,063)
Capital		332,472,141

(1)) The related amounts are calculated in accordance with "Regulation on Equities of Banks".In this context, part of the expected credit loss of stage 1 and stage 2 up to 1.25 % of amount subject to credit risk, part; subordinated loans according to fourth article of the regulation, have been taken into consideration in equity calculation. On the other hand, in the calculation, the amount of equity calculated in accordance with the regulation dated 21.12.2021 and numbered 9996 of the BRSA and the amount based on the credit risk calculated in accordance with the regulation dated 31.01.2023 and numbered 10496.

Türkiye İş Bankası A.Ş.

Notes To The Consolidated Financial Statement For The Year Ended December 31, 2023

II. II. Explanations on Credit Risk

1. Credit risk is defined as the possibility of incurring loss where the counterparty in a transaction, partially or completely fails to meet its contractual obligations in due time in an agreement with the Bank and its consolidated financial subsidiaries.

Banks and financial institutions subject to consolidation, carry out their placement activities in accordance with the credit limitations stipulated by legal regulations of the countries in which they operate.

The Parent Bank's position against the credit risk limits defined by the current legislation is monitored by the Board. Within this framework, loans extended to Risk Groups and the Parent Bank's Risk Group, including the Parent Bank; loans in high amounts and limitations regarding the shares in participations are monitored according to the limits determined in connection with the size of the shareholders' equity calculated on a bank-only and consolidated basis.

Credit risk limits of customers are determined depending on the financial situation and loan requirements of the borrowers, in strict compliance with the relevant banking legislation, within the framework of loan authorization limits of Branches, Regional Offices, Loan Divisions, and the Deputy Chief Executives responsible for loans, the CEO, the Credit Committee and the Board of Directors. These limits may be changed as may be deemed necessary by the Bank. Moreover, all commercial credit limits are revised periodically, provided that each period does not exceed a year. Furthermore, the borrowers and borrower groups forming a large proportion of the overall placement are subject to risk limits in order to provide further minimization of potential risk.

The geographical distribution of borrowers is consistent with the concentration of industrial and commercial activities in Turkey.

The distribution of borrowers by sector is monitored closely for each period and sectoral risk limits have been determined to prevent concentration of risk in sectoral sense.

The creditworthiness of customers is monitored on a consistent basis by using company rating and scoring models specially developed for this purpose, and the audit of statements of account received is assured to have been made in accordance with the provisions as stipulated by the relevant legislation.

The Parent Bank and its financial affiliates give utmost importance to ensure that loans are furnished with collaterals. In accordance with the credit risk policy, the allocation decision is not based on the assumption that the collateral can be collected by redeeming it in principle. However, to minimize the credit risk, an appropriate level of collateral is obtained by accurately analyzing the credit worthiness and credit need of the customer. Legal recourse of collaterals in case of default, their redemption period, and their ability to maintain their expected value are taken into account from the beginning of the loan allocation process. Most of the loans extended are collateralized by taking real estate, movable or commercial enterprise under pledge, promissory notes and other liquid assets as collateral, or by acceptance of bank letters of guarantee and individual or corporate guarantees. The absence of concentration in terms of collateral is an important element of the credit policy.

Non-performing and impaired loans have been classified in accordance with the "TFRS 9-Financial Instruments" and BRSA's "Regulation on Procedures and Principles for Classification of Loans and Provisions to be set aside". The detailed descriptions of these methods correspond with accounting practices, are included in Section Three Note VIII.

Credit risk is the risk reduction effects without taking into consideration the total amount of exposures after offsetting transactions with different risk classes according to the types and amounts of disaggregated risks are listed below the average for the period.

Amount subject to credit risk (1)	Current Period Risk Amount	Average Risk Amount (2)
Risk Classifications		
Conditional and Unconditional Exposures to Central Governments or Central Banks	884,240,243	743,438,344
Conditional and Unconditional Exposures to Regional Governments or Local Authorities	232,776	216,852
Conditional and Unconditional Exposures to Administrative Bodies and Non-Commercial Undertakings	384,460	347,298
Conditional and Unconditional Exposures to Multilateral Development Banks	942,716	995,219
Conditional and Unconditional Exposures to International Organizations		
Conditional and Unconditional Exposures to Banks and Brokerage Houses	132,110,005	111,888,407
Conditional and Unconditional Exposures to Corporate	732,792,711	697,740,603
Conditional and Unconditional Retail Exposures	441,975,008	376,442,490
Exposures Secured by Residential Real Estate Property	48,487,544	43,619,880
Exposures Secured by Commercial Real Estate Property	41,651,568	37,225,150
Past Due Loans	7,208,371	5,379,166
Items in Regulatory High-risk Categories	176,263,122	123,415,661
Exposures in the Form of Bonds Secured by Mortgages		
Short Term Exposures to Banks, Brokerage Houses and Corporates		
Exposures in the Form of Collective Investment Undertakings	17,506,880	15,178,591
Stock Investments	141,895,241	120,629,796
Other Items	84,462,150	62,100,919

(1) The figures represent total risk amounts after credit risk mitigation and after credit conversion factor.

(2) Average risk amount is identified by using arithmetical averages of risk amounts calculated quarterly in the current period reports.

Türkiye İş Bankası A.Ş.

Notes To The Consolidated Financial Statement For The Year Ended December 31, 2023

2. There are certain control limits on forward transactions in terms of counter parties, and the risks taken for derivative instruments are evaluated along with other potential risks resulting from the market fluctuations.

3. As a result of the current level of customers’ needs and the progress in the domestic derivatives market in this particular area, the Parent Bank uses derivative transactions either for hedging or for commercial purposes.

Derivative instruments are monitored with consideration that they can always be liquidated in case of need.

4. Indemnified non-cash loans are considered as having the same risk weights as unpaid cash loans.

The rating and scoring systems applied by the Parent Bank, includes detailed company analysis and enables rating of all companies and loans without any restrictions regarding credibility. Loans and companies, which have been renewed, restructured or rescheduled, are rated within the scope of this system. Specialized loans are evaluated by a special rating system, which is based on the credibility of the counterparty as well as the feasibility and risk analysis of the cash flows created mainly by the projects undertaken or the asset financed.

5. Determining the country risks of the countries concerned in the context of the current rating system credit transactions carried out abroad, market conditions, legal constraints and risks related to the country on this issue into account. In addition, banks and other financial institutions credit worthiness abroad, foreign rating agencies by based on credit ratings that are determined and CDS-IR (based on credit default swaps) a supported developed degree approach is allocated and monitored.

- 6.
- i) The share of the Group's receivables from the top 100 and 200 cash loan customers in the overall cash loan portfolio stands at 27% and 35% respectively (December 31, 2022: 27%, 36%).
- ii) The share of the Group's receivables from the top 100 and 200 non-cash loan customers in the overall non-cash portfolio stands at 43% and 55% respectively (December 31, 2022: 42%, 54%).
- iii) The share of the Group's cash and non-cash receivables from the top 100 and 200 credit customers in the overall assets and non-cash loans stands at 13% and 17% (December 31, 2022: 14%, 19%).

Companies that are among the top loan customers ranked according to cash, non-cash and total risks are leaders in their own sectors, the loans advanced to them are in line with their volume of industrial and commercial activity. A significant part of such loans is extended on a project basis, with their repayment sources being analyzed in accordance with the banking principles to be considered as satisfactory, and associated risks are determined and duly covered by obtaining appropriate guarantees when deemed necessary.

7. Total value of the Stage 1 and Stage 2 expected credit loss allocated for the credit risk carried by Parent Bank and consodilated companies is TL 24,851,338 (December 31, 2022: TL 19,356,556).

8. The Parent Bank measures the quality of its loan portfolio by applying different rating/scoring models on cash commercial/corporate loans, retail loans and credit cards. The breakdown of the rating/scoring results, which are classified as “Strong”, “Standard” and “Below Standard” by considering their default features, is shown below.

The loans whose borrowers’ capacity to fulfill their obligations is very good, are defined as “Strong”, whose borrowers’ capacity to fulfill its obligations in due time is reasonable, are defined as “Standard” and whose borrowers’ capacity to fulfill their obligations is poor, are defined as “Below Standard”.

	Current Period	Prior Period
Strong	54.21 %	50.00 %
Standard	38.36 %	44.71 %
Below Standard	7.43 %	5.29 %

Table shows rating/scoring results.

9. The net values of the collaterals of the Group's closely monitored loans are given below in terms of collateral types and risk matches.

Type of Collateral	Current Period			Prior Period		
	Personal	Commercial and Corporate	Credit Cards	Personal	Commercial and Corporate	Credit Cards
Real Estate Mortgage (1)	1,880,399	14,321,198		1,417,099	13,961,519	
Cash Collateral (Cash, securities pledge, etc.)	62,125	989,423		48,410	571,392	
Pledge on Wages and Vehicles	4,716,955	543,210		3,092,378	369,527	
Cheques & Notes		91,078			70,586	
Other (Suretyship, commercial enterprise under pledge, commercial papers, etc.)	387,931	59,642,176		456,308	38,558,904	
Non-collateralized	11,258,893	9,398,114	14,807,864	7,040,513	12,221,280	3,941,709
Total	18,306,303	84,985,199	14,807,864	12,054,708	65,753,208	3,941,709

(*) The mortgage and/or pledge amounts on which third parties have priorities are deducted from the fair values of collaterals in expertise reports; and after comparing the results to the mortgage/pledge amounts and loan balances, the smallest figures are considered to be the net value of collaterals.

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Notes To The Consolidated Financial Statement For The Year Ended December 31, 2023

10. The net values of the collaterals of the Group's non-performing loans are given below in terms of collateral types and risk matches.

Type of Collateral	Current Period		Prior Period	
	Loan Balance	Net Value of the Collateral	Loan Balance	Loan Balance
Real Estate Mortgage (1)	7,969,997	7,969,997	6,507,435	6,507,435
Cash Collateral	15,633	15,633	1,884	1,884
Vehicle Pledge	267,687	267,687	257,315	257,315
Other (Suretyship, commercial enterprise under pledge, commercial papers, etc.)	12,045,105	12,045,105	9,965,770	9,965,770

(1) The mortgage and/or pledge amounts on which third parties have priorities are deducted from the fair values of collaterals in expertise reports; and after comparing the results to the mortgage/pledge amounts and loan balances, the smallest figures are considered to be the net value of collaterals.

11. The aging analysis of the receivables past due but not impaired in terms of financial asset classes, is as follows:

Current Period	31-60 Days (2)	61-90 Days (2)	Total
Loans (1)	3,101,335	1,220,796	4,322,131
Corporate / Commercial Loans (3)	298,188	236,952	535,140
Consumer Loans	633,703	260,241	893,944
Credit Cards	2,169,444	723,603	2,893,047
Lease Receivables (1)	193,453	78,396	271,849
Insurance Receivables	84,518	52,713	137,231
Total	3,379,306	1,351,905	4,731,211

(1) The loans classified under close monitoring that are not past due or past due for less than 31 days is TL 109,134,062.

(2) Related figures show only overdue amounts of installment based commercial loans and installment-based consumer loans; the principal amounts of the loans which are not due as of the balance sheet date are equal to TL 1,412,908 and TL 2,958,416 respectively.

(3) Includes factoring receivables.

Prior Period	31-60 Days (2)	61-90 Days (2)	Total
Loans (1)	855,693	496,431	1,352,124
Corporate / Commercial Loans (3)	173,399	184,153	357,552
Consumer Loans	229,354	128,202	357,556
Credit Cards	452,940	184,076	637,016
Lease Receivables (1)	70,092	53,594	123,686
Insurance Receivables	35,541	31,006	66,547
Total	961,326	581,031	1,542,357

(1) The loans classified under close monitoring that are not past due or past due for less than 31 days is TL 77,377,390.

(2) Related figures show only overdue amounts of installment based commercial loans and installment-based consumer loans; the principal amounts of the loans which are not due as of the balance sheet date are equal to TL 980,910 and TL 1,915,515 respectively.

(3) Includes factoring receivables.

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Notes To The Consolidated Financial Statement For The Year Ended December 31, 2023

12. Profile of Significant Risk Exposures in Major Regions

Current Period	Domestic	European Union	OECD Countries (2)	Off-Shore Banking Regions	USA, Canada	Other Countries	Investments in Associates, Subsidiaries and Jointly Controlled Entities	Unallocated Assets/ Liabilities (3)	Total
Risk Groups (1)									
Receivables from Central Governments or Central Banks	855,947,086	8,932,753			672,528	18,687,876			884,240,243
Receivables from Regional Government or Domestic Government	232,751					25			232,776
Receivables from Administrative Units and Non-Commercial Enterprises	384,156					304			384,460
Receivables from Multilateral Development Banks		742,659	200,057						942,716
Receivables from International Organizations									
Receivables from Banks and Intermediaries	74,731,384	31,875,000	15,487,399	674,774	3,967,009	5,374,439			132,110,005
Corporate Receivables	687,220,492	8,672,421	13,969,797	3,160,755	212,127	19,557,119			732,792,711
Retail Receivables	437,015,865	979,944	433,864	4,980	155,037	3,385,318			441,975,008
Receivables Secured by Residential Property	89,038,500	235,894	199,472	3,122	60,984	601,140			90,139,112
Non-Performing Receivables	7,083,494	85,326	5,451	8	9,102	24,990			7,208,371
Receivables are identified as high risk by the Board	174,621,066	141,508	11,922	82	18,811	1,469,733			176,263,122
Secured Marketable Securities									
Short-term Receivables and Short-term Corporate Receivables from Banks and Intermediaries									
Investments as Collective Investment Institutions	17,506,880								17,506,880
Other Receivables	141,117,600	403,516	374,125						141,895,241
Stock Investments							84,462,150		84,462,150
Total	2,484,899,274	52,069,021	30,682,087	3,843,721	5,095,598	49,100,944	84,462,150		2,710,152,795

(1) The figures represent total risk amounts before credit risk mitigation and after credit conversion factor.

(2) OECD Countries other than EU countries, USA and Canada.

(3) Assets and liabilities that are not consistently allocated.

Türkiye İş Bankası A.Ş.

Notes To The Consolidated Financial Statement For The Year Ended December 31, 2023

Prior Period	Domestic	European Union	OECD Countries (2)	Off-Shore Banking Regions	USA, Canada	Other Countries	Investments in Associates, Subsidiaries and Jointly Controlled Entities	Unallocated Assets/ Liabilities (3)	Total
Risk Groups (1)									
Receivables from Central Governments or Central Banks	437,104,238	4,009,835			1,136,971	8,976,781			451,227,825
Receivables from Regional Government or Domestic Government	192,141					26			192,167
Receivables from Administrative Units and Non-Commercial Enterprises	165,859					135			165,994
Receivables from Multilateral Development Banks		657,915	121,227						779,142
Receivables from International Organizations									
Receivables from Banks and Intermediaries	45,976,674	19,005,741	11,164,932	5,730	2,531,125	3,142,360			81,826,562
Corporate Receivables	513,925,870	6,007,066	5,226,167	1,802,060	358,182	12,298,386			539,617,731
Retail Receivables	262,831,684	436,757	221,429	2,824	73,375	1,860,128			265,426,197
Receivables Secured by Residential Property	66,636,467	246,958	58,801	3,294	65,415	891,758			67,902,693
Non-Performing Receivables	6,203,804	122,606	4,759	1	1,917	11,237			6,344,324
Receivables are identified as high risk by the Board	91,559,085	209,372	34,256	437	18,387	804,285			92,625,822
Secured Marketable Securities									
Short-term Receivables and Short-term Corporate Receivables from Banks and Intermediaries									
Investments as Collective Investment Institutions	9,051,377								9,051,377
Other Receivables	88,033,703	119,358	10,484		976	100,414			88,264,935
Stock Investments							44,442,556		44,442,556
Total	1,521,680,902	30,815,608	16,842,055	1,814,346	4,186,348	28,085,510	44,442,556		1,647,867,325

(1) The figures represent total risk amounts before credit risk mitigation and after credit conversion factor.

(2) OECD Countries other than EU countries, USA and Canada.

(3) Assets and liabilities that are not consistently allocated.

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Notes To The Consolidated Financial Statement For The Year Ended December 31, 2023

13. Risk Profile by Sectors or Counterparties:

Current Period Consolidated								
	(1) (**)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sectors/Counterparty (*)								
Agriculture	105,147		320				7,066,974	14,527,203
Farming and Stockbreeding	89,218		320				5,088,751	14,408,435
Forestry	3,261						84,687	64,324
Fishing	12,668						1,893,536	54,444
Industry	6,060,962	3,069	790				350,453,852	22,548,555
Mining	115,131						9,679,598	426,554
Production	5,917,643						243,578,623	21,744,983
Electricity, gas, and water	28,188	3,069	790				97,195,631	377,018
Construction	1,864,244		12,924				57,441,027	10,280,274
Services	423,650,322		368,538	942,716		130,364,385	269,134,143	94,114,050
Wholesale and Retail Trade	2,806,878						110,079,452	53,476,125
Hotel, Food and Beverage Services	311,406						15,080,207	5,767,849
Transportation and Telecommunication	333,118						61,199,057	22,133,840
Financial Institutions	419,735,562		6	942,716		130,364,385	49,350,186	1,810,024
Real Estate and Renting Services	54,218		255,050				12,768,699	3,540,464
Self-Employment Services	88,917		109,602				2,106,217	2,421,109
Education Services	119,393		2,284				2,047,860	748,379
Health and Social Services	200,830		1,596				16,502,465	4,216,260
Other	452,559,568	229,707	1,888			1,745,620	48,696,715	300,504,926
Total	884,240,243	232,776	384,460	942,716		132,110,005	732,792,711	441,975,008

(1) Receivables from Central Governments or Central Banks
(2) Receivables from Regional Governments or Local Authorities
(3) Receivables from Administrative Bodies and Non-commercial Undertakings
(4) Receivables from Multilateral Development Banks
(5) Receivables from International Organizations
(6) Receivables from Banks and Brokerage Houses
(7) Receivables from Corporate Receivables
(8) Receivables from Retail Receivables
(9) Receivables from Secured by Real Estate Property

(10) Past due receivables
(11) Receivables in regulatory high-risk categories
(12) Investments in the nature of collective investment enterprise
(13) Other Receivables.
(14) Stock Investments.
(*) Risk amounts after the credit conversions and the effects of credit risk mitigation
(**) Credit Guarantee Fund guaranteed by the undersecretariat of treasury are included in the receivables from central governments.

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Notes To The Consolidated Financial Statement For The Year Ended December 31, 2023

Current Period Consolidated								
(9)	(10)	(11)	(12)	(13)	(14)	TL	FC	Total
1,316,580	32,155	968,243				20,885,355	3,131,267	24,016,622
1,298,120	32,057	918,352				20,559,841	1,275,412	21,835,253
10,434	60	7,365				167,426	2,705	170,131
8,026	38	42,526				158,088	1,853,150	2,011,238
15,760,432	2,223,834	26,657,384			62,172,180	234,936,262	250,944,796	485,881,058
251,320	15,091	386,320				5,351,056	5,522,958	10,874,014
14,572,191	406,482	21,485,703			62,172,180	209,618,002	160,259,803	369,877,805
936,921	1,802,261	4,785,361				19,967,204	85,162,035	105,129,239
7,697,829	1,729,758	6,237,027				45,584,412	39,678,671	85,263,083
37,761,063	663,058	41,630,164	14,797,540	8,418,696	8,318,510	511,257,027	518,906,158	1,030,163,185
18,753,772	367,793	24,712,171			252,112	167,511,906	42,936,397	210,448,303
3,647,431	70,362	2,164,452				16,318,829	10,722,878	27,041,707
3,774,947	146,891	8,479,846			133,178	47,804,210	48,396,667	96,200,877
914,425	984	354,021	14,797,540	8,418,696	7,933,220	249,376,378	385,245,387	634,621,765
8,365,664	15,422	2,771,040				13,531,404	14,239,153	27,770,557
575,724	47,615	859,289				5,223,970	984,503	6,208,473
781,956	1,967	573,422				2,358,836	1,916,425	4,275,261
947,144	12,024	1,715,923				9,131,494	14,464,748	23,596,242
27,603,208	2,559,566	100,770,304	2,709,340	133,476,545	13,971,460	949,466,962	135,361,885	1,084,828,847
90,139,112	7,208,371	176,263,122	17,506,880	141,895,241	84,462,150	1,762,130,018	948,022,777	2,710,152,795

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14. Analysis of maturity-bearing exposures according to remaining maturities:

	Current Period					
	Remaining Maturities					
	1 Month	1-3 Months	3-6 Months	6-12 Months	Over 1 Year	Total
Risk Groups (1)						
Receivables from Central Governments or Central Banks	83,044,597	13,675,239	15,565,770	21,371,190	360,477,136	494,133,932
Receivables from Regional Governments or Domestic Governments	3,723	5,310	8,901	19,875	194,967	232,776
Receivables from Administrative Units and Non-Commercial Enterprises	49,179	104,206	189,241	1,819	36,086	380,531
The multilateral development banks and non-contingent receivables	745,472	129,260			67,984	942,716
Receivables from Banks and Intermediaries	77,419,729	17,618,876	11,637,730	10,700,627	10,347,746	127,724,708
Corporate Receivables	77,158,171	83,878,354	91,409,095	131,565,410	341,432,001	725,443,031
Retail Receivables	11,529,479	9,113,785	14,169,374	44,235,462	62,992,783	142,040,883
Collateralized Receivables with Real Estate Mortgages	3,375,563	4,594,725	4,174,437	17,278,183	52,149,434	81,572,342
Receivables are identified as High Risk by the Board	10,212,014	14,834,115	12,725,638	51,163,910	55,529,084	144,464,761
Total	263,537,927	143,953,870	149,880,186	276,336,476	883,227,221	1,716,935,680

(1) The figures represent total risk amounts before credit risk mitigation and after credit conversion factor.

15. Information on Risk Classes:

In the calculation of the amount subject to credit risk, determining the risk weights related to risk classes stated on the article "Regulation on Measurement and Evaluation of Capital Adequacy of Banks", is based on the Fitch Ratings' and JCR Avrasya Derecelendirme A.Ş. international rating.

"Receivables from Banks and Intermediaries" are receivables from related parties residing in foreign countries against the risk evaluated in class with "Receivables from Central Governments or Central Banks" are receivables that are evaluated in the class will be the subject of risk weights determined in accordance with Fitch Ratings issued by the rating of the risk. "Receivables from Banks and Intermediaries" in the class with resident banks and brokerage firms in the dorm evaluated risk "Corporate Receivables" in the class evaluated dorm resident companies and financial institutions in the TL-denominated receivables, the risk weights that will be the subject of JCR Avrasya Derecelendirme A.Ş. international rating grades assigned by it are used.

The table related to mapping the ratings used in the calculations and credit quality grades, which is stated in the Annex of Regulation on Measurement and Evaluation of Capital Adequacy of Banks, is given below:

Credit Quality Grades	1	2	3	4	5	6
Risk Rating	AAA via AA-	A+ via A-	BBB+ via BBB-	BB+ via BB-	B+ via B-	CCC+ and lower

Risk Amounts according to Risk Weights

Risk Weight	0%	20%	35%	50%	75%	100%	150%	250%	Other (2)	Mitigation in Shareholders' Equity
Amount Before Credit Risk Mitigation (1)	1,009,237,767	153,087,519	48,635,838	159,608,857	296,481,120	885,411,670	102,874,153	453,026	81,527,878	7,157,275
Amount After Credit Risk Mitigation	1,021,471,586	150,207,758	48,487,544	157,489,407	287,065,696	860,576,973	102,872,926	453,026	81,527,879	7,157,275

(1) The figures represent total risk amounts before credit risk mitigation and after credit conversion factor.

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16. Miscellaneous Information According to Type of Counterparty of Major Sectors

	Significant Sectors/Counterparty	Loans		Provisions
		Depreciated (TFRS 9)		Expected Credit Loss (TFRS 9)
		Significant Increase in Credit Risk (Stage 2)	Non-Performing (Stage 3)	
1	Agricultural	1,024,244	115,205	151,251
1.1	Farming and Raising Livestock	944,006	113,384	143,500
1.2	Forestry	5,475	92	376
1.3	Fishing	74,763	1,729	7,375
2	Industry	40,939,406	11,498,840	18,325,525
2.1	Mining	54,107	138,678	143,501
2.2	Production	11,233,071	2,252,945	3,463,976
2.3	Electricity, gas, and water	29,652,228	9,107,217	14,718,048
3	Construction	7,320,363	7,965,885	6,758,130
4	Services	35,482,656	4,860,383	10,803,327
4.1	Wholesale and Retail Trade	5,563,205	1,753,348	1,907,474
4.2	Hotel, Food and Beverage Services	6,643,360	366,794	657,876
4.3	Transportation and Telecommunication	10,746,858	1,639,603	3,861,830
4.4	Financial Institutions	14,263	131,352	39,191
4.5	Real Estate and Renting Services	10,457,380	794,679	3,985,068
4.6	Self-Employment Services	1,927,529	123,286	299,169
4.7	Education Services	76,738	12,911	14,125
4.8	Health and Social Services	53,323	38,410	38,594
5	Other	33,332,697	6,719,736	6,381,382
6	Total	118,099,366	31,160,049	42,419,615

17. Information on Value Adjustments and Change in Credit Provisions

	Beginning Balance	Provisions	Reversal of Provisions	Other Value Adjustments	Ending Balance
Stage 3 Provisions	20,565,590	9,827,522	-6,945,937		23,447,175
Stage 1 and Stage 2 Provisions	19,356,556	21,729,777	-16,234,995		24,851,338

18. Exposures Subject to Countercyclical Capital Buffer

Explanations about exposures subject to consolidated private sector receivables:

Country	RWA Calculations for Private Sector Loans in Banking Book	RWA calculations for Trading Book	Total
Turkey	1,042,225,900	5,000,524	1,047,226,424
TRNC	9,385,398		9,385,398
England	8,248,074	2,301	8,250,375
Germany	4,076,504	7,374	4,083,878
Cayman Islands	2,565,591		2,565,591
Albania	2,212,669		2,212,669
Kosovo	2,142,940		2,142,940
Georgia	1,950,073		1,950,073
Malta	1,892,968		1,892,968
Russia	1,711,225		1,711,225
Other	9,770,523	292,561	10,063,084

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III. Explanations on Currency Risk

The exposed currency risk of the Group is result of the difference between the assets denominated in and indexed to foreign currencies and liabilities denominated in foreign currencies. Furthermore, parity fluctuations of different foreign currencies are another element of the currency risk.

The currency risk of the Parent Bank is managed by the internal currency risk limits which are established as a part of the Parent Bank’s risk policies. The Assets and Liabilities Committee and the Assets and Liabilities Management Unit meet regularly to take the necessary decisions for hedging exchange rate and parity risks, within the framework of the determined by the “Net Foreign Currency Overall Position/ Shareholders’ Equity” ratio, which is a part of the legal limits requirement and the internal currency risk limits specified by the Board of Directors. Foreign exchange risk management decisions are strictly applied.

In measuring the exposed currency risk of the Group, the Standard Method, the Value at Risk Model (VAR) and Expected Shortfall Model are used as applied in the statutory reporting.

Measurements made for the Parent Bank within the scope of the Standard Method are carried out on a monthly basis and form the basis of determining the capital requirement for hedging currency risk.

Risk measurements made within the context of the VAR are practiced on a daily basis using the historical and Monte Carlo simulation methods. Scenario analyses are conducted to support the calculations made within the VAR context. Expected loss calculations are also carried out daily.

The results of the measurements made on currency risk are reported to the Key Management and the risks are closely monitored by taking into account the market and the economic conditions.

The Parent Bank's foreign currency purchase rates at the date of balance sheet and for the last five working days of the period announced by the Parent Bank in TL are as follows:

Date	USD	EUR
December 31, 2023	29.4350	32.5698
December 29, 2023	29.4350	32.5698
December 28, 2023	29.3051	32.4495
December 27, 2023	29.2230	32.4696
December 26, 2023	29.1474	32.1700
December 25, 2023	29.0100	31.9545

The Parent Bank's last 30-days arithmetical average foreign currency purchase rates:

USD: 28.9493 TL

EURO: 31.6085 TL

Sensitivity to currency risk:

The Group's sensitivity to any potential change in foreign currency rates has been analyzed. Within this framework, 10% change is anticipated in USD, EUR, IQD and GEL currencies and the possible impact of the related change is presented below. 10% is the ratio that is used in the internal reporting of the Parent Bank.

	% Change in Foreign Currency	Effects on Profit/Loss (1)	
		Current Period	Priod Period
USD	10 % increase	431,900	875,154
	10 % decrease	(431,900)	(875,154)
EURO	10 % increase	262,337	969,497
	10 % decrease	(262,337)	(969,497)
IQD	10 % increase	201,857	74,654
	10 % decrease	(201,857)	(74,654)
GEL	10 % increase	146,591	170,580
	10 % decrease	(146,591)	(170,580)

(1) Indicates the values before tax.

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Information on currency risk:

	EUR	USD	Other FC	Total
Current Period				
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey (1)	132,840,394	180,127,870	47,840,764	360,809,028
Banks	19,503,909	19,673,908	27,358,858	66,536,675
Financial Assets at Fair Value through Profit/Loss (2)	2,007,153	8,875,135	17,288,693	28,170,981
Money Market Placements				
Financial Assets at Fair Value through Other Comprehensive Income	10,746,102	112,849,344	17,771	123,613,217
Loans (2) (3)	291,697,476	275,136,671	13,047,034	579,881,181
Investments in Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures)	311,107			311,107
Financial Assets measured at Amortized Cost	5,481,317	16,683,969	9,238,720	31,404,006
Derivative Financial Assets Held for Risk Management (2)		237,199		237,199
Tangible Assets (2)	290,883	6,629	260,729	558,241
Intangible Assets (2)	208,590	5,869	46,255	260,714
Other Assets (2)	(1,687,050)	13,016,080	1,848,857	13,177,887
Total Assets	461,399,881	626,612,674	116,947,681	1,204,960,236
Liabilities				
Bank Deposits	8,139,450	10,270,449	544,355	18,954,254
Foreign Currency Deposits (4)	277,833,296	353,225,095	184,068,988	815,127,379
Money Market Funds	3,334,610	49,269,715		52,604,325
Funds Provided from Other Financial Inst,	77,420,001	153,602,419	129,594	231,152,014
Marketable Securities Issued (5)	2,161,546	117,353,150	16,859,983	136,374,679
Miscellaneous Payables	9,037,657	18,802,919	789,008	28,629,584
Derivative Financial Liabilities Held for Risk Management		130,762		130,762
Other Liabilities (2) (6)	12,071,949	27,523,608	2,992,251	42,587,808
Total Liabilities	389,998,509	730,178,117	205,384,179	1,325,560,805
Net Balance Sheet Position	71,401,372	(103,565,443)	(88,436,498)	(120,600,569)
Net Off Balance Sheet Position	(68,776,043)	105,983,618	93,949,880	131,157,455
Derivative Financial Assets (7)	59,994,933	218,727,216	109,864,634	388,586,783
Derivative Financial Liabilities (7)	128,770,976	112,743,598	15,914,754	257,429,328
Non-Cash Loans	116,352,751	134,232,514	12,145,414	262,730,679
Prior Period				
Total Assets	276,634,303	386,644,093	65,449,457	728,727,853
Total Liabilities	248,259,335	489,541,816	109,137,926	846,939,077
Net Balance Sheet Position	28,374,968	(102,897,723)	(43,688,469)	(118,211,224)
Net Off Balance Sheet Position	(20,551,336)	115,206,059	44,954,458	139,609,181
Derivative Financial Assets	44,021,624	180,200,359	49,667,448	273,889,431
Derivative Financial Liabilities	64,572,960	64,994,300	4,712,990	134,280,250
Non-Cash Loans	68,534,599	81,161,704	9,262,376	158,958,679

(1) Precious metals accounts amounting TL 42,576,277 are included.

(2) In accordance with the principles of the “Regulation on the Calculation and Implementation of Foreign Currency Net General Position/Equity Standard Ratio by Banks on Consolidated and Non-Consolidated Basis”, TL 12,633,044 of Derivative Financial Assets Accrual, Prepaid Expenses (588,342 TL) in assets, and 2,867,987 TL of Derivative Financial Liabilities Accruals in liabilities, Equity (1,662,553) are not taken into account in the currency risk calculation. Other Assets and Other Liabilities include Expected Loss Provisions; the expected loss provision balance of foreign currency indexed loans is TL 26,961.

(3) Includes receivables from leasing transaction and factoring receivables and foreign currency indexed loans which are recognized under TL account. Of the total amount of TL 1,814,773 of the aforementioned loans; TL 971,945 is USD indexed, TL 838,694 is EUR indexed, and TL 4,134 is GBP indexed.

(4) Includes Assets Held for Sale and Discontinued Operations (Net).

(5) The item includes TL 116,452,555 precious metals deposit accounts.

(6) Includes Tier 2 subordinated bond which is classified on the balance sheet as subordinated loan.

(7) The borrower funds are presented in the “Other Liabilities” according to their type of currency.

(8) The derivative transactions in the context of forward foreign currency options and foreign currency forwards definitions included in the Communiqué above are taken into consideration.

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IV. Explanations on Interest Rate Risk

Interest rate risk is defined as the impairment in the value of the interest sensitive assets, liabilities and off-balance sheet items due to interest rate fluctuations. A method which takes into consideration the effect of standard interest shocks on the economic values of the Parent Bank's on, and off-balance sheet interest sensitive accounts is used for measuring the interest rate risk arising from the banking accounts, whereas the interest rate risk related to interest sensitive financial instruments followed under trading accounts is assessed within the scope of market risk.

Potential effects of interest rate risk on the Parent Bank's assets and liabilities, market developments, the general economic environment and expectations are regularly followed in meetings of the Asset-Liability Management Committee, where further measures to reduce risk are taken when necessary.

The Parent Bank's on and off-balance sheet interest sensitive accounts other than the assets and liabilities exposed to market risk are monitored and controlled by the limits on the ratio of structural interest rate risk to equity and tier 1 capital determined by the Board within the scope of "Asset-Liability Management Risk Policy". Moreover, scenario analyses formed in line with the average maturity gaps and the historical data and expectations are also used in the management of the related risk.

In addition, the effect of the change in interest rates on the Parent Bank's net interest income is analyzed regularly. Within this scope, the ratio of the change expected to occur in net interest income under carious scenarios to the limit on Tier I capital is monitored and regularly reported to the top management.

Interest rate sensitivity:

In this part, the sensitivity of the Bank's assets and liabilities to the interest rates has been analyzed assuming that the yearend balance figures were the same throughout the year. Mentioned analysis shows how the FC and TL changes in interest rates by one point during the one-year period affect the Group's income accounts and shareholders' equity under the assumption maturity structure and balances are remain the same all year round at the end of the year.

During the measurement of the Group's interest rate sensitivity, the profit/loss on the asset and liability items that are evaluated with market value are determined by adding to/ deducting from the difference between the expectancy value of the portfolio after one year in case there is no change in interest rates and the value of the portfolio one year later, which is measured after the interest shock, the interest income to be additionally earned/to be deprived of during the one year period due to the renewal or repricing of the related portfolio at the interest rates formed after the interest shock.

On the other hand, in the profit/loss calculation of assets and liabilities that are not evaluated by the current market prices, it is assumed that assets and liabilities with fixed interest rates will be renewed at maturity date and the assets and liabilities having variable interest rates will be renewed at the end of repricing period with the market interest rates generated after the interest shock.

Within this context, ceteris paribus, the possible changes that may occur in the Bank's profit and shareholders' equity in case of 100 base point increase/decrease in TL and FC interest rates on the reporting day are given below:

% Change in the Interest Rate (1)		Effect On Profit/Loss		Effect on Equity (2)	
TL	FC	Current Period	Prior Period	Current Period	Prior Period
100 bps increase	100 bps increase	1,022,934	1,008,028	(7,317,460)	(3,977,233)
100 bps decrease	100 bps decrease	(538,116)	(1,166,480)	7,931,980	4,308,848

(1) Changes in interest rates is calculated assuming that the expectations reflected in inflation. The effects on the profit/loss and shareholders' equity are stated with their before tax values.

(2) The effect on the shareholders' equity is arising from the change of the fair value of securities followed under Financial Assets at Fair Value through other comprehensive income.

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a. Interest sensitivity of assets, liabilities and off-balance sheet items (Based on time remaining to repricing date):

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-interest Bearing	Total
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	47,430,849					479,203,797	526,634,646
Banks	35,040,005	10,202,924	5,489,746			34,535,062	85,267,737
Financial Assets at Fair Value through Profit/Loss (1)	9,021,412	15,332,513	9,202,119	7,356,540	193,094	24,491,003	65,596,681
Money Market Placements	7,405,094	143,119	391,472				7,939,685
Financial Assets at Fair Value Through Other Comprehensive Income	65,425,625	21,305,094	46,825,512	81,239,472	79,055,466	3,174,057	297,025,226
Loans (2)	461,701,076	139,393,899	449,042,649	251,250,349	77,436,403	2,687,876	1,381,512,252
Financial Assets Measured at Cost	32,564,200	43,764,605	45,682,673	59,012,432	35,154,138		216,178,048
Other Assets (3)	17,827,639	253,789	445,939	1,357,660		354,703,269	374,588,296
Total Assets	676,415,900	230,395,943	557,080,110	400,216,453	191,839,101	898,795,064	2,954,742,571
Liabilities							
Bank Deposits	80,815,367	5,838,509	3,533,544	4,194,566		1,419,938	95,801,924
Other Deposits	625,167,023	228,570,623	95,197,055	12,346,736	2,278,958	650,689,501	1,614,249,896
Money Market Funds	116,606,655	13,983,896	7,103,764	18,723			137,713,038
Miscellaneous Payables	13,139,721	69,098	65,023	102		242,299,472	255,573,416
Marketable Securities Issued (4)	3,978,242	8,192,421	59,377,440	52,000,787	25,465,659		149,014,549
Funds Provided from Other Financial	101,803,299	86,796,765	43,509,198	7,613,448	1,517,883		241,240,593
Other Liabilities (5) (6)	5,583,705	2,400,610	3,519,439	692,455	1,896,529	447,056,417	461,149,155
Total Liabilities	947,094,012	345,851,922	212,305,463	76,866,817	31,159,029	1,341,465,328	2,954,742,571
Balance Sheet Long Position			344,774,647	323,349,636	160,680,072		828,804,355
Balance Sheet Short Position	(270,678,112)	(115,455,979)				(442,670,264)	(828,804,355)
Off Balance Sheet Long Position	6,331,470	30,152,790		21,282,389			57,766,649
Off Balance Sheet Short Position			(39,966,224)		(12,466,143)		(52,432,367)
Total Position	(264,346,642)	(85,303,189)	304,808,423	344,632,025	148,213,929	(442,670,264)	5,334,282

(1) Includes Derivative financial assets

(2) Includes leasing and factoring receivables.

(3) The expected loss provisions are shown in non-Interest column.

(4) Includes Tier 2 subordinated bond which is classified on the balance sheet as subordinated loan.

(5) Shareholders' equity is included in "non-interest bearing" column.

(6) The borrower funds are presented in "Up to 1 month" column in other liabilities.

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Interest rate sensitivity of assets, liabilities and off-balance sheet items (Based on time remaining to repricing date):

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-interest Bearing	Total
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	7,453,621					194,392,278	201,845,899
Banks	20,803,477	2,766,863	210,855			15,213,620	38,994,815
Financial Assets at Fair Value through Profit/Loss (1)	6,895,940	8,859,810	4,802,754	9,381,655	80,451	23,114,891	53,135,501
Money Market Placements	5,032,776	685,950	476,616				6,195,342
Financial Assets at Fair Value Through Other Comprehensive Income	45,203,231	27,170,040	46,089,905	44,113,918	37,416,879	2,131,604	202,125,577
Loans (2)	236,210,546	102,037,625	293,405,120	222,419,187	57,350,982	940,273	912,363,733
Financial Assets Measured at Cost	17,770,899	22,876,252	25,522,859	27,002,656	13,783,495		106,956,161
Other Assets (3)	13,105,004	153,130	287,067	221,470		180,047,870	193,814,541
Total Assets	352,475,494	164,549,670	370,795,176	303,138,886	108,631,807	415,840,536	1,715,431,569
Liabilities							
Bank Deposits	4,621,637	2,508,509	2,756,604	228,279		1,192,084	11,307,113
Other Deposits	366,805,419	100,178,746	39,502,856	3,446,087	884,470	430,511,241	941,328,819
Money Market Funds	44,232,857	5,347,374	1,648,534	11,391			51,240,156
Miscellaneous Payables	13,202,152	164,956	184,831	43,442		136,757,803	150,353,184
Marketable Securities Issued (4)	14,199,907	4,368,607	10,823,154	37,789,516	24,722,121		91,903,305
Funds Provided from Other Financial Institutions	45,719,157	65,261,065	35,110,948	7,629,899	2,260,530		155,981,599
Other Liabilities (5) (6)	4,253,060	3,722,352	3,373,765	351,926	1,408,118	300,208,172	313,317,393
Total Liabilities	493,034,189	181,551,609	93,400,692	49,500,540	29,275,239	868,669,300	1,715,431,569
Balance Sheet Long Position			277,394,484	253,638,346	79,356,568		610,389,398
Balance Sheet Short Position	(140,558,695)	(17,001,939)				(452,828,764)	(610,389,398)
Off Balance Sheet Long Position	7,997,276	21,622,707					29,619,983
Off Balance Sheet Short Position			(6,956,126)	(10,009,441)	(7,856,740)		(24,822,307)
Total Position	(132,561,419)	4,620,768	270,438,358	243,628,905	71,499,828	(452,828,764)	4,797,676

(1) Includes Derivative financial assets.

(2) Includes leasing receivablesand factoring receivables.

(3) The expected loss provisions are shown in non-Interest column.

(4) Includes Tier 2 subordinated bond which is classified on the balance sheet as subordinated loan.

(5) Shareholders’ equity is included in “non-interest bearing” column.

(6) The borrower funds are presented in “Up to 1 month” column in other liabilities.

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b. Average interest rates applied to monetary financial instruments:

Current Period	EUR	USD	JPY	TL
%	%	%	%	%
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	4.75	4.75		
Banks	3.80	4.46		43.80
Financial Assets at Fair Value through Profit/Loss	2.64	5.76		31.13
Money Market Placements				42.79
Financial Assets at Fair Value Through Other Comprehensive Income	4.19	6.94		36.34
Loans (1)	7.95	9.58	7.10	38.83
Financial Assets Measured at Cost	3.31	7.29		29.35
Liabilities				
Bank Deposits	4.19	7.83		43.88
Other Deposits	0.33	0.55		30.84
Money Market Funds	4.81	7.04		43.13
Miscellaneous Payables				
Debt Securities Issued (2)	6.74	7.22		43.83
Funds	0.25	0.50		37.00
Funds Provided from Other Financial Institutions	6.02	7.56	6.60	38.30

(1) Includes leasing receivables and factoring receivables.

(2) Includes Tier 2 subordinated bond which is classified on the balance sheet as subordinated loan.

Prior Period	EUR	USD	JPY	TL
%	%	%	%	%
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	2.50	4.25		
Banks	1.22	2.77		20.21
Financial Assets at Fair Value through Profit/Loss	3.00	5.23		13.59
Money Market Placements				16.47
Financial Assets at Fair Value Through Other Comprehensive Income	3.89	5.84		31.73
Loans (1)	5.94	8.12	7.27	20.59
Financial Assets Measured at Amortized Cost	3.58	6.91		23.92
Liabilities				
Bank Deposits	0.77	4.70		12.64
Other Deposits	0.12	0.65		11.63
Money Market Funds	1.48	6.61		9.71
Miscellaneous Payables				
Debt Securities Issued (2)		6.59		20.49
Funds	1.50	2.50		7.50
Funds Provided from Other Financial Institutions	3.39	6.11	6.77	15.26

1) Includes leasing receivablesand factoring receivables.

(2) Includes Tier 2 subordinated bond which is classified on the balance sheet as subordinated loan.

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V. Explanations on Equity Shares Risk Arising from Banking Book

- a. Accounting policies related to equity investments in associates and subsidiaries can be seen in the Section Three Note III.2.
- b. Balance sheet value of equity investment, fair value and for publicly traded, if the market value is different from the fair value comparison to the market price:

Investment in Shares	Comparison		
	Book Value	Fair Value	Market Value
Quoted			
Investment in Shares Group A			
Subsidiaries			
Financial Subsidiaries			
Non-Financial Subsidiaries (1)	62,236,826		141,832,935
Non-Quoted			
Associate and Subsidiaries			
Financial Subsidiaries (2)	453,026		
Non-Financial Subsidiaries	116,460		
Subsidiaries			
Financial Subsidiaries			
Non-Financial Subsidiaries	18,504,471		

(1) Türkiye Şişe ve Cam Fabrikaları A.Ş.

(2) Accounted under the equity method in the consolidated financial statements according to TAS 28 and 1st clause of Article 5 of the “Communiqué on the Preparation of Consolidated Financial Statements”.

(3) Refers to the total market value of the company.

- c. Information on revaluation surpluses and unrealised gains/losses on equity securities and results included in Common Equity and Tier II Capital:

Portfolio	Realised Gains/ losses During the period	Revaluation Increases		Unrealized Gains and Losses		
		Total	Including into Tier I Capital (1)	Total	Including into Tier I Capital	Total
Private Equity Investments						
Shares Traded on a Stock Exchange		60,592,749	60,592,749			
Other Stocks		3,446,422	3,446,422			
Total		64,039,171	64,039,171			

(1) Represents the amounts reflected to equity according to the equity method.

- d. Capital requirement as per equity shares:

Portfolio	Carrying Value	Total RWA	Minimum Capital Requirement
Private Equity Investments			
Share Traded on a Stock Exchange	62,236,826	62,236,826	4,978,946
Other Stocks	19,073,957	19,753,496	1,580,280
Total	81,310,783	81,990,322	6,559,226

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VI. Explanations on Liquidity Risk Management and Consolidated Liquidity Coverage Ratio

Liquidity risk may occur as a result of funding long-term assets with short-term liabilities. The Groups' liquidity is managed by the Asset-Liability Management Committee in accordance with the business strategies, legal requirements, current market conditions and expectations regarding the economic and financial conjuncture.

The Parent Bank's principal source of funding is deposits. Although the average maturity of deposits is shorter than that of assets as a result of the market conditions, the Bank's wide network of branches and stable core deposit base are its most important safeguards of funding. Additionally, the Bank borrows medium and long-term funds from institutions abroad. Concentration limits are generally used in deposit and non-deposit borrowings in order to prevent adverse effects of concentrations in the liquidity risk profile of the Bank.

In order to meet the liquidity requirements that may arise from market fluctuations, considerable attention is paid to the need to preserve liquidity and efforts in this respect are supported by projections of Turkish Lira and Foreign Currency (FC) cash flows. The term structure of TL and FC deposits, their costs and amounts are monitored on a daily basis. During these studies historical events and future expectations are taken into account as well, based upon cash flow projections, prices are differentiated for different maturities and measures are taken accordingly to meet liquidity requirements. Moreover, potential alternative sources of liquidity are determined to be used in case of extraordinary circumstances.

The liquidity risk exposure of the Group has to be within the risk capacity limits which are prescribed by the legislation and the Group's risk appetite defined in its business strategy. It is essential for the Group to have an adequate level of unencumbered liquid asset stock which can be sold or pledged, in case a large amount of reduction in liquidity sources occurs. The level of liquid asset buffer is determined in accordance with the liquidity risk tolerance which is set by the Board of Directors. Asset-Liability Management Committee is responsible for monitoring the liquidity position, determining appropriate sources of funds and deciding the maturity structure in accordance with the limits which are set by the Board of Directors.

The Treasury Division is responsible for monitoring the liquidity risk, in accordance with the Asset-Liability Management Risk Policy limits, objectives set out in the business plan and the decisions taken at the meetings of Asset-Liability Management Committee. The Treasury Division is also responsible for making liquidity projections and taking necessary precautions to reduce liquidity risk, by using the results of stress testing and scenario analysis. Within this scope, Treasury Division is monitoring the Turkish Lira (TL) and foreign currency (FC) liquidity position instantly and prospectively based on the information provided from the branches, business units and IT infrastructure of the Bank. The assessment of long-term borrowing opportunities is carried out regularly in order to balance the cash inflows and outflows and to mitigate the liquidity risk. The Bank creates liquidity through repurchase agreements and secured borrowings based on the high quality liquid asset portfolio, through securitization and other structured finance products which are created from the asset pools like credit card receivables and retail loans.

The Bank applies liquidity stress tests to measure liquidity risk. In this approach, in liquidity stress scenarios in which parameters are determined by the Board of Directors, the ability of the Bank's liquid assets' in covering cash outflows within a one-month horizon has been described. Liquidity adequacy limits for TL and FC are determined by Board of Directors, based on the liquidity requirements and risk tolerance of the Bank. The liquidity risk is measured by the Risk Management Division and results are reported to the related executive functions, senior management and Board of Directors.

It is essential for the Bank to monitor the liquidity position and funding strategy continuously. In case of a liquidity crisis that may arise from unfavorable market conditions, extraordinary macroeconomic situations and other reasons which are beyond the control of the Bank. “Emergency Action and Funding Plan” is expected to be commissioned. In that case, related committees have to report the precautions taken and their results to the Board of Directors through Audit Committee.

The Group's Foreign Currency (FC) and total (TL+FC) liquidity coverage ratio (LCR) averaged for the last three months are given below.

	Current Period	
	TL+FC	FC
October 31, 2023	212.88	352.66
November 30, 2023	191.60	394.01
December 31, 2023	202.58	501.50
	Prior Period	
	TL+FC	FC
October 31, 2022	160.65	457.48
November 30, 2022	155.09	467.81
December 31, 2022	154.99	487.23

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The Bank's Foreign Currency (FC) and total (TL+FC) liquidity coverage ratio (LCR) averaged for the last three months are given below.

Liquidity Coverage Ratio:

Current Period	Total Unweighted Value (1)		Total Weighted Value (1)	
	TL+FC	FC	TL+FC	FC
High Quality Liquid Assets				
High Quality Liquid Assets			629,451,586	305,341,901
Cash Outflows				
Retail and Small Business Customers, of which;	1,043,188,451	553,893,702	95,408,917	55,389,370
Stable deposits	178,198,560		8,909,928	
Less stable deposits	864,989,891	553,893,702	86,498,989	55,389,370
Unsecured wholesale funding, of which;	552,128,377	251,509,630	290,141,600	135,475,949
Operational deposits	4,444,101	53,207	1,100,025	13,302
Non-operational deposits	390,693,283	202,785,152	183,740,186	89,549,695
Other unsecured funding	156,990,993	48,671,271	105,301,389	45,912,952
Secured funding			5,536,385	5,541,822
Other cash outflows, of which;	9,240,532	19,406,460	9,240,532	19,406,460
Derivatives cash outflow and liquidity needs related to market valuation changes on derivatives or other transactions	3,497,237	13,663,165	3,497,237	13,663,165
Obligations related to structured financial products				
Commitments related to debts to financial markets and other off-balance sheet obligations	5,743,295	5,743,295	5,743,295	5,743,295
Other revocable off-balance sheet commitments and contractual obligations	12,342,442	8,965,706	617,122	448,285
Other irrevocable or conditionally revocable off-balance sheet obligations	915,854,600	265,476,403	76,722,865	24,381,089
Total Cash Outflows			477,667,421	240,642,975
Cash Inflows				
Secured lending	72,424			
Unsecured lending	230,996,122	100,951,313	157,815,084	82,299,151
Other cash inflows	7,783,394	90,748,874	7,783,394	90,748,874
Total Cash Inflows	238,851,940	191,700,187	165,598,478	173,048,025
Upper Limit Applied Values				
Total HQLA Stock			629,451,586	305,341,901
Total Net Cash Outflows			312,068,943	76,680,102
Liquidity Coverage Ratio (%)			202.35	416.06

(1) The simple arithmetic average calculated for the last three months of weekly simple arithmetic average.

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Notes To The Consolidated Financial Statement For The Year Ended December 31, 2023

Prior Period	Total Unweighted Value (1)		Total Weighted Value (1)	
	TL+FC	FC	TL+FC	FC
High Quality Liquid Assets				
High Quality Liquid Assets			308,711,858	204,903,813
Cash Outflows				
Retail and Small Business Customers, of which;	611,317,338	377,077,839	56,151,478	37,707,784
Stable deposits	99,605,132		4,980,257	
Less stable deposits	511,712,206	377,077,839	51,171,221	37,707,784
Unsecured funding, of which;	334,798,824	187,403,972	168,815,630	98,329,464
Operational deposits	3,005,540	36,219	739,822	9,055
Non-operational deposits	227,527,733	151,835,763	100,701,866	66,519,903
Other unsecured funding	104,265,551	35,531,990	67,373,942	31,800,506
Secured funding			224,756	13,731
Other cash outflows, of which;	8,511,344	19,369,975	8,511,344	19,369,975
Derivatives cash outflow and liquidity needs related to market valuation changes on derivative or other transactions	3,273,748	14,132,379	3,273,748	14,132,379
Obligations related to structured financial products				
Commitments related to debts to financial markets and other off-balance sheet obligations	5,237,596	5,237,596	5,237,596	5,237,596
Other revocable off-balance sheet commitments and contractual obligations	80,267,478	73,076,139	4,013,374	3,653,807
Other irrevocable or conditionally revocable off-balance sheet obligations	426,353,159	175,080,021	36,996,071	15,510,864
Total Cash Outflows			274,712,653	174,585,625
Cash Inflows				
Secured lending	4,195,089		500,968	
Unsecured lending	100,584,121	65,700,311	74,655,489	54,622,443
Other cash inflows	2,727,740	116,821,011	2,727,740	116,821,011
Total Cash Inflows	107,506,950	182,521,322	77,884,197	171,443,454
Upper Limit Applied Values				
Total HQLA Stock			308,711,858	204,903,813
Total Net Cash Outflows			196,828,456	43,646,406
Liquidity Coverage Ratio (%)			156.91	470.84

(1) The simple arithmetic average calculated for the last three months of the monthly simple arithmetic average.

Compared to the prior period, it is observed that in the last quarter of 2023, the total liquidity coverage ratio decreased due to the increase in the total cash outflows, and foreign currency liquidity coverage ratio decreased due to the decrease in high-quality asset stock. Total and Foreign Currency liquidity coverage ratios are continuing to hover far above the minimum level (respectively 100% and 80%) pursuant to legal legislations.

The Liquidity Coverage Ratio which has been introduced to ensure banks to preserve sufficient stock of high-quality assets to meet their net cash outflows that may occur in the short term is calculated as per the Communiqué on "Measurement and Assessment of the Liquidity Coverage Ratio of Banks" published by BRSA. The ratio is directly affected by the level of unencumbered high-quality assets which can be liquidated at any time and net cash inflows and outflows arising from the Group's assets, liabilities and off-balance sheet transactions.

The Group's high quality liquid asset stock primarily consists of cash and the accounts held at CBRT and unencumbered government bonds which are issued by Turkish Treasury.

The Bank's principal source of funding is deposits. In term of non-deposit borrowing, funds received from repurchase agreements, marketable securities issued, and funds borrowed from financial institutions are among the most significant funding sources.

In order to manage liquidity effectively, concentration of liquidity sources and usages should be avoided. Due to the strong and stable core deposit base of the Bank, deposits are received from a diversified customer portfolio. In addition, to provide diversification in liquidity sources and usages, liquidity concentration limits are used effectively. Total amount of funds borrowed from a single counterparty, or a risk group is closely and instantaneously monitored, taking liquidity concentration limits into account. In addition to these, the cumulative liquidity deficits that the Parent Bank is exposed to in various maturity tranches are periodically monitored and reported to the senior management.

Cash flows of derivatives that will take place within 30 days are taken into account in calculation of liquidity coverage ratio. Cash outflows of derivatives that arise from margin obligations, are reflected to the results in accordance with the methodology articulated in the related legislation.

Liquidity risk of the Bank, its foreign branches and subsidiaries that are to be included in consolidation are managed within the regulatory limits and in accordance with the Group strategies. For the purposes of effectiveness and sustainability of liquidity management, funding sources of Group companies and funding diversification opportunities in terms of markets, instruments and tenor are evaluated and liquidity position of the group companies are monitored continuously by the Parent Bank.

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Presentation of assets and liabilities according to their remaining maturities:

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Unallocated (1)	Total
Current Period								
Assets								
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	325,191,237	201,443,409						526,634,646
Banks	39,780,796	29,794,271	10,202,924	5,489,746				85,267,737
Financial Assets at Fair Value through Profit/Loss (2)	24,489,605	8,606,085	15,087,693	9,401,720	7,790,393	221,185		65,596,681
Money Market Placements		7,405,094	143,119	391,472				7,939,685
Financial Assets at Fair Value Through Other Comprehensive Income	3,174,057	6,700,241	5,449,599	19,196,433	167,867,279	94,637,617		297,025,226
Loans (3)(4)	44,325,356	273,359,423	182,377,850	445,957,142	323,945,024	80,387,408	31,160,049	1,381,512,252
Financial Assets Measured at Amortized Cost		9,624,470	10,494,696	22,833,219	111,744,570	61,481,093		216,178,048
Other Assets	96,773,779	32,234,394	620,326	445,939	8,888,946		235,624,912	374,588,296
Total Assets	533,734,830	569,167,387	224,376,207	503,715,671	620,236,212	236,727,303	266,784,961	2,954,742,571
Liabilities								
Bank Deposits	1,419,938	80,815,367	5,838,509	3,531,074	4,197,036			95,801,924
Other Deposits	650,689,501	625,166,712	228,569,949	95,194,896	12,349,880	2,278,958		1,614,249,896
Funds Provided from Other Financial Institutions		15,065,150	10,527,815	97,234,798	74,027,576	44,385,254		241,240,593
Money Market Funds		113,722,805	7,344,825	13,818,570	2,826,838			137,713,038
Marketable Securities Issued (5)		3,978,245	6,848,753	59,377,435	52,505,726	26,304,390		149,014,549
Miscellaneous Payables	156,760,227	96,056,258	874,945	67,379	1,814,607			255,573,416
Other Liabilities (6)	47,076	24,113,162	9,313,917	4,403,693	1,113,570	383,607	421,774,130	461,149,155
Total Liabilities	808,916,742	958,917,699	269,318,713	273,627,845	148,835,233	73,352,209	421,774,130	2,954,742,571
Liquidity Gap	(275,181,912)	(389,750,312)	(44,942,506)	230,087,826	471,400,979	163,375,094	(154,989,169)	
Net Off Balance Sheet Position		(6,881,365)	(2,992,561)	4,265,848	2,325,839	1,095,278		(2,186,961)
Derivative Financial Assets		163,018,487	146,493,730	126,246,164	177,671,662	100,876,791		714,306,834
Derivative Financial Liabilities		169,899,852	149,486,291	121,980,316	175,345,823	99,781,513		716,493,795
Non-cash Loans	213,191,409	15,934,004	36,067,080	122,388,467	32,475,508	11,438,878		431,495,346
Prior Period								
Total Assets	198,516,861	307,175,774	130,943,981	336,102,145	422,281,323	163,998,723	156,412,762	1,715,431,569
Total Liabilities	521,985,496	515,619,437	129,337,683	115,782,303	95,182,864	55,501,540	282,022,246	1,715,431,569
Liquidity Gap	(323,468,635)	(208,443,663)	1,606,298	220,319,842	327,098,459	108,497,183	(125,609,484)	
Net Off Balance Sheet Position		(2,790,449)	(3,320,632)	1,584,643	2,846,840	550,941		(1,128,657)
Derivative Financial Assets		189,216,660	72,157,698	45,268,853	90,901,222	76,163,585		473,708,018
Derivative Financial Liabilities		192,007,109	75,478,330	43,684,210	88,054,382	75,612,644		474,836,675
Non-cash Loans	131,529,790	7,843,265	19,534,617	66,168,088	17,943,149	7,497,012		250,515,921

(1) Assets, such as Tangible Assets, Subsidiaries and Associates, Office Supply Inventory, Prepaid Expenses and Non-Performing Loans, which are required for banking operations and which cannot be converted into cash in short-term, other liabilities such as Provisions which are not considered as payables and Shareholders' Equity, are shown in 'Unallocated' column.

(2) The balances include financial derivative assets.

(3) Includes leasing and factoring receivables.

(4) Stage 3 Non performing loans are included in "Unallocated" column.

(5) Includes Tier 2 subordinated bond which is classified on the balance sheet as subordinated loan.

(6) The borrower funds are presented in "Up to 1 month" column in other liabilities.

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In compliance with the "TFRS 7", the following table indicates the maturities of the Group's major financial liabilities which are not qualified as derivatives. The following tables have been prepared by referencing the earliest dates of payments without discounting the liabilities. The interest to be paid to the related liabilities is included in the following table. Adjustments column shows the items that may cause possible cash flows in the following periods. The values of the related liabilities registered in balance sheet do not include these amounts.

Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Total	Adjustments (-)	Balance Sheet Value
Liabilities									
Deposits	652,109,439	711,303,915	245,480,407	107,405,571	17,888,472	2,504,652	1,736,692,456	26,640,636	1,710,051,820
Funds Provided from Other Financial Institutions		14,211,043	12,739,417	108,772,694	97,742,756	60,572,209	294,038,119	52,797,526	241,240,593
Money Market Funds		113,921,928	7,595,285	14,670,141	2,983,048		139,170,402	1,457,364	137,713,038
Marketable Securities Issued (Net) (1)		4,902,231	8,220,987	65,675,975	73,728,751	27,605,588	180,133,532	31,118,983	149,014,549
Leasing Liabilities		73,767	143,186	692,052	1,763,747	802,328	3,475,080	1,177,566	2,297,514

(1) Includes bonds that have the nature of issued secondary subordinated loans, which are classified as subordinated loans on the balance sheet.

Prior Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Total	Adjustments (-)	Balance Sheet Value
Liabilities									
Deposits	431,703,325	372,404,269	104,427,790	43,495,850	3,819,539	986,180	956,836,953	4,201,021	952,635,932
Funds Provided from Other Financial Institutions		10,608,924	11,111,093	60,778,311	62,841,187	35,646,503	180,986,018	25,004,419	155,981,599
Money Market Funds		44,287,582	3,310,657	3,863,524	11,591		51,473,354	233,198	51,240,156
Marketable Securities Issued (Net) (1)		13,592,407	3,461,102	15,080,451	49,361,501	28,795,298	110,290,759	18,387,454	91,903,305
Leasing Liabilities		49,799	116,174	460,864	1,223,794	608,706	2,459,337	816,284	1,643,053

(1) Includes Tier 2 subordinated bond which is classified on the balance sheet as subordinated loan.

The following table shows the remaining maturities of non-cash loans of the Group.

Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Total
Letters of Credit	31,144,756	9,012,915	17,823,437	31,375,441	1,435,456	271,522	91,063,527
Letters of Guarantee	180,438,843	5,857,787	16,429,069	79,711,026	29,844,537	7,519,194	319,800,456
Acceptances	112,735	1,063,302	1,801,074	11,230,350	187,849		14,395,310
Other	1,495,075		13,500	71,650	1,007,666	3,648,162	6,236,053
Total	213,191,409	15,934,004	36,067,080	122,388,467	32,475,508	11,438,878	431,495,346
Prior Period							
Letters of Credit	21,031,210	4,990,207	8,488,974	21,584,064	502,220	271,840	56,868,515
Letters of Guarantee	109,360,483	2,525,641	10,142,096	37,774,002	16,297,174	4,653,229	180,752,625
Acceptances	137,720	327,417	864,033	6,723,990	347		8,053,507
Other	1,000,377		39,514	86,032	1,143,408	2,571,943	4,841,274
Total	131,529,790	7,843,265	19,534,617	66,168,088	17,943,149	7,497,012	250,515,921

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The following table shows the remaining maturities of derivative financial assets and liabilities of the Group.

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Total
Forwards Contracts- Buy	16,047,685	34,583,371	40,622,766	7,139,832		98,393,654
Forwards Contracts- Sell	15,715,974	34,167,820	39,850,046	7,180,993		96,914,833
Swaps Contracts -Buy	109,610,250	73,575,295	55,906,804	169,859,750	95,117,782	504,069,881
Swaps Contracts -Sell	129,456,287	97,973,935	53,570,734	167,492,749	94,022,506	542,516,211
Futures Transactions-Buy	1,680,418	686,464	29			2,366,911
Futures Transactions-Sell	1,632,380	117,093	34			1,749,507
Options-Call	9,881,648	15,411,675	26,011,557		5,759,008	57,063,888
Options-Put	10,288,507	14,962,342	25,723,820		5,759,008	56,733,677
Other	38,605,190	24,502,026	6,540,690	1,344,161		70,992,067
Total	332,918,339	295,980,021	248,226,480	353,017,485	200,658,304	1,430,800,629

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Total
Forwards Contracts - Buy	8,245,045	11,228,799	12,917,860	2,530,422		34,922,126
Forwards Contracts - Sell	8,292,895	10,969,931	12,661,924	2,492,528		34,417,278
Swaps Contracts - Buy	152,309,275	44,576,936	19,903,500	87,599,199	72,341,423	376,730,333
Swaps Contracts - Sell	169,988,158	55,485,647	19,253,119	84,790,253	71,790,482	401,307,659
Futures Transactions - Buy	130,537	2,224,899	55,041			2,410,477
Futures Transactions - Sell	129,888	1,266,177	50,766			1,446,831
Options - Call	3,643,935	1,561,858	5,545,458	707,612	3,822,162	15,281,025
Options – Put	3,641,727	1,870,756	4,879,934	707,612	3,822,162	14,922,191
Other	34,842,309	18,451,025	13,685,461	127,978		67,106,773
Total	381,223,769	147,636,028	88,953,063	178,955,604	151,776,229	948,544,693

VII. Explanations on Leverage Ratio

a. Explanations on Differences Between Current and Prior Years' Leverage Ratios

The Bank's consolidated leverage ratio is calculated in accordance with the principles of the "Regulation on Measurement and Evaluation of Banks' Leverage Level". The Bank's consolidated Leverage ratio is 6.44% (December 31, 2022: 8.14%). According to Regulation the minimum leverage ratio is 3%. The changes in the leverage ratio are mostly due to the increase in the total risk amount.

b. Summary Comparison Table Related to Total Amount of Asset and Risk Situated in The Consolidated Financial Statements Prepared in Accordance with TAS:

	Current Period	Prior Period
Summary Comparison Table Related to Total Amount of Asset and Risk Situated in The Consolidated Financial Statements Prepared in Accordance with TAS	2,391,282,849 (1)	1,749,395,167
The difference between Total Amount of Asset in the Consolidated Financial Statements Prepared in Accordance with TAS and the Communiqué on Preparation of Consolidated Financial Statements of Banks	61,635,593 (1)	33,963,598
The difference between total amount and total risk amount of derivative financial instruments with credit derivative in the Communiqué on Preparation of Consolidated Financial Statements of Banks (2)	(12,761,335)	(7,562,976)
The difference between total amount and total risk amount of risk investment securities or commodity collateral financing transactions in the Communiqué on Preparation of Consolidated Financial Statements of Banks (2)	60,610,743	39,516,082
The difference between total amount and total risk amount of off-balance sheet transactions in the Communiqué on Preparation of Consolidated Financial Statements of Banks (2)	20,464,892	21,574,281
The other differences between amount of assets and risk in the Communiqué on Preparation of Consolidated Financial Statements of Banks (2)	772,547	(1,672,308)
Total Exposures (2)	3,793,088,619	2,134,786,443

(1) As the consolidated financial statements dated 31.12.2023 prepared per paragraph 6 of article 5 of the "Communiqué on the Preparation of Consolidated Financial Statements of Banks" have not yet been published as of the report date pursuant the legal regulations, the consolidated financial statement balances of 30.06.2023 are included.

(2) The amounts in the table represents the average of three months.

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c. Explanations on consolidated leverage ratio

	Current Period (1)	Prior Period (1)
On-Balance Sheet Items		
On-balance sheet items (excluding derivatives and SFTs. but including collateral)	2,748,990,955	1,639,991,435
Asset amounts deducted in determining Basel III Tier 1 capital	(6,698,908)	(3,634,115)
The total amount of risk on-balance sheet exposures	2,742,292,047	1,636,357,320
Derivative exposures and credit derivatives		
Replacement cost associated with derivative financial instruments and credit derivatives	26,558,286	18,799,552
The potential amount of credit risk with derivative financial instruments and credit derivatives	12,761,335	7,562,976
The total amount of risk on derivative financial instruments with credit derivatives	39,319,621	26,362,528
Investment securities or commodity collateral financing transactions		
The amount of risk investment securities or commodity collateral financing transactions (Excluding on balance sheet items)	27,687,784	14,350,224
Risk amount of exchange brokerage operations		
The total amount of risk investment securities or commodity collateral financial transactions	27,687,784	14,350,224
Off -Balance Sheet Items		
Gross notional amount for off-balance sheet items	1,001,650,208	477,654,908
Adjustments for conversion to credit equivalent amounts	(17,861,041)	(19,938,537)
The total amount of risk for off-balance sheet items	983,789,167	457,716,371
Capital and Total Exposures		
Tier 1 Capital	244,442,367	174,084,953
Total Exposures	3,793,088,619	2,134,786,443
Leverage Ratio		
Leverage Ratio	6.,44	8.14

(1) Three-month average of the amounts in Leverage Ratio table.

VIII. Explanations on Other Price Risk

The Group is exposed to stock price risk due to its investments in companies being traded on the BIST.

The Group's sensitivity to stock price risk at the reporting date was measured with an analysis. In the analysis, with the assumption of all other variables were held constant and the data (stock prices) used in the valuation method are 10 % higher or lower. According to this assumption in shares traded in Borsa Istanbul and followed under Financial Assets at Fair Value through Profit or Loss account, expected to have an effect amounting to TL 355,115 increase/decrease.

IX. Explanations on Presentation of Assets and Liabilities at Fair Value

1. Information on fair values of financial assets and liabilities

	Book Value		Fair Value	
	Current Period	Prior Period	Current Period	Prior Period
Financial Assets				
Money Market Placements	7,939,685	6,195,342	7,939,685	6,195,342
Banks	85,267,737	38,994,815	85,232,825	39,037,629
Financial Assets at Fair Value Through Other Comprehensive Income	297,025,226	202,125,577	297,025,226	202,125,577
Financial Assets Measured at Amortized Cost	216,178,048	106,956,161	203,858,397	127,548,531
Loans (1)	1,350,352,203	885,150,975	1,280,192,453	871,796,926
Financial Liabilities				
Banks Deposits	95,801,924	11,307,113	95,803,711	10,949,385
Other Deposits	1,614,249,896	941,328,819	1,613,688,089	941,495,895
Funds Provided from Other Financial Institutions	241,240,593	155,981,599	240,033,197	152,058,375
Marketable Securities Issued (2)	149,014,549	91,903,305	148,491,671	89,153,363
Miscellaneous Payables and funds borrowed	257,055,896	151,090,917	257,055,896	151,090,917

(1) Factoring and Leasing Receivables are included.

(2) Includes Tier 2 subordinated bond which is classified on the balance sheet as subordinated loan.

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Strike prices, quotations, market prices determined by the CBRT and published in the Official Gazette and the values calculated by using alternative models, are taken as the basis in the fair value determination of financial assets at fair value through other comprehensive income.

When the prices of the financial assets measured at amortized cost cannot be measured in an active market, fair values are not deemed to be reliably determined and amortized cost, calculated by the internal rate of return method, are taken into account as the fair values.

Fair values of banks, loans granted, deposits and funds borrowed from other financial institutions are calculated by discounting the amounts in each maturity bracket formed according to repricing periods, using the rate corresponding to relevant maturity bracket in the discount curves based on current market conditions.

2. Information on fair value measurements recognized in the financial statements

TFRS 13 – “Fair Value Measurement” standard requires the items, which are recognized in the balance sheet at their fair values to be shown in the notes by being classified within a range. According to this, the related financial instruments are classified into three levels in such a way that they will express the significance of the data used in fair value measurements. At the first level, there are financial instruments, whose fair values are determined according to quoted prices in active markets for identical assets or liabilities, at the second level, there are financial instruments, whose fair values are determined by directly or indirectly observable market data, and at the third level, there are financial instruments, whose fair values are determined by the data, which are not based on observable market data. The financial assets, which are recognized in the balance sheet at their values, are shown below as classified according to the aforementioned principles of ranking.

Current Period	Level 1	Level 2	Level 3
Financial Assets at Fair Value Through Profit and Loss			
Debt Securities	16,227,541	3,891,717	204,633
Equity Securities	3,551,151	658,024	
Derivative Financial Assets at Fair Value through Profit and Loss		21,100,639	
Other	12,247,618	7,715,358	
Financial Assets at Fair Value Through Other Comprehensive Income(1)			
Debt Securities	161,990,146	126,836,219	5,024,806
Equity Securities	294,567	2,660,248	
Other	69,861		
Derivative Financial Liabilities		8,364,356	

(1) Since they are not traded in an active market, the equity securities (TL 149.379) under the financial assets at fair value through other comprehensive income are shown in the financial statements at acquisition cost and the related securities are not shown in this table.

Prior Period	Level 1	Level 2	Level 3
Financial Assets at Fair Value Through Profit and Loss			
Debt Securities	4,574,363	5,807,344	89,747
Equity Securities	11,874,735	333,165	
Derivative Financial Assets Held for Trading		19,560,649	
Other	5,124,774	5,770,724	
Financial Assets Available-for-Sale(1)			
Debt Securities	74,381,684	121,851,511	3,760,778
Equity Securities	47,760	1,416,134	
Other	531,003		
Derivative Financial Liabilities		10,091,101	

(1) Since they are not traded in an active market, the equity securities (TL 136,707) under the financial assets available-for-sale are shown in the financial statements at acquisition cost and the related securities are not shown in this table.

The movement table of financial assets at level 3 is given below:

	Current Period	Prior Period
Balance at the Beginning of the Period	3,850,525	3,939,588
Purchases	2,077,141	1,922,461
Redemption or Sales	(2,181,515)	(2,785,690)
Valuation Difference	1,369,873	673,556
Transfers		100,610
Foreign Currency Difference	113,415	
Balance at the end of the Period	5,229,439	3,850,525

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Properties that are recorded under tangible assets at fair value by the Bank and consolidated companies are classified in the 3rd level, whereas investment properties are clasified both in the 2nd and 3rd level.

X. Explanations on Transactions Carried Out on Behalf of Third Parties and Fiduciary Transactions

The Group gives trading, custody, fund management services in the name and on the account of its customers. The Group has no fiduciary transactions.

XI. Explanations on Risk Management Objectives and Policies

The explanations prepared in accordance with the “Communiqué on Public Disclosures on Risk Management by Banks” published in the Official Gazette dated 23.10.2015 and numbered 29511 are as follows; Standard Approach is used by the Bank in calculating capital adequacy and other explanations within the scope of IRB (Based on Internal Rating) approach are not included.

- a. General Information on Risk Management and Risk Weighted Amounts
- a.1. Risk Management Approach of the Group

The Group is exposed to financial and non-financial risks which are required to be analyzed, monitored and reported within specific risk management principles and with the perspective of Group risk management. The risk management process is organized within the framework of risk management and serves the creation of a common risk culture in corporate level; which brings “corporate governance” to forefront, the independence of the internal audit and monitoring units from the business units that undertake risks is established risk is defined in accordance with international regulations and in this context measurement, analysis, monitoring, reporting and control functions are carried.

Risk management process and the functions involved in the process is one of the primary responsibilities of the Board of Directors. The Risk Committee operates to prepare the Group's risk management strategies and policies, submit them to the Board of Directors for approval and monitor the implementations. Evaluating the capital adequacy and observing the active use of results in planning and decision-making processes, establishing and monitoring limits related to main risks, monitoring the activities of risk management (determining, defining, measuring, evaluating and managing risk) and monitoring results and methods in measuring risk are also under their authority and responsibility of the Committee. Committee reports activity results to the Board of Directors through Audit Committee.

The Operational Risk Committee operates to determine strategies and policies for managing operational risks that the Bank may be exposed to, to develop an operational risk management framework and to strengthen the governance model for operational risks. The Committee reports the results of the activity to the Board of Directors through the Audit Committee.

The Risk Management Department, which reports to the Board of Directors of the Parent Bank through the Internal Systems Manager; organized as Asset-Liability Management Unit, Credit Risk Management Unit, Credit Risk Analytics and Control Unit, Operational Risk and Affiliate Risk Unit, Model Risk and Validation Unit, Internal Capital Assessment Process and Economic Capital Unit.

The Group's risk management process is carried out within the framework of risk policies which are issued by the Board of the Directors by taking the recommendations of the Risk Management Department into account and which include the written standards that are implemented by the business units. These policies which are entered into force in line with the international practices are general standards which contain organization and scope of the risk management function, risk measurement policies, duties and responsibilities of the risk management group, procedures for determining risk limits, ways to eliminate limit violations, compulsory approvals and confirmations to be given in a variety of events and situations.

In the aforementioned risk policies, the Group's risk appetite framework is defined as a set of approaches that determine the risk capacity, the risk appetite, the risk tolerance and that include the policies, procedures, controls and systems for reporting and monitoring of the limits set for the Group's risk profile and the indicators in the framework. The Group's risk appetite framework, which is formed in accordance with the above-mentioned factors and entered into force with the Board of Directors approval, includes indicators that are aligned with the business plan, the strategic programme, capital and remuneration planning and comparable on a business unit level to the extent possible. The compliance to the limits within the framework is periodically monitored and the realization of the risk appetite indicators are reported to the Risk Committee and the Boards on a monthly basis.

In order to build a strong corporate culture that has a risk management perspective, the Group has policies, processes, systems and a control system that is integrated with the risk management system. All employees of the Group essentially perform their duties in a responsible manner that aims to develop controls to reduce or eliminate the probability of the Group to incur losses related to the operational risks. In the process risk analysis studies, risks and the related controls are evaluated together with employees performing the relevant process in a holistic approach. Procedures to be followed in case of a risk threshold breach and risk definitions are given in the risk politics. Code of conducts, operation manuals, the sharing of duties between business units and risk units are announced to staff.

The risk reports that analyse the results reached by the Parent Bank and the comprehensive risk assessment and comparison of these results with a risk management perspective are periodically submitted to the Risk Committee and to the Board through the Audit Committee. The content of the above-mentioned reports could be summarised as follows:

- Capital adequacy ratio, the progression of the components of this ratio and the issues that affect the aforementioned ratio,
- Monitoring the compliance status of the limits set by the Board of Directors as a part of therisk appetite framework and based on the components of the main risk types,
- In addition to the assesment of the loan portfolio on the basis of counterparties and loan types, monitoring of the portfolio as a whole according to parameters such as maturity, sector, geography, risk ratings, arrears, defaults,
- Measuring the assets and liabilities management risk, and reporting of measurement results,
- Monitoring all risks assessed within the scope of non-financial risks, including operational risk, reputational risk and climate change risk, and operational risk qualified loss events and risk indicators occurring at the Bank,
- Testing measurement results for their integrity and reliability,
- Analysing the level of risk indicators under various stress scenarios,
- Examining various concentration indicators and the course followed by these indicators.

In addition, analyzes and evaluations regarding the risk level of the companies included in the consolidated risk policies are also included in the mentioned report.

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As per the communique on “Bank’s Internal Systems and Internal Capital Adequacy and Assessment Process” and “Guidelines for Stress Testing of Banks to Use in Capital and Liquidity Planning”, stress tests are conducted for the entire risks that the Group is exposed to and on the basis of significant risk categories. As a part of the holistic stress tests, risk appetite, capital planning, strategic plan and budget, action plans for emergencies and unexpected situations related to miscellaneous risks and other issues considered as significant are taken into consideration. In the above-mentioned stress tests, the methods that form the basis of regulatory reporting (standard method for credit and market risk, basic indicator method for operational risk) are used. On the other hand, in the stres tests for individual risk types the most advanced approaches used for risk measurement in the Parent Bank are leveraged.

In the stress tests, both the first pillar risks (credit risk, market risk, operational risk) in scope of the regulatory framework and all the other risks that the Group is exposed to independent of the regulatory framework are taken into account in a holistic perspective. In determining the course of capital adequacy under various scenarios during the planning horizon, the actions that the Group will take in case of stress conditions and the impact of the diversified growth strategies of business units on the capital adequacy and the balance sheet are considered.

The levels at which the capital adequacy ratio of the Bank will reach are estimated and monitored with stress tests. In addition, reverse stress tests are carried out regularly, by determining the problematic loan growth rate and increase in exchange rates, which will cause the Bank’s capital adequacy to fall within the legal limits.

The scope and content of the Parent Bank’s risk management system in terms of the main risk types are listed below. Risk mitigation strategies and processes for the assessment of their effectiveness are given in Fourth Section II No. “Explanations on Credit Risk” under the Fourth Chapter XI-c.2 notes. No. “The Public Disclosure of Qualitative Information Related to the Market Risk ” mentioned in the section.

Credit Risk

Credit risk is defined as the risk of the failure to comply with the requirements or failing to fulfill its obligations partially or totally of the counter side of the transaction contract with the Parent Bank. The methodology and responsibilities of the credit risk management, controlling and monitoring and the framework of credit risk limitations specified with the credit risk policy.

The Bank defines measures and manages credit risk of the all products and activities. Board of Directors review the Parent Bank’s credit risk policies and credit risk strategy on an annual basis as a minimum. Key Management is responsible for the implementation of credit risk policies which are approved by Board of Directors.

As a result of loans and credit risks analysis all findings are reported to Board of Directors and Key Management on a regular basis. In addition to transaction and company based credit risk assessment process, monitoring of credit risk also refers to an approach with monitoring and managing the credit as a whole maturity, sector, security, geography, currency, credit type and credit rating.

In the Parent Bank’s credit risk management, along the limits as required by legal regulations, the Parent Bank utilizes the risk limits to undertake the maximum credit risk within risk groups or sectors that the Board of Directors determines. These limits are determined such a way that prevents risk concentration on particular sectors. Excess risk limits up to legal requirements and boundaries limits are considered as an exception. The Board of Directors has the authority in exception process. The results of the control of risk limits and the evaluations of these limits are presented by Internal Audit and Risk Management Group to Key Management and Board of Directors.

The Bank uses credit decision support systems which are created for the purpose of credit risk management, lending decisions, controlling the credit process and credit provisioning. The consistency of the credit decision support systems with the structure of the Parent Bank’s activities, size and complexity is examined continuously by internal systems. Credit decision support systems contain the Risk Committee assessment and approval of Board of Directors.

Asset and Liability Management Risk

Asset-liability management risk defined as the risk of Group’s incurring loss due to managing all financial risks that are inflicted from the assets, liabilities and off-balance sheet transactions, ineffectively. Trading book portfolio’s market risk, structural interest rate risk and liquidity risk of the banking portfolio; are considered within the scope of the asset liability management.

Complying the established risk limits and being at the limits that stipulated by the legislation are the primary priority of Asset-liability management risk. Risk limits are determined by the Board of Directors by taking into consideration of the Group’s liquidity, target income level and general expectations about changes in risk factors

Board of Directors and the Audit Committee are responsible for following the Group’s capital is used optimally; for this purpose, checking the status against risk limits and providing the necessary actions are taken.

Asset and Liability Management Committee is responsible for managing the Asset and Liability risk within the framework of operating principles that are involved in the risk appetite and risk limits are set by the Board of Directors in accordance with the policy statement.

Asset and liability management processes and compliance with the provisions of the policy are controlled and audited by the internal audit system. The execution of the audit, reporting the audit results, action plans for the elimination of errors and gaps identified as a result of inspections regarding the fulfillment of the principles, are determined by the Board of Directors.

Operational Risk

Operational risk is defined as “insufficient or unsuccessful internal processes, people and systems, or external events resulting from and legal it is defined as “the possibility of causing harm”, which also includes the risk that may arise. Studies consisted and are formed of occur by execution of identification, definition, measurement, analysis, monitoring of operational risk, providing and reporting the necessary control related to monitoring the progress of our country and the world, the development of techniques and methods, necessary legal reporting, notification and conduct of follow-up transactions. Studies on the subject are conducted by the Department of Risk Management.

Operational risks that arise due to the activities are defined in “Bank Risk Catalogue” and classified in respect of species. Bank Risk Catalogue is kind of the fundamental document that used for identification and classification of all at the risk that may be encountered. It is updated in line with the changes in the nature of the processes and activities.

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Qualitative and quantitative methods are used in a combination for measurement and evaluation of the operational risks. In this process, information use that obtained from “Impact-Probability Analysis”, “Missing Event Data Analysis”, “Risk Indicators”, “Scenario Analysis”, “Top-Down Risk Assessment”, “Internal Model” methods. Methods prescribed by legal regulations are applied as minimum in determining the capital requirement level for the operating risk.

Operational Risk Committee, the management of operational risks that the bank may be exposed for the determination of policies and strategies, the development of an operational risk management framework and operational risks include activities with the aim of strengthening the governance model. The Committee works in cooperation with the Risk Committee and reports the results of its activities to the Board of Directors through the Audit Committee.

All risks are assessed in the context of operational risk, loss events and the risk indicators same as operational risks that occurred in the Parent Bank, are monitored on a regular basis by the Department of Risk Management and reported periodically to the Risk Committee, Audit Committee, Operational Risk Committee and the Board of Directors.

Model Risk Management and Validation Operations

Model risk is the risk of financial losses and / or loss of reputation that the Bank may be exposed to due to errors and / or malfunctions that occur during the creation, implementation or use of models used in its activities. In order to address the model risk in a holistic manner, the model definition, model life cycle and triple line of defense structure and the duties and responsibilities of all functions of the Bank in this structure are defined in the model risk management policy.

Model risk management and validation activities in the second line of defense of the triple line of defense structure; creating the model inventory, determining and approving the model class, validating the models, preparing periodic reports on the Bank’s model risk and reporting to the Risk Committee, Audit Committee. and submission to the Board of Directors.

Risk measurement models are validated at least once a year under international standardsWithin the scope of validation, activities are carried out to test the performance and validity of models with statistical methods, to examine the quality of the data used in the model development phase and the conceptual soundness of the selected methods, and to evaluate the health of the processes created for the use of the models.The results of the validation activities are reported to the Risk Committee and the Board of Directors.

Subsidiaries Risk Operations

Corporations within the Bank’s consolidated risk policy, in terms of their own business lines, measure, evaluate and monitor risks, establish risk limits. Risk limits are approved by their own Board of Directors. Risk levels are reported to the Bank’s Risk Committee within the periods set by the Bank, to monitor risk levels on consolidated basis. The Bank’s Risk Committee, assesses the risk levels and report the results to the Board of the Directors of the Bank.

a.2. General Information on Risk Weighted Amounts

	Risk Weighted Amount (1)		Minimum Capital Requirements
	Current Period	Prior Period	Current Period
Credit risk (excluding counterparty credit risk) (CCR)	1,473,074,629	953,524,113	117,845,970
Of which standardised approach (SA)	1,473,074,629	953,524,113	117,845,970
Of which internal rating-based (IRB) approach			
Counterparty credit risk	17,246,745	16,407,066	1,379,740
Of which standardised approach for counterparty credit risk (CCR)	17,246,745	16,407,066	1,379,740
Of which internal model method (IMM)			
Equity positions in banking book under basic risk weighting or internal rating-based approach			
Equity investments in funds – look-through approach	17,506,880	9,051,377	1,400,550
Equity investments in funds – mandate-based approach			
Equity investments in funds - 1250% weighted risk approach			
Settlement risk	488,675	21,438	39,094
Securitization positions in banking accounts			
Of which IRB ratings-based approach (RBA)			
Of which IRB Supervisory formula approach (SFA)			
Of which SA/simplified supervisory formula approach (SSFA)			
Market risk	36,747,700	42,220,363	2,939,816
Of which standardised approach (SA)	36,747,700	42,220,363	2,939,816
Of which internal model approaches (IMM)			
Operational Risk	127,564,191	65,807,811	10,205,135
Of which Basic Indicator Approach	127,564,191	65,807,811	10,205,135
Of which Standardised approach (SA)			
Of which Advanced measurement approach			
The amounts below the thresholds for deduction from capital (subject to a 250% risk weight)	1,132,565	963,063	90,605
Floor adjustment			
Total	1,673,761,385	1,087,995,231	133,900,910

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b. Linkages Between Financial Statements and Risk Amounts

b.1. Differences and linkage between scopes of accounting consolidation and regulated consolidation

Differences and Linkage Between Accounting Consolidation and Legal Consolidation Scope:

Current Period	Carrying values in financial statements prepared as per TAS (1)	Carrying values in consolidated financial statements prepared as per TAS (2)	Carrying values of items in accordance with Turkish Accounting Standards (TAS) (2)				
			Subject to credit risk	Subject to counterparty credit risk	Securitization Positions	Subject to market risk	Not subject to capital requirements or subject to deduction from capital
Assets							
Cash and CBRT	321,184,876	526,634,646	526,634,646				
Banks and Money Market Placements	80,546,562	93,207,422	93,207,422				
Financial Assets at Fair Value Through Profit/ Loss	40,044,014	44,496,042	33,936,258			10,559,784	
Financial Assets at Fair Value Through Other Comprehensive Income	246,326,953	297,025,226	297,025,226			1,077,774	
Derivative Financial Assets at Fair Value Through Profit/Loss	45,151,060	21,100,639	21,100,639	21,100,639		7,441,999	
Derivative Financial Assets at Fair Value Through Other Comprehensive Income	1,102,406						
Financial Assets at Measured at Amortised Cost – Loans (3)	1,133,735,184	1,381,512,252	1,381,509,022				3,230
Financial Assets at Measured at Amortised Cost – Other Financial Assets	159,146,950	216,178,048	216,178,048				
Financial Assets at Measured at Amortised Cost – Expected Credit Loss (-)	44,542,148	48,509,794	48,509,794				
Assets Held for Sale and Discontinued Operations	1,607,484	1,562,954	1,562,954				
Investment in Associates, Subsidiaries and Joint-Ventures	3,458,608	81,346,534	81,346,534				
Tangible Assets	98,993,751	44,795,538	44,524,306				271,232
Intangible Assets	35,470,852	7,138,241	252,198				6,886,043
Investment Properties	19,115,389	18,056,230	18,056,230				
Current Tax Asset	2,415,197	50,335	50,335				
Deferred Tax Asset	3,057,419	14,637,453	14,637,453				
Other Assets	244,468,292	255,510,805	255,510,805				
Total Assets	2,391,282,849	2,954,742,571	2,937,022,282	21,100,639		19,079,557	7,160,505
Liabilities							
Deposits	1,283,211,124	1,710,051,820					1,710,051,820
Funds Borrowed	228,892,264	241,240,593		15,328,103			225,912,490
Money Market Funds	108,164,912	137,713,038		126,840,596			10,872,442
Marketable Securities Issued	95,397,460	109,143,567					109,143,567
Derivative Financial Liabilities at Fair Value Through Profit/Loss	16,619,706	8,364,356				8,364,356	
Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income	961,633						
Leasing Liability	4,915,684	2,297,514					2,297,514
Provisions	108,428,256	107,633,317					107,633,317
Current Tax Liability	6,871,283	13,729,348					13,729,348
Deferred Tax Liability	3,256,773	114,193					114,193
Subordinated Debts	45,759,627	39,870,982					
Other Liabilities	190,056,877	281,227,003					281,227,003
Shareholders' Equity	298,747,250	303,356,840					
Total Liabilities	2,391,282,849	2,954,742,571		142,168,699		8,364,356	2,460,981,694

(1) June 30, 2022, amounts are represented, as consolidated financial statements dated December 31, 2023, prepared in accordance with Article No 5 of Clause No 6 in the Communiqué on Preparation of Consolidated Financial Statements of Banks are not published as of reporting date.

(2) Leasing and Factoring Receivables are included.

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Notes To The Consolidated Financial Statement For The Year Ended December 31, 2023

Prior Period	Carrying values in financial statements prepared as per TAS	Carrying values in consolidated financial statements prepared as per TAS	Carrying values of items in accordance with Turkish Accounting Standards (TAS) (2)				
			Subject to credit risk	Subject to counterparty credit risk	Securitization Positions	Subject to market risk	Not subject to capital requirements or subject to deduction from capital
Assets							
Cash and CBRT	201,401,422	201,845,899	201,845,899				
Banks and Money Market Placements	52,990,929	45,190,157	45,190,157				
Financial Assets at Fair Value Through Profit/Loss	34,383,035	33,574,852	16,526,859			17,047,993	
Financial Assets at Fair Value Through Other Comprehensive Income	202,248,993	202,125,577	202,125,577			4,677,273	
Derivative Financial Assets at Fair Value Through Profit/Loss	19,797,427	19,560,649	19,560,649	19,560,649		11,111,264	
Derivative Financial Assets at Fair Value Through Other Comprehensive Income	1,843,611						
Financial Assets at Measured at Amortised Cost – Loans (1)	907,086,123	912,363,733	912,361,083				2,650
Financial Assets at Measured at Amortised Cost – Other Financial Assets	109,808,083	106,956,161	106,956,161				
Financial Assets at Measured at Amortised Cost – Expected Credit Loss (-)	40,035,564	39,990,816	39,990,816				
Assets Held for Sale and Discontinued Operations	1,618,994	1,618,994	1,618,994				
Investment in Associates, Subsidiaries and Joint-Ventures	2,356,544	42,870,444	42,870,444				
Tangible Assets	81,028,542	24,478,118	24,478,118				138,681
Intangible Assets	26,228,925	4,079,813	4,079,813				3,767,296
Investment Properties	16,477,849	11,320,190	11,320,190				
Current Tax Asset	88,909	26,354	26,354				
Deferred Tax Asset	2,580,855	974,110	974,110				
Other Assets	129,490,490	148,437,334	148,437,334				
Total Assets	1,749,395,167	1,715,431,569	1,698,380,926	19,560,649		32,836,530	3,908,627
Liabilities							
Deposits	937,602,267	952,635,932					952,635,932
Funds Borrowed	178,436,315	155,981,599		9,549,591			146,432,008
Money Market Funds	51,240,156	51,240,156		41,795,275			9,444,881
Marketable Securities Issued	77,862,734	58,344,560					58,344,560
Derivative Financial Liabilities at Fair Value Through Profit/Loss	10,216,142	10,091,101				10,091,101	
Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income	157,874						
Leasing Liability	3,218,480	1,643,053					1,643,053
Provisions	74,450,955	67,292,475					67,292,475
Current Tax Liability	9,246,068	8,125,987					8,125,987
Deferred Tax Liability	2,493,819	1,599,383					1,599,383
Subordinated Debts	33,546,689	33,558,745					
Other Liabilities	105,070,811	164,865,885					164,865,885
Shareholders' Equity	265,852,857	210,052,693					
Total Liabilities	1,749,395,167	1,715,431,569		51,344,866		10,091,101	1,410,384,164

(1) Leasing and Factoring Receivables are included.

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Notes To The Consolidated Financial Statement For The Year Ended December 31, 2023

b.2. The main sources of the differences between the risk amounts and the amounts assessed in accordance with TAS in the financial statements

	Current Period	Total	Credit Risk	Securitization Position	Counterparty credit risk	Market risk
1	Asset carrying value amount under scope of TAS	2,954,742,571	2,937,022,282		21,100,639	19,079,557
2	Liabilities carrying value amount under scope of TAS				(142,168,699)	8,364,356
3	Total net amount under regulatory scope of consolidation	2,954,742,571	2,937,022,282		163,269,338	10,715,201
4	Off-balance sheet amounts	1,828,679,147	295,987,663		32,479,479	
5	Repurchase Transactions Valuation Adjustments (1)				32,195,515	
6	Differences in valuations					
7	Differences due to different netting rules					
8	Differences due to consideration of provisions					
9	Differences due to prudential filters		(517,132,967)			
10	Differences due to risk mitigation (2)		(45,698,438)			
11	Risk Amounts		2,670,178,540		64,674,994	10,715,201

(1) According to the "Regulation on Measurement and Evaluation of Capital Adequacy of Banks", it is the counterparty credit risk amount calculated for repo style transactions.

(2) The source of the difference is the collateral for receivables under credit risk mitigation in the calculation of capital adequacy.

	Prior Period	Total	Credit Risk	Securitization Position	Counterparty credit risk	Market risk
1	Asset carrying value amount under scope of TAS	1,715,431,569	1,698,383,576		19,560,649	32,836,530
2	Liabilities carrying value amount under scope of TAS				(51,344,866)	10,091,101
3	Total net amount under regulatory scope of consolidation	1,715,431,569	1,698,383,576		70,905,515	22,745,429
4	Off-balance sheet amounts	998,385,339	170,131,232		26,399,369	
5	Repurchase Transactions Valuation Adjustments (1)				13,503,864	
6	Differences in valuations					
7	Differences due to different netting rules					
8	Differences due to consideration of provisions					
9	Differences due to prudential filters		(212,108,632)			
10	Differences due to risk mitigation (2)		(37,580,583)			
11	Risk Amounts		1,618,825,593		39,903,233	22,745,429

(1) According to the "Regulation on Measurement and Evaluation of Capital Adequacy of Banks", it is the counterparty credit risk amount calculated for repo style transactions.

(2) The source of the difference is the collateral for receivables under credit risk mitigation in the calculation of capital adequacy.

The differences between financial statements resulting from legal consolidation and the ones resulting from accounting consolidation are mainly due to the differences in the scope of companies included in consolidation. Legal consolidation only includes partnerships that are in the form of credit institutions or financial institutions in accordance with Article No 5 of Clause No 1 in the "Communiqué on Preparation of Consolidated Financial Statements of Banks" while accounting consolidation includes all partnerships regardless of them being in the form of credit institutions or financial institutions in accordance with Article No 5 of Clause No 6 in the same communiqué.

Bank using the valuation methodology are mainly based on data observed may in accordance with TFRS 13 aims to use methods that measure the fair value. In this context, securities qualification reality in the fair value measurement of financial assets in the transaction prices, quotes, set by the CBRT and as the price published in the Official Gazette as are used also necessary from internal pricing models. As for the derivative transactions interest rates, yield curves, foreign exchange, the basis of valuation models using market data such as volatility curves, valuation service is also available from third parties.

The market prices used to value the scope of the independent price verification process, data and / or model inputs for accuracy is regularly subjected to control, as well as compliance of the results provided by the pricing services obtained from third parties with respect to certain ranges tested.

c. Explanations on Credit Risk

c.1. General Information on Credit Risk

c.1.1. General Qualitative Information on Credit risk

Relevant information is given in the footnotes below Section Four footnote II "Explanations on Credit Risk" and Section Four footnote numbered XI-a-1.

c.1.2. Credit Quality of Assets:

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Notes To The Consolidated Financial Statement For The Year Ended December 31, 2023

Current Period	Gross carrying value in financial statements prepared in accordance with Turkish Accounting Standards (TAS)		Allowances/ Amortization and Impairments	Net Values
	Defaulted	Non-defaulted		
Loans	31,160,049	1,350,352,203	23,447,175	1,358,065,077
Debt Securities		506,960,011		506,960,011
Off-balance sheet exposures	6,212,139	1,052,745,952	2,976,310	1,055,981,781
Total	37,372,188	2,910,058,166	26,423,485	2,921,006,869

Prior Period	Gross carrying value in financial statements prepared in accordance with Turkish Accounting Standards (TAS)		Allowances/ Amortization and Impairments	Net Values
	Defaulted	Non-defaulted		
Loans	27,212,758	885,150,975	20,565,590	891,798,143
Debt Securities		301,641,082		301,641,082
Off-balance sheet exposures	1,998,636	465,938,988	1,618,580	466,319,044
Total	29,211,394	1,652,731,045	22,184,170	1,659,758,269

c.1.3. Changes in Stock of Default Loans and Debt Securities (1)

	Current Period	Prior Period
Defaulted loans and debt securities at end of the previous reporting period	27,212,758	24,445,092
Loans and debt securities that have defaulted since the last reporting period	18,368,786	16,050,821
Receivables back to non-defaulted status	(1,818,237)	(497,130)
Amounts written off	(3,202,500)	(5,620,823)
Other Changes	(9,400,758)	(7,165,202)
Defaulted loans and debt securities at end of the reporting period	31,160,049	27,212,758

(1) Indemnified non-cash loans or non-cash loans not converted into cash, of the firms which are followed under "Non-performing Loans" accounts are not included in the table.

c.1.4. Additional Information on Credit Quality of Assets

Bank's methods for determining provision amounts and classification of its loans are mentioned in the Section Three Note VIII.

The bank is restructuring its loans classified as first and second group as well as non-performing loans and receivables. Restructuring in performing loans are made by granting a new loan or extending the term date of credit given to customer by Bank with changing conditions of contract aiming the enhancing of solvency of customer or customer's demand. Restructuring in non-performing loans are generally made by establishing a new redemption plan within the context of a protocol aiming the collection of those receivables whose redemption plan are not valid because of delinquency previously.

The breakdown of receivables in terms of geographic regions, sectors and remaining maturities are represented in "Explanations on Credit Risk" in the Fourth Section note II.

On the basis of sector-based provisions for receivables are presented in the footnote numbered Section Four II-16. The amounts of the receivables that are set aside for the geographical regions are as follows. The amount of non-performing loans which are written off in 2023 is TL 3,202,500.

	Current Period		Prior Period	
	Non-Performing Loans	Specific Provisions	Non-Performing Loans	Specific Provisions
Domestic	29,761,459	22,304,229	26,116,918	19,688,391
EU Countries	945,389	827,061	750,571	613,000
OECD Countries (1)	191,676	93,406	120,031	55,424
Off-Shore Banking Regions			16,142	16,142
USA, Canada	23,645	14,543	10,098	8,182
Other Countries	237,880	207,936	198,998	184,451
Total	31,160,049	23,447,175	27,212,758	20,565,590

(1) OECD Countries other than EU countries, USA and Canada.

The aging analysis of past-due receivables are disclosed under Section Four note II-11.

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Notes To The Consolidated Financial Statement For The Year Ended December 31, 2023

c.2. Credit Risk Mitigation

c.2.1. Qualitative Public Disclosures on Credit Risk Mitigation Techniques

In the calculation of the Group's Credit Risk Mitigation in accordance with the “Communiqué on Credit Risk Mitigation Techniques” published in the Official Gazette numbered 29111 on September 6, 2014, the financial collaterals are taken into consideration. The Group takes local currency and foreign currency deposit pledges into consideration as financial collaterals in calculating regulatory capital adequacy.

Collateral valuation and its management policy and primary features processes are givin are given at Section Four note.II under "Information on Credit Risk" disclosure.

c.2.2. Credit Risk Mitigation Techniques – Standard Approach

Current Period	Exposures unsecured	Exposures secured by collateral	Collateralized amount of exposures secured by collateral	Exposures secured by financial guarantees	Collateralized amount of exposures secured by financial guarantees	Exposures secured by credit derivatives	Collateralized amount of exposures secured by credit derivatives
Loans	1,314,887,203	28,522,161	26,396,380	14,655,713	12,212,755		
Debt securities	506,960,011						
Total	1,821,847,214	28,522,161	26,396,380	14,655,713	12,212,755		
Of which defaulted	29,950,331						

Prior Period	Exposures unsecured	Exposures secured by collateral	Collateralized amount of exposures secured by collateral	Exposures secured by financial guarantees	Collateralized amount of exposures secured by financial guarantees	Exposures secured by credit derivatives	Collateralized amount of exposures secured by credit derivatives
Loans (1)	856,149,996	18,966,900	16,617,735	16,681,247	15,067,525		
Debt securities	301,641,082						
Total	1,157,791,078	18,966,900	16,617,735	16,681,247	15,067,525		
Of which defaulted	26,252,601						

(1) Credit balance which is monitored as Financial Assets at Fair Value Through Profit or Loss is not included in the above table. It is shown in detail in Section 5 footnote 1.b.3.

c.3. Credit Risk Under Standardised Approach

c.3.1. Qualitative Disclosures on Banks’ Use of External Credit Ratings Under the Standardised Approach for Credit Risk

Aformentioned explanations are disclosed under Section Four note XI-a.1.

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Notes To The Consolidated Financial Statement For The Year Ended December 31, 2023

c.3.2. Standard Approach: Credit risk exposure and credit risk mitigation effects:

Current Period (1)	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	Risk- Weighted Amount	Risk-Weighted Amount Density
Exposures to sovereigns and their central banks	866,729,876	19,449	878,946,033	5,294,210	18,687,877	2.11%
Exposures to regional and local governments	232,632	753	232,506	270	116,401	50.01%
Exposures to administrative bodies and non-commercial entities	352,611	532,718	310,386	74,074	384,460	100.00%
Exposures to multilateral development banks	942,716		942,716			0.00%
Exposures to international organizations						
Exposures to banks and securities firms	88,489,448	38,091,784	88,489,449	43,620,556	42,344,650	32.05%
Exposures to corporates	575,399,182	400,744,470	549,778,434	183,014,277	637,814,347	87.04%
Retail exposures	439,470,447	459,804,198	430,505,645	11,469,363	234,630,623	76.59%
Exposures secured by residential property	46,534,898	4,304,544	46,407,893	2,079,651	16,970,640	35.00%
Exposures secured by commercial property	36,877,054	7,850,549	36,877,054	4,774,514	24,669,614	59.23%
Past-due Receivables	7,208,371		7,208,371		4,114,743	57.08%
Exposures in higher-risk categories	175,272,238	3,875,895	175,272,240	990,882	301,272,510	170.92%
Exposures in the form of bonds secured by mortgages						
Short term exposures to banks, brokerage houses and corporates						
Equity investments in the form of collective investment Undertakings	17,506,880		17,506,880		17,506,880	100.00%
Other exposures	141,116,389	18,573,132	141,116,389	778,852	120,713,057	85.07%
Equity investments	84,462,150		84,462,150		85,141,690	100.80%
Total	2,480,594,892	933,797,492	2,458,056,146	252,096,649	1,504,367,492	55.51%

(1) The off-balance sheet receivable amount after the credit conversion rate and credit risk reduction includes the counterparty credit risk amount.

Prior Period (1)	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	Risk- Weighted Amount	Risk-Weighted Amount Density
Exposures to sovereigns and their central banks	434,245,075	13,177	447,474,160	3,753,665	9,371,832	2.08%
Exposures to regional and local governments	192,016	1,581	191,900	267	96,097	50.01%
Exposures to administrative bodies and non-commercial entities	83,618	199,794	81,656	84,338	165,994	100.00%
Exposures to multilateral development banks	779,142		779,142			0.00%
Exposures to international organizations						
Exposures to banks and securities firms	56,939,132	26,478,824	56,850,323	24,976,239	25,682,713	31.39%
Exposures to corporates	442,392,789	232,934,925	420,330,000	119,287,731	471,218,676	87.32%
Retail exposures	262,979,575	153,859,482	257,489,378	7,936,819	147,526,675	77.75%
Exposures secured by residential property	33,886,107	2,424,138	33,793,420	1,121,348	12,220,169	35.00%
Exposures secured by commercial property	29,832,148	4,975,290	29,832,148	3,155,777	19,936,999	60.44%
Past-due loans	6,344,324		6,344,324		4,655,385	73.38%
Exposures in higher-risk categories	92,795,173	1,575,017	92,480,332	145,490	155,142,393	167.49%
Exposures in the form of bonds secured by mortgages						
Short term exposures to banks, brokerage houses and corporates						
Equity investments in the form of collective investment Undertakings	9,016,377	35,000	9,016,377	35,000	9,051,377	100.00%
Equity investments	85,988,169	5,433,668	85,988,169	2,276,766	75,196,954	85.19%
Other exposures	44,442,556		44,442,556		45,020,394	101.30%
Total	1,499,916,201	427,930,896	1,485,093,885	162,773,440	975,285,658	59.18%

(1) The off-balance sheet receivable amount after the credit conversion rate and credit risk reduction includes the counterparty credit risk amount.

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Notes To The Consolidated Financial Statement For The Year Ended December 31, 2023

c3.3. Standardised Approach: Receivables according to risk classes and risk weights:

Current Period	Risk Weights Consolidated											
	% 0 (1)	% 10	% 20	% 25	% 35	% 50	% 75	% 100	% 150	% 250	Other	Total
Risk Groups												
Exposures to sovereigns and their central banks	865,552,364					5		18,687,874				884,240,243
Exposures to regional and local governments						232,751		25				232,776
Exposures to administrative bodies and non-commercial entities								384,460				384,460
Exposures to multilateral development banks	942,716											942,716
Exposures to international organizations												
Exposures to banks and securities firms	34,809		78,485,260			48,403,102		2,008,410	252,749		2,925,675	132,110,005
Exposures to corporates	140,380		69,273,963			68,493,940		589,431,955	115,933		5,336,540	732,792,711
Retail exposures	135,577,961						287,065,696	19,331,351				441,975,008
Exposures secured by residential property					48,487,544							48,487,544
Exposures secured by commercial property						33,963,909		7,687,659				41,651,568
Past-due loans						6,190,941		1,013,746	3,684			7,208,371
Exposures in higher-risk categories						204,759		292,139	102,500,560		73,265,664	176,263,122
Exposures in the form of bonds secured by mortgages												
Short term exposures to banks, brokerage houses and corporates												
Equity investments in the form of collective investment Undertakings								17,506,880				17,506,880
Equity investments								84,009,124		453,026		84,462,150
Other exposures	19,223,356		2,448,535					120,223,350				141,895,241
Total	1,021,471,586		150,207,758		48,487,544	157,489,407	287,065,696	860,576,973	102,872,926	453,026	81,527,879	2,710,152,795

(1) Includes securities and private pension receivables blocked by Anadolu Hayat Emeklilik A.Ş., one of Group Companies and it also includes the transactions of that are not subject to credit Yatırım Varlık Kiralama A.Ş. a group companies.

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Notes To The Consolidated Financial Statement For The Year Ended December 31, 2023

Prior Period	Risk Weights Consolidated											
	% 0 (1)	% 10	% 20	% 25	% 35	% 50	% 75	% 100	% 150	% 250	Other	Total
Risk Groups												
Exposures to sovereigns and their central banks	442,251,035					10		8,186,687	790,093			451,227,825
Exposures to regional and local governments						192,141		26				192,167
Exposures to administrative bodies and non-commercial entities								165,994				165,994
Exposures to multilateral development banks	779,142											779,142
Exposures to international organizations												
Exposures to banks and securities firms	47,567		50,119,307			29,313,170		814,209	106,359		1,425,950	81,826,562
Exposures to corporates	289,336		52,262,981			43,654,776		438,365,543	319,085		4,726,010	539,617,731
Retail exposures	75,579,854						169,278,670	20,567,673				265,426,197
Exposures secured by residential property					34,914,768							34,914,768
Exposures secured by commercial property						26,101,851		6,886,074				32,987,925
Past-due loans						3,382,239		2,957,725	4,360			6,344,324
Exposures in higher-risk categories						163,763		217,237	59,660,202		32,584,620	92,625,822
Exposures in the form of bonds secured by mortgages												
Short term exposures to banks, brokerage houses and corporates												
Equity investments in the form of collective investment Undertakings								9,051,377				9,051,377
Equity investments								44,057,331		385,225		44,442,556
Other exposures	12,982,103		107,346					75,175,486				88,264,935
Total	531,929,037		102,489,634		34,914,768	102,807,950	169,278,670	606,445,362	60,880,099	385,225	38,736,580	1,647,867,325

(1) Anadolu Hayat Emeklilik A.Ş. of the group companies.it also includes securities that the company blocks on behalf of its insured persons, as well as individual pension receivables.

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Notes To The Consolidated Financial Statement For The Year Ended December 31, 2023

d. Explanations on Counterparty credit risk

d.1. Qualitative Disclosures on Counterparty Credit Risk Approach

The counterparty credit risk that the Parent Bank exposed to is managed within the framework of general limit allocation and credit risk mitigaion that are outlined the Credit Risk Policy of the Bank. In setting general credit limits, the counterparty credit risks of customers as well as their cash and noncash risks are taken into account with a holistic view. Moreover, the total position of the transactions which create counterparty credit risk is also monitored under a separate risk limit.

The counterparty credit risk, which stems from derivatives and repo like transactions including transactions with qualified central counterparties that result in liabilities for both sides, is measured according to the Appendix-2 and Appendix-4 of the "Regulation on Measurement and Evaluation of Capital Adequacy of Banks" Counterparty credit risk valuation method based on the calculation of fair values of the derivative transactions is implemented. In the process of calculating the counterparty credit risk, the Standard Approach is used to determine the risk amounts of derivative transactions. In calculating the risk amount related to derivative transactions; 1.4 times the sum of potential credit risk amounts and positive replacement costs is charged.

Most of the credit risk related to the derivative transactions with other banks is subject to daily collateral clearing agreements mutually signed with related parties and the counterparty credit risk is hence reduced. There are no guarantees received or sold by credit derivatives by the Bank in the context of trading or banking accounts.

d.2. Counterparty Credit Risk (CCR) Approach Analysis:

Current Period	Replacement Cost	Potential Future Exposure	EEPE (Effective Expected Positive Exposure)	Alpha used for computing regulatory EAD	Exposure after Credit Risk Mitigation	Risk Weighted Amounts
Standardised Approach- CCR (for derivatives)	7,770,211	6,157,010		1.4	13,927,221	5,365,678
Internal Model Method (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)						
Simple Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)						
Comprehensive Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)					17,784,820	7,122,496
Value-at-Risk (VaR) (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)						
Total						12,488,174

Prior Period	Replacement Cost	Potential Future Exposure	EEPE (Effective Expected Positive Exposure)	Alpha used for computing regulatory EAD	Exposure after Credit Risk Mitigation	Risk Weighted Amounts
Standardised Approach- CCR (for derivatives)	6,173,921	6,698,105		1.4	12,872,026	7,755,594
Internal Model Method (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)						
Simple Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)						
Comprehensive Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)					10,017,752	3,868,472
Value-at-Risk (VaR) (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)						
Total						11,624,066

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d.3. Capital obligation for credit valuation adjustment (CVA):

	Current Period		Prior Period	
	Risk Amounts	Risk Weighted Amounts	Risk Amounts	Risk Weighted Amounts
Total portfolios subject to the Advanced CVA capital obligation				
(i) VaR component (including the 3x multiplier)				
(ii) Stressed VaR component (including the 3x multiplier)				
All portfolios subject to the Standardised CVA capital obligation	13,927,221	4,584,733	12,872,026	4,648,339
Total subject to the CVA capital change	13,927,221	4,584,733	12,872,026	4,648,339

d.4. CCR Exposures by risk class and risk weights:

Current Period	Risk Weights								Total Credit Exposure
	% 0	% 10	% 20	% 50	% 75	% 100	% 150	Other (1)	
Risk Groups									
Conditional and unconditional exposures to sovereigns and their central banks	5,269,352								5,269,352
Conditional and unconditional exposures to regional and local governments									
Conditional and unconditional exposures to administrative bodies and non-commercial entities						44,699			44,699
Conditional and unconditional exposures to multilateral development banks									
Conditional and unconditional exposures to international organizations									
Conditional and unconditional exposures to banks and securities firms			10,149,508	10,251,223		674,759			21,075,490
Exposures to corporates			691,352	299,796		4,306,078			5,297,226
Retail exposures					25,274				25,274
Other exposures								8,262,215	8,262,215
Total	5,269,352		10,840,860	10,551,019	25,274	5,025,536		8,262,215	39,974,256

Prior Period	Risk Weights								Total Credit Exposure
	% 0	% 10	% 20	% 50	% 75	% 100	% 150	Other (1)	
Risk Groups									
Conditional and unconditional exposures to sovereigns and their central banks	3,701,159								3,701,159
Conditional and unconditional exposures to regional and local governments									
Conditional and unconditional exposures to administrative bodies and non-commercial entities						609			609
Conditional and unconditional exposures to multilateral development banks									
Conditional and unconditional exposures to international organizations									
Conditional and unconditional exposures to banks and securities firms			5,030,098	6,326,963		1			11,357,062
Exposures to corporates			294,945	265,540		7,237,395			7,797,880
Retail exposures					33,068				33,068
Other exposures								6,151,960	6,151,960
Total	3,701,159		5,325,043	6,592,503	33,068	7,238,005		6,151,960	29,041,738

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Notes To The Consolidated Financial Statement For The Year Ended December 31, 2023

d.5. Collateral for CCR:

Current Period	Collateral used in derivative transactions				Collateral used in other transactions	
	Received Collateral		Given Collateral		Received Collateral	Given Collateral
	Segregated	Not Segregated	Segregated	Not Segregated		
Cash- Domestic Currency					72,308,779	
Cash- Other Currencies					43,192,554	
Government bills/bonds- Domestic					95,827	
Total					115,597,160	

Prior Period	Collateral used in derivative transactions				Collateral used in other transactions	
	Received Collateral		Given Collateral		Received Collateral	Given Collateral
	Segregated	Not Segregated	Segregated	Not Segregated		
Cash- Domestic Currency					27,918,747	
Cash- Other Currencies					14,516,341	
Government bills/bonds- Domestic					176,935	
Total					42,612,023	

d.6. Credit derivatives exposures:

None.

d.7. Exposures to central counterparties (CCP):

	Current Period		Prior Period	
	Post CRM risk exposure	RWA	Post CRM risk exposure	RWA
Exposure to Qualified Central Counterparties (QCCPs) (total)		173,838		134,661
Exposures for trades at WCCPs (excluding initial margin and default fund contributions); of which	8,262,215	165,244	6,151,960	123,039
(i) OTC Derivatives	5,681,915	113,638	6,141,646	122,833
(i) Exchange-traded Derivatives				
(iii) Repo-reverse transactions, credit securities transactions and securities or commodities	2,580,300	51,606	10,314	206
(iv) Netting sets where cross-product has been				
Segregated initial margin	81,017		276,977	
Non-segregated initial margin				
Paid guarantee fund amount	89,465	8,594	69,551	11,622
Unpaid guarantee fund commitment				
Exposures to non-QCCPs (total)				
Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which				
(i) OTC Derivatives				
(i) Exchange-traded Derivatives				
(iii) Repo-reverse transactions, credit securities transactions and securities or commodities				
(iv) Netting sets where cross-product has been				
Segregated initial margin				
Non-segregated initial margin				
Pre-funded default fund contributions				
Unfunded default fund contributions				

e. Explanations on securitisations:

None.

f. Explanations on Market Risk:

f.1. Qualitative information disclosed to the public regarding Market Risk

Market risk is defined as the risk that may reduce the market value of the trading portfolio due to the changes in the risk factors named interest rate, exchange rates, equities and the price of commodities and options.

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The procedures for the management of market risk are discussed in the Parent Bank’s “Asset and Liability Management Risk Policy” and those procedures are in line with the risk/return expectations and with the limits that are defined in the risk appetite framework. Limits related to market risk; are established by the Board and are revised periodically in order to reflect market conditions and best practices in the industry. Compliance to those limits is closely monitored by the Risk Management Department, Asset and Liability Management Committee and by the executive departments. Additionally, compliance with the provisions relating to the procedures and policies of market risk management is audited by the internal audit system.

Trading activities of the securities that are included in the calculation of market risk is carried out by taking the Asset-Liability Management Committee decisions, risk policies and established limits into consideration and risks arising due to these activities are hedged using derivatives transactions where necessary.

Measurement of market risk, reporting of results, and monitoring compliance with the risk limits are among the key responsibilities of the Risk Management Department. Analyses related to market risk are reported to the Risk Committee and to the Board via the Audit Committee by the Risk Management Department.

The trading book of the Parent Bank included in market risk calculations consists of on balance-sheet financial assets that are held for trading intent, derivatives that provide hedge to those instruments and foreign currency positions. The market risk carried by the Group is measured and monitored using methods known respectively as the Standard Method and the Value at Risk Model (VAR) and Expected Shortfall in accordance with the local regulations which are established in compliance with the international legislations. In this context, the exchange rate risk emerges as the most important component of the market risk.

The market risk calculations using the Standard Method are performed at the end of each month and the measurement results are included in the statutory reports as well as being reported to the Bank’s top management.

The Value at Risk Model and Expected Shortfall is another alternative for the Standard Method used for measuring and monitoring market risk. This model is used to measure the market risk on a daily basis in terms of interest rate risk, currency risk and equity share risk and is a part of the Bank’s daily internal reporting. Further retrospective testing (back-testing) is carried out on a daily basis to determine the reliability of the daily risk calculation by the VAR model, which is used to estimate the maximum possible loss for the following day.

Scenario analyses which support the VAR model used to measure the losses that may occur in the ordinary market conditions are practiced, and the possible impacts of scenarios that are developed based on the future predictions and the past crises, on the value of the Bank’s portfolio are determined and the results are reported to the Bank’s top management.

f.2. Standardised Approach

	RWA	
	Current Period	Prior Period
Outright Products	32,588,451	41,380,414
Interest rate risk (general and specific)	9,899,613	6,589,513
Equity risk (general and specific)	9,292,763	6,289,388
Foreign exchange risk	10,044,800	24,489,138
Commodity risk	3,351,275	4,012,375
Options	4,159,249	839,949
Simplified approach		
Delta-plus method	4,159,249	839,949
Scenario approach		
Securitisations		
Total	36,747,700	42,220,363

g. Explanations on Operational Risk

The operational risk capital requirement is calculated according to “Regulation on Measurement and Evaluation of Capital Adequacy of Banks” article number 24, is measured using the Basic Indicator Approach once a year in parallel with domestic regulations. As of December 31, 2023, the consolidated operational risk amount is TL 127,564,19 information about the calculation is given below (December 31, 2022: TL 65,807,811).

Current Period	2PP Amount	1PP Amount	CP Amount	Total/Positive Years of Gross Income Amount	Rate (%)	Total
Gross Income	35,126,147	45,254,025	123,722,534	3	15	10,205,135
Value at operational risk (Total*12.5)						127,564,191

Prior Period	2PP Amount	1PP Amount	CP Amount	Total/Positive Years of Gross Income Amount	Rate (%)	Total
Gross Income	24,912,326	35,126,147	45,254,025	3	15	5,264,625
Value at operational risk (Total*12.5)						65,807,811

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h. The interest rate risk of the banking book items:

Interest rate risk arising from the banking accounts is defined as negative effect risk on capital of the changes in market interest rates due to differences in interest settlement and re-pricing on, differences in interest-earning assets taking part in the banking book; interest-bearing liabilities; interest-bearing derivative transactions inclusive of the policies established by the Board of Directors, is managed within the framework of the strategies set by the Parent Bank Asset-Liability Management Committee. Compliance with internal risk limits for banking portfolio is closely and continuously monitored by the Risk Management Department and Asset-Liability Management Committee and the measurement results are reported to the Board of Directors on a monthly basis.

Duration and sensitivity analysis are conducted on a monthly basis by the Bank in the scope of monitoring of interest rate risk arising from the banking books about Interest Rate Risk in the Banking Accounts from the Regulation on Measurement and Assessment of Standard Shock Method which is published in the Official Gazette No. 28034 dated August 23, 2011. In the duration analysis, the maturity gap between assets and liabilities of the balance sheet are determined by the calculation of the weighted average maturities based on the asset that sensitive to interest rate and liabilities and off-balance sheet transactions re-pricing period. In the interest rate risk sensitivity analysis, the influence of the various interest rate change scenarios to the economic value of the Parent Bank's capital is examined.

In the calculations made within the framework of the said regulation, behavioural maturity modelling is performed for demand deposits with low sensitivity to interest changes and whose original maturity is longer than the contractual maturity. In these studies, which are defined as core deposit analysis, based on historical data, calculations are made for what amount of demand deposits will remain within the Parent Bank for what maturity, and these analyzes are used as an input in quantifying the interest rate risk arising from banking accounts in a way that does not contradict legal provisions.

Currency	Applied Shock (+/- x basis point)	Gains Loss	Revenue/Shareholders' Equity – Loss/ Shareholders' Equity
TL	(+) 500	(21,568,915)	(6.80%)
TL	(-) 400	20,909,473	6.59%
EUR	(+) 200	3,750,644	1.18%
EUR	(-) 200	(3,811,179)	(1.20%)
USD	(+) 200	(6,416,272)	(2.02%)
USD	(-) 200	8,649,826	2.73%
Total (for Negative Shocks)		25,748,120	8.12%
Total (for Positive Shocks)		(24,234,543)	(7.64%)

i. Remuneration policy

The Remuneration Committee, which is established to carry out the duties and activities related to the monitoring and supervision of the Bank's remuneration applications on behalf of the Board of Directors, consists of two members. The Remuneration Committee meets at least twice a year, not exceeding six months, and reports to the Board of Directors on the results of the activities carried out and important matters considered to have an impact on the Bank's position. As of the end of 2023, the Remuneration Committee met 11 times and made a total of 14 decisions.

Regarding compliance with the Corporate Governance Principles, the Remuneration Committee monitors and supervises the practices related to wage management on behalf of the Board of Directors; the fees are in line with the Bank's ethical values, internal balances and strategic objectives; the evaluation of the remuneration policy and its practices in the context of risk management; it is responsible for the presentation of the proposals determined in line with the requirements of the salary policy and the other responsibilities determined by the provisions of the applicable legislation and the fulfillment of the duties given by the Board of Directors in this framework.

As of the end of 2023, the number of qualified employees working at the Bank is 28.

The monetary and social rights of employees are determined in accordance with the Chartering Policy in the framework of the legislation related to the Collective Labor Agreement. The Bank carries out its practices with regard to remuneration policies within the framework of relevant banking and capital market legislation. This policy includes all managers and employees.

Premium payments are made once a year to managers and managers who work in branches and headquarters units. It is considered that managerial premium payments are in line with the Bank's long-term strategy and the risks assumed, as well as the performance of its employees. There are no variable fees for qualified employees in the Bank.

The compliance of the wage levels in the bank with the sector wage levels is monitored by participating in independent and anonymous wage surveys, which are held twice a year.

Within the scope of the remuneration policy, the Bank's pricing practices are planned and executed on the basis of effective risk management, prevention of excessive risk taking, compliance with relevant legislation and scope and structure of the Bank's activities, strategies, long-term objectives and risk management structures.

The fees to be paid to the managers and employees of the Bank at every stage; It is essential that the Bank is in line with its ethical values, internal balances and strategic objectives, and that it is not only associated with its short-term performance.

Payments made to employees are determined in a manner that will positively impact the Bank's corporate values and on the basis of objective conditions.

Payments to be made to the managers of the units within the internal systems and to their staff are determined by taking into account the performance of the relevant personnel in relation to their functions, as they are in the audit or oversight, or are independent of the performance of the activity unit they control.

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XII. Explanations on Segment Reporting

The Group's activities are classified under corporate/commercial banking, retail/private banking, treasury operations and investment activities, insurance and reinsurance activities and others.

Services to the large corporations, SMEs and other trading companies are provided through various financial instruments within the scope of the corporate and commercial operations. Services such as project financing, operating and investment loans, deposit and cash management, credit cards, cheques and bills, foreign trade transactions and financing, letter of guarantee, letter of credit, forfeiting, foreign currency trading, bill collections, payrolls, investment accounts, tax collections and other banking services are provided to the aforementioned customer segments.

Retail banking services include deposits, consumer loans, overdraft accounts, credit cards, bill collections, remittances, foreign currency trading, safe-deposit boxes, insurance, tax collections, and investment accounts and other banking services for individuals. All kinds of financing and cash management services provided to individuals in the high-income level are recognized as Private Banking activities.

Treasury transactions are comprised of medium and long-term funding tools such as securities trading, money market transactions, spot and forward TL and foreign currency trading, and derivative transactions such as forwards, swaps, futures and options, as well as syndications and securitizations. Investment activities of intermediary institutions and venture capital and real estate investment partnerships are also classified in this area. Investments of subsidiaries who operate in the real sector, investments of associates who operate both in financial and real sector and investments of jointly controlled entities that are presented in the consolidated financial statements are evaluated within the scope of investment activities.

Insurance and reinsurance activities include individual pension, life/non-life insurance transactions and reinsurance transactions.

The Group's financial leasing, factoring, asset management, portfolio management and payment service activities are classified under the 'Other' heading.

Information about The Group's segments are presented below.

Current Period	Corporate / Commercial Banking	Individual / Private Banking	Treasury Transaction/ Investment Activities	Insurance and Reinsurance Activities	Other/ Unallocated	Total
Interest Income	116,310,547	42,961,866	88,956,715		9,024,036	257,253,164
Interest Expense	61,097,478	56,873,530	28,440,202	1,325	21,817,070	168,229,605
Fees and Commissions Income	37,115,755	12,281,383	2,951,131	545,146	3,748,614	56,642,029
Fees and Commissions Expense	19,279		783,730	5,113,779	10,592,175	16,508,963
Dividend Income			421,522			421,522
Trading Income/Loss (Net)			40,744,739			40,744,739
Other Income	4,482,080	832,240	9,136,147	40,821,375	8,864,896	64,136,738
Expected Credit Loss and Other Provision Expenses	7,097,774	2,605,597	90,701	376,568	14,218,932	24,389,572
Other Operating Expense	10,500,484	30,737,948	2,611,733	45,370,400	34,435,856	123,656,421
Income/Loss from Investments in Subsidiaries Accounted by Equity Method			13,434,857			13,434,857
Income Before Tax						99,848,488
Tax Provision						13,478,534
Net Period Profit						86,369,954
Group Profit/Loss						72,253,773
Minority Interest Profit/Loss						14,116,181
Total Assets	861,968,015	282,070,339	813,008,736	168,162,383	829,533,098	2,954,742,571
Total Liabilities	794,292,908	857,854,579	501,297,072	234,395,692	566,902,320	2,954,742,571

Current Period	Corporate / Commercial Banking	Individual / Private Banking	Treasury Transaction/ Investment Activities	Insurance and Reinsurance Activities	Other/ Unallocated	Total
Interest Income	67,042,585	20,194,594	49,296,102		4,058,692	140,591,973
Interest Expense	16,977,011	16,265,665	15,667,828	52	5,250,041	54,160,597
Fees and Commissions Income	14,347,822	5,207,277	1,541,524	169,345	852,247	22,118,215
Fees and Commissions Expense	7,894	4,238	203,956	2,449,744	4,780,968	7,446,800
Dividend Income			263,526			263,526
Trading Income/Loss (Net)			19,477,788			19,477,788
Other Income	3,173,448	503,115	6,078,934	20,192,624	2,625,765	32,573,886
Expected Credit Loss and Other Provision Expenses	7,017,495	1,568,084	141,934	209,159	10,294,403	19,231,075
Other Operating Expense	5,592,533	13,410,401	1,321,083	22,851,051	16,706,576	59,881,644
Income/Loss from Investments in Subsidiaries Accounted by Equity Method			10,205,448			10,205,448
Income Before Tax						84,510,720
Tax Provision						15,453,038
Net Period Profit						69,057,682
Group Profit/Loss						61,598,670
Minority Interest Profit/Loss						7,459,012
Total Assets	672,190,029	157,614,122	491,060,752	90,261,982	304,304,684	1,715,431,569
Total Liabilities	480,658,344	495,054,758	281,996,061	127,426,701	330,295,705	1,715,431,569

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SECTION FIVE: DISCLOSURES AND FOOTNOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS

I. DISCLOSURES AND FOOTNOTES ON CONSOLIDATED ASSETS

a. Cash and Central Bank of the Republic of Turkey:

a.1. Information on Cash and Balances with the Central Bank of the Republic of Turkey:

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL / Foreign Currency	5,531,808	25,345,814	4,109,112	11,719,560
Central Bank of the Republic of Turkey	160,293,810	334,500,936	17,609,487	167,972,940
Other		962,278		434,800
Total	165,825,618	360,809,028	21,718,599	180,127,300

a.2. Information on Balances with the CBRT:

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposit	135,665,280	157,731,281	17,609,487	45,917,045
Unrestricted Time Deposit				
Restricted Time Deposit				7,453,446
Other (1)	24,628,530	176,769,655		114,602,449
Total	160,293,810	334,500,936	17,609,487	167,972,940

(1) The amount of reserve deposits held at the Central Bank of the Republic of Turkey.

a.3. Explanations on reserve requirement application:

As per the Communiqué no. 2013/15 “Reserve Deposits” of the Central Bank of the Republic of Turkey (“CBRT”), banks keep reserve deposits at the CBRT for their TL and FC liabilities mentioned in the communiqué. The reserve deposit rates vary according to their maturity compositions; the reserve deposit rates are realized between 0% - 30% for TL deposits and other liabilities, between 20 - 30% for FC deposits and precious metal deposit accounts and between 5% - 21% for other FC liabilities. As of 08.07.2023, 5 points will be added to the required reserve ratios, application has been removed as of 18.08.2023, determined for FX deposits and precious metal deposit accounts for banks whose share of TL deposits calculated for real and legal persons in total deposits is less than 57%.

Obligations subject to reserve requirements are calculated and set aside every two weeks on Friday for 14-day periods.

According to the Communiqué on Required Reserves published in the Official Gazette dated 31.12.2022 and numbered 32060, the possibility of establishing Turkish lira required reserves in gold terminated as of 23.06.2023.

The annual 8% commission application, which is applied by differentiating according to the Turkish lira share, has been abolished as of 01.09.2023. As of 29.09.2023, differentiated according to the transition from accounts provided with exchange rate protection support by the Central Bank to Turkish lira accounts and the renewal of these accounts, an annual commission of 8% has been introduced.

With the press release of the CBRT dated 27.10.2023, it was announced that a change was made in the commission application according to the renewal and transition to TL rate and the commission application according to the TL share. Accordingly, while the commission rate of banks with a conversion rate of less than 100% will be between 6% and 8%. If the banks with a conversion rate of 100% and above will have a conversion rate of 10% to TL and a renewal rate of 75% and above commission will not be applied. For banks that fall below the target in any of the relevant ratios, a commission equal to the remaining portion will be calculated. On the other hand, the renewal rate target has been abolished and the TL transition rate target has been increased from 10% to 15%, effective after 22.12.2023. In addition, a commission rate of 2% will be applied if the TL share calculation for real persons remains below 0.5% and 2.2% points, differentiated according to the TL share levels compared to the calculation period four weeks ago, and 1% if the TL share calculated for legal entities remains below the TL share calculated according to 18.08.2023, a commission rate of 1% will be applied

Within the scope of the amendment made by the Communiqué on Amendments to the Communiqué No. 2013/15 (2023/30), published in the Official Gazette No. 32357 dated 02.11.2023, foreign currency deposits (excluding foreign bank deposits and precious metal deposit accounts) for all maturities, the reserve requirement ratio to be established in Turkish lira is 4 percent. The required reserve ratio, which was previously determined as 15% for all maturities for accounts provided with exchange rate/price protection support by the Central Bank, is 30% for accounts with maturities up to 6 months (including 6 months) and 10% for accounts with maturities of 1 year or more.

b. Information on Financial Assets at Fair Value through Profit and Loss:

b.1. Financial assets at fair value through profit and loss, which are given as collateral or blocked:

Financial assets at fair value through profit and loss, which are given as collateral or blocked as of 31 December 2023, amount to TL 465,061 (December 31, 2022: TL 16,575,962).

b.2. Financial assets at fair value through profit and loss, which are subject to repurchase agreements:

Financial assets at fair value through profit and loss, which are subject to repurchase agreements as of 31 December 2023, amount to TL 16,675,686 (December 31, 2022: TL 217,562).

b.3. TL 2,676,996 of other financial assets consists of the mutual funds; Quasar İstanbul Konut Gayrimenkul and Quasar İstanbul Ticari Gayrimenkul which were founded by İş Portföy Yönetimi A.Ş.

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c. Positive differences on derivative financial assets held for trading:

Derivative Financial Assets at Fair Value through Profit or Loss (1)	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	323,868	667,547	316,139	708,561
Swap Transactions	147,262	16,197,638	83,046	16,423,805
Futures				
Options	65,573	466,813	214,537	180,080
Other		2,921,299		1,246,555
Total	536,703	20,253,297	613,722	18,559,001

(1) Includes information related to derivative financial assets held for trading in derivative financial assets. Information on derivative financial assets for hedging purposes is disclosed in Section Five footnote I.1.

d. Banks Account

d.1. Information on Banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic Banks	17,163,490	4,703,047	6,541,346	1,292,499
Foreign Banks	1,567,572	61,833,628	646,341	30,514,629
Foreign Head Office and Branches				
Total	18,731,062	66,536,675	7,187,687	31,807,128

d.2. Information on foreign banks:

	Current Period		Prior Period	
	Unrestricted Amount	Restricted Amount	Unrestricted Amount	Restricted Amount
EU Countries	33,406,404	913,393	11,433,821	1,310,185
USA, Canada	4,307,724	113,128	2,279,808	
OECD Countries (1)	3,406,500	989,187	4,341,830	977,040
Off-shore Banking Regions				
Other	13,238,769	7,026,095	5,844,892	4,973,394
Total	54,359,397	9,041,803	23,900,351	7,260,619

(1) OECD countries other than the EU countries, USA and Canada.

Expected credit loss for cash and cash equivalents:

	Current Period			Prior Period		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Provisions beginning of the period	170,156			85,738		
Additional provisions within the period	143,367			74,131		
Transfers within the period	(26,175)			(25,179)		
Write-offs from Assets						
Transfer to Stage 1						
Transfer to Stage 2						
Transfer to Stage 3						
Currency Exchange Difference	95,038			35,466		
Provisions at the end of the period	382,386			170,156		

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e. Information on Financial Assets at Fair Value through Other Comprehensive Income:

e.1. Information on financial assets at fair value through other comprehensive income, which are given as collateral or blocked:

Financial assets at fair value through other comprehensive income, which are given as collateral or blocked, amount to TL 92,723,492 as of 31 December 2022 (December 31, 2022: TL 73,609,538).

e.2. Information on financial assets at fair value through other comprehensive income, which are subject to repurchase agreements:

Financial assets at fair value through other comprehensive income which are subject to repurchase agreements amount to TL 104,654,004 as of 31 December 2022 (December 31, 2022: TL 39,707,583).

e.3. Information on financial assets at fair value through other comprehensive income:

	Current Period	Prior Period
Debt Securities	312,893,361	204,995,860
Quoted on a Stock Exchange	187,927,207	76,747,502
Not-Quoted (1)	124,966,154	128,248,358
Share Certificates	3,108,895	1,605,302
Quoted on a Stock Exchange	267,927	21,120
Not-Quoted	2,840,968	1,584,182
Provision for Impairment Losses (-)	21,075,868	5,943,972
Other	2,098,838	1,468,387
Total	297,025,226	202,125,577

(1) Refers to the debt securities, which are not quoted on the Stock Exchange, or which are not traded, while quoted, on the Stock Exchange at the end of the related period.

f. Information related to loans:

Leasing and factoring receivables are considered as loans in the footnotes of this section.

f.1. Information on all types of loans and advances given to shareholders and employees of the group:

	Current Period		Prior Period	
	Cash	Non-Cash	Cash	Non-Cash
Direct Lending to Shareholders				
Corporate Shareholders				
Individual Shareholders				
Indirect Lending to Shareholders				
Loans and Other Receivables to Employees	1,682,003	1,239	598,361	1,418
Total	1,682,003	1,239	598,361	1,418

f.2. Information about the Standard Loans and Loans Under Close Monitoring and Loans Under Close Monitoring that have been restructured:

Cash Loans	Standard Loans	Loans Under Close Monitoring		
		Loans Not Subject to Restructuring	Loans with Revised Contract Terms	Refinanced
Non-specialized loans	1,232,252,837	51,541,377	47,353,064	19,204,925
Corporation Loans	387,283,276	13,429,610	35,702,504	11,441,984
Export Loans	168,049,469	373,855	152,854	267,129
Import Loans				
Loans Extended to Financial Sector	49,288,239			
Consumer Loans	153,314,489	15,966,903	43,381	2,296,019
Credit Cards	202,388,317	10,406,157	4,401,707	
Other	271,929,047	11,364,852	7,052,618	5,199,793
Specialized Loans				
Other Receivables				
Total	1,232,252,837	51,541,377	47,353,064	19,204,925

	Current Period		Prior Period	
	Standard Loans	Loans Under Close Monitoring	Standard Loans	Loans Under Close Monitoring
12 Month Expected Credit Losses	5,878,898		4,718,789	
Significant Increase in Credit Risk		18,972,440		14,637,767

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Notes To The Consolidated Financial Statement For The Year Ended December 31, 2023

f.3. Information on Maturity analysis of cash loans:

Cash Credit	Standard Loans	Loans Under Close Monitoring	
		Loans Not Subject to Restructuring	Refinanced
Short-term Loans	617,977,196	20,082,155	7,780,643
Medium and Long-term Loans	614,275,641	31,459,222	58,777,346

f.4. Information on consumer loans, retail credit cards, personnel loans and personnel credit cards:

	Short-Term	Medium and Long-Term	Interest and Income Accruals	Total
Consumer Loans-TL	29,855,067	120,592,793	2,733,291	153,181,151
Real Estate Loans	72,785	39,138,128	532,064	39,742,977
Vehicle Loans	197,655	5,694,858	85,623	5,978,136
General Purpose Consumer Loans	29,584,627	75,759,807	2,115,604	107,460,038
Other				
Consumer Loans – FC Indexed		1,093	19,135	20,228
Real Estate Loans		1,093	19,135	20,228
Vehicle Loans				
General Purpose Consumer Loans				
Other				
Consumer Loans – FC	11	210,770	746	211,527
Real Estate Loans		26,877	133	27,010
Vehicle Loans				
General Purpose Consumer Loans	11	183,893	613	184,517
Other				
Retail Credit Cards-TL	152,774,425	7,398,313	1,744,448	161,917,186
With Installments	61,109,311	7,398,313	230,790	68,738,414
Without Installments	91,665,114		1,513,658	93,178,772
Retail Credit Cards-FC	466,826			466,826
With Installments				
Without Installments	466,826			466,826
Personnel Loans-TL	550,059	235,545	65,765	851,369
Real Estate Loans		8,353	118	8,471
Vehicle Loans	980	3,871	235	5,086
General Purpose Consumer Loans	549,079	223,321	65,412	837,812
Other				
Personnel Loans- FC Indexed				
Real Estate Loans				
Vehicle Loans				
General Purpose Consumer Loans				
Other				
Personnel Loans-FC	459	7,556	69	8,084
Real Estate Loans		2,267	22	2,289
Vehicle Loans		1,074	11	1,085
General Purpose Consumer Loans	459	4,215	36	4,710
Other				
Personnel Credit Cards-TL	656,623	12,519	2,449	671,591
With Installments	274,216	12,519		286,735
Without Installments	382,407		2,449	384,856
Personnel Credit Cards-FC	4,036			4,036
With Installments				
Without Installments	4,036			4,036
Overdraft Accounts – TL (real persons)	16,761,702		517,003	17,278,705
Overdraft Accounts – FC (real persons)	69,728			69,728
Total	201,138,936	128,458,589	5,082,906	334,680,431

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Notes To The Consolidated Financial Statement For The Year Ended December 31, 2023

f.5. Information on commercial installments loans and corporate credit cards:

	Short-Term	Medium and Long-Term	Interest and Income Accruals	Total
Commercial Loans with Installments-TL	37,804,509	81,336,875	2,466,949	121,608,333
Real Estate Loans	2,897	2,691,575	28,878	2,723,350
Vehicle Loans	1,364,970	11,720,448	149,969	13,235,387
General Purpose Commercial Loans	36,436,642	66,924,852	2,288,102	105,649,596
Other				
Commercial Loans with Installments-FC Indexed		45,475	332,001	377,476
Real Estate Loans		999	7,478	8,477
Vehicle Loans				
General Purpose Commercial Loans		44,476	324,523	368,999
Other				
Commercial Loans with Installments-FC	2,135,123	12,127,780	137,324	14,400,227
Real Estate Loans				
Vehicle Loans				
General Purpose Commercial Loans	113,440	5,106,498	42,840	5,262,778
Other	2,021,683	7,021,282	94,484	9,137,449
Corporate Credit Cards-TL	52,235,926	1,507,059	342,937	54,085,922
With Installments	18,587,027	1,507,055		20,094,082
Without Installments	33,648,899	4	342,937	33,991,840
Corporate Credit Cards-FC	50,620			50,620
With Installments				
Without Installments	50,620			50,620
Overdraft Accounts – TL (corporate)	6,924,663		355,967	7,280,630
Overdraft Accounts – FC (corporate)	11,208			11,208
Total	99,162,049	95,017,189	3,635,178	197,814,416

f.6. Distribution of credits according to users:

	Current Period	Prior Period
Public	9,423,604	7,172,079
Private	1,340,928,599	877,978,896
Total	1,350,352,203	885,150,975

f.7. Domestic and foreign loans:

	Current Period	Prior Period
Domestic Loans	1,299,257,450	851,121,329
Foreign Loans	51,094,753	34,029,646
Total	1,350,352,203	885,150,975

f.8. Loans granted to subsidiaries and associates:

	Current Period	Prior Period
Direct Loans Granted to Subsidiaries and Associates	10,195,890	2,343,655
Indirect Loans Granted to Subsidiaries and Associates		
Total	10,195,890	2,343,655

f.9. Information on impairment provisions of Loans (Stage 3):

	Current Period	Prior Period
Loans with Limited Collectability	6,300,081	1,533,076
Loans with Doubtful Collectability	3,133,708	4,047,910
Uncollectible Loans	14,013,386	14,984,604
Total	23,447,175	20,565,590

f.10. Information on non-performing loans (Net):

f.10.1 Information on non-performing loans, which are restructured by the Group:

	Group III Loans with Limited Collectability	Group IV Loans with Doubtful Collectability	Group V Uncollectible Loans
Current Period			
(Gross amounts before the provisions)	1,000,949	1,615,487	6,778,909
Restructured Loans	1,000,949	1,615,487	6,778,909
Prior Period			
(Gross amounts before the provisions)	1,486,706	1,782,784	6,373,775
Restructured Loans	1,486,706	1,782,784	6,373,775

Türkiye İş Bankası A.Ş.

Notes To The Consolidated Financial Statement For The Year Ended December 31, 2023

f.10.2 Information on the movement of total non-performing loans:

	Group III Loans with Limited Collectability	Group IV Loans with Doubtful Collectability	Group V Uncollectible Loans
Prior Period Ending Balance	3,004,570	6,551,024	17,657,164
Corporate and Commercial Loans	2,207,058	5,349,698	15,587,999
Retail Loans	561,586	889,562	1,355,752
Credit Cards	235,926	311,764	655,521
Other			57,892
Additions (+)	17,849,278	58,215	461,293
Corporate and Commercial Loans	11,167,318	39,223	422,318
Retail Loans	3,870,693	6,788	15,436
Credit Cards	2,810,526	11,836	4,757
Other	741	368	18,782
Transfers from Other NPL Categories (+)		8,066,516	7,492,495
Corporate and Commercial Loans		4,095,833	5,201,200
Retail Loans		2,566,199	1,633,666
Credit Cards		1,403,743	656,520
Other		741	1,109
Transfers to Other NPL Categories (-)	8,066,516	7,492,495	
Corporate and Commercial Loans	4,095,833	5,201,200	
Retail Loans	2,566,199	1,633,666	
Credit Cards	1,403,743	656,520	
Other	741	1,109	
Collections (-)	2,220,710	3,021,919	6,422,594
Corporate and Commercial Loans	481,703	2,185,617	5,447,587
Retail Loans	986,783	566,693	733,679
Credit Cards	752,224	269,609	236,944
Other			4,384
Write-Offs (-) (1)	6,437	7,510	2,272,530
Corporate and Commercial Loans	322	729	2,233,537
Retail Loans	2,841	1,822	25,330
Credit Cards	3,274	4,959	13,650
Other			13
Debt Sale (-) (2)	1	186	915,836
Corporate and Commercial Loans		5	347,597
Retail Loans		164	322,885
Credit Cards	1	17	236,980
Other			8,374
Currency Exchange Effect	10,999	54,254	380,975
Corporate and Commercial Loans	8,198	53,819	329,328
Retail Loans	2,801	435	51,463
Credit Cards			
Other			184
Current Period Ending Balance	10,571,183	4,207,899	16,380,967
Corporate and Commercial Loans	8,804,716	2,151,022	13,512,124
Retail Loans	879,257	1,260,639	1,974,423
Credit Cards	887,210	796,238	829,224
Other			65,196
Specific Provisions (-)	6,300,081	3,133,708	14,013,386
Corporate and Commercial Loans	5,409,306	1,879,245	11,747,685
Retail Loans	376,846	702,054	1,480,115
Credit Cards	513,929	552,409	723,957
Other			61,629
Net Balance on Balance Sheet	4,271,102	1,074,191	2,367,581

1) As of 31.12.2023, as part of the amendment to the "Procedures and Principals regarding Classification of Loans and Allowances Allocated for Such Loans" published in the Official Gazette No. 30961, dated 27.10.2019, receivables amounting to TL 2,055,760 was written off.

(2) In August 2023, our receivables, which constitute 711,576 TL of the portfolio consisting of non-performing loans receivables, were transferred to Birikim Varlık Yönetim A.Ş., Denge Varlık Yönetim A.Ş., Dünya Varlık Yönetim A.Ş., Gelecek Varlık Yönetim A.Ş., Ortak Varlık Yönetim A.Ş., Sümer Varlık Yönetim A.Ş. by collecting the sales price of 279,200 TL in cash. 1,969 TL of our transferred receivables arise from our receivables that were previously written off from assets within the framework of the amendment made to the "Regulation on the Procedures and Principles Regarding the Classification of Loans and Provisions to be Set Aside for These" published in the Official Gazette dated 27.11.2019 and numbered 30961. In December 2023, our receivables, which constitute 357,994 TL of the portfolio consisting of non-performing loans receivables, were transferred to Dünya Varlık Yönetim A.Ş., and Emir Varlık Yönetim A.Ş. by collecting the sales price of 111,400 TL in cash. TL 151,578 of our transferred receivables arises from our receivables that were previously written off from assets within the framework of the amendment to the "Regulation on the Procedures and Principles Regarding the Classification of Loans and the Provisions to be set aside for them" published in the Official Gazette dated 27.11.2019 and numbered 30961.

After the sale of non-performing loans and the write-off, the consolidated non-performing loan ratio decreased from 2.47% to 2.26% as of 31.12.2023.

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f.10.3 Information on foreign currency non-performing loans:

	Group III	Group IV	Group V
	Loans with Limited Collectability	Loans with Doubtful Collectability	Uncollectible Loans
Current Period			
Balance at the End of the Period	4,922,791	402,047	9,201,651
Provisions (-)	2,959,785	299,932	8,038,088
Net Balance on Balance Sheet (1)	1,963,006	102,115	1,163,563
Prior Period			
Balance at the End of the Period	1,449,347	3,293,071	10,598,027
Provisions (-)	653,655	1,566,847	9,161,617
Net Balance on Balance Sheet (1)	795,692	1,726,224	1,436,410

(1) In addition to the loans extended in foreign currency, loans which are monitored in Turkish Lira are included.

f.10.4 Information on gross and net non-performing loans as per customer categories:

	Group III	Group IV	Group V
	Loans with Limited Collectability	Loans with Doubtful Collectability	Uncollectible Loans
Current Period (Net)	4,271,102	1,074,191	2,367,581
Loans to Individuals and Corporate (Gross)	10,571,183	4,207,899	16,315,771
Provisions (-)	6,300,081	3,133,708	13,951,757
Loans to Individuals and Corporate (Net)	4,271,102	1,074,191	2,364,014
Banks (Gross)			
Provisions (-)			
Banks (Net)			
Other Loans (Gross)			65,196
Provisions (-)			61,629
Other Loans (Net)			3,567
Prior Period (Net)	1,471,494	2,503,114	2,672,560
Loans to Individuals and Corporate (Gross)	3,004,570	6,551,024	17,599,272
Provisions (-)	1,533,076	4,047,910	14,936,250
Loans to Individuals and Corporate (Net)	1,471,494	2,503,114	2,663,022
Banks (Gross)			
Provisions (-)			
Banks (Net)			
Other Loans (Gross)			57,892
Provisions (-)			48,354
Other Loans (Net)			9,538

f.10.5 Information on interest accruals, valuation differences and related provisions calculated for non-performing loans:

	Group III	Group IV	Group V
	Loans with Limited Collectability	Loans with Doubtful Collectability	Uncollectible Loans
Current Period (Net)	221,083	80,901	242,739
Interest accruals and valuation differences	516,989	200,706	1,718,759
Provisions (-)	295,906	119,805	1,476,020
Prior Period (Net)	80,448	353,634	251,539
Interest accruals and valuation differences	157,677	1,025,286	1,519,085
Provisions (-)	77,229	671,652	1,267,546

f.10.6 Explanations on write-off policy:

Receivables classified as non-performing loans are collected primarily within the framework of administrative contacts with the debtors, and if no result is obtained, through legal means. In this context, if our uncollected receivables are deleted from assets, one of the methods of destruction, receivable sale and deregistration can be applied.

In the Bank's write-off policy within the framework following the amendment made in Article 53 of the Banking Law with the Law on Income Tax and amending Certain Laws No. 19.07.2019/7186, along with the "Classification of Loans and the Procedures and Principles for the Reserves to be Allocated for Them" published in the Official Gazette No. 27.11.2019 / 30961, the following statements are issued:

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- The portion of the receivables, which are followed under the Fifth Group-Loans with a Loss Qualification and for which a lifetime expected credit loss provision has been made due to the default of the debtor, for which there is no reasonable expectation of its collection, can be write-off to the extent of the maximum provision amount,
- Write-off is an accounting practice and does not result in the waiver of the receivable,

The Bank's general policy for write-offs of receivables under follow-up is to write of such receivables that are proven to be uncollectible in legal follow-up process within the instructions of Tax Procedure Law.

Expected Credit Loss:

	Current Period			Prior Period		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Provisions beginning of the period	4,718,789	14,637,767	20,565,590	4,191,349	12,735,339	15,898,604
Additional provisions within the period	7,241,997	10,552,905	7,558,695	7,822,416	6,611,081	12,402,374
Transfers within the period	(6,906,199)	(5,616,127)	(4,055,244)	(7,765,588)	(3,892,653)	(3,857,344)
Write-offs from Assets			(2,804,424)			(5,613,004)
Transfer to Stage 1	1,083,095	(1,043,460)	39,635	492,459	(475,851)	(16,608)
Transfer to Stage 2	(544,920)	591,554	(46,634)	(237,419)	312,730	(75,311)
Transfer to Stage 3	(213,259)	(1,911,030)	2,124,289	(57,539)	(1,407,522)	1,465,061
Currency Exchange Difference	499,395	1,760,831	144,538	273,111	754,643	361,818
Provisions at the end of the period	5,878,898	18,972,440	23,447,175	4,718,789	14,637,767	20,565,590

g. Financial Assets Measured at Amortized Cost:

g.1. Financial Assets Measured at Amortized Cost given as collateral or blocked:

Financial assets measured at Amortized cost given as collateral or blocked amount to TL 60,579,384 as at December 31, 2023 (December 31, 2022: TL 61,281,906).

g.2. Financial Assets Measured at Amortized Cost subject to repurchase agreements:

Financial assets measured at Amortized cost, which are subject to repurchase agreements amount to TL 22,560,328 at December 31, 2023 (December 31, 2022: TL 7,166,511).

g.3. Information on government securities measured at Amortized cost:

	Current Period	Prior Period
Government Bonds	199,506,867	100,256,173
Treasury Bills		
Other Public Debt Securities		
Total	199,506,867	100,256,173

g.4. Information on financial assets measured at amortized cost:

	Current Period	Prior Period
Debt Securities	216,178,048	106,956,161
Quoted on a Stock Exchange	192,762,735	96,996,697
Not Quoted (1)	23,415,313	9,959,464
Impairment Losses (-)		
Total	216,178,048	106,956,161

(1) Indicates unlisted debt securities, and debt securities that have not been traded at the end of the related periods while they are listed.

g.5. Movement of financial assets measured at amortized cost within the year:

	Current Period	Prior Period
Beginning Balance	106,956,161	51,545,328
Foreign Exchange Differences Arising on Monetary Assets	11,268,869	3,782,273
Purchases During the Year	121,861,350	60,382,102
Transfers		2,022,376
Disposals through Sales and Redemption	(40,745,444)	(21,574,387)
Impairment Losses (-)		
Valuation Effect	16,837,112	10,798,469
Balance at the End of the Period	216,178,048	106,956,161

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Expected credit loss for financial assets measured at amortised cost:

	Current Period			Prior Period		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Provisions beginning of the period	68,670			28,994		
Additional provisions within the period	195,247			61,491		
Transfers within the period	(56,199)			(23,194)		
Write-offs from Assets						
Transfer to Stage 1						
Transfer to Stage 2						
Transfer to Stage 3						
Currency Exchange Difference	3,563			1,379		
Provisions at the end of the period	211,281			68,670		

h. Information on Associates (Net):

As per the “Communiqué on Preparation of Consolidated Financial Statements of Banks”, credit institutions or financial institutions associates are included in the scope of consolidated financial statements. Within this context, credit institutions and financial associates are accounted in the consolidated financial statements according to TAS 28 - Investments in Associates and Joint Ventures”.

h.1. Information on credit institution or financial institution associates that are not accounted by the equity method: None

h.2. Information on credit institution or financial institution associates that are accounted by the equity method:

Title	Address (City/ Country)	Bank's Share Percentage-If Different. Voting Percentage (%)	Bank's Risk Group Share Percentage (%)
Arap-Türk Bankası A.Ş.	İstanbul/Turkey	20.58	79.42

Information on financial statements of associates in the above order:

Total Assets	Shareholders' Equity	Total Tangible Assets	Interest Income (1)	Securities Income	Current Period Profit/Loss	Prior Period Profit/Loss	Fair Value
15,563,601	2,201,737	1,016,199	972,037	97	162,652	215,338	

(1) Includes interest income on securities.

h.3. Movement of investments in consolidated associates (1):

	Current Period	Prior Period
Beginning Balance	385,225	280,196
Movements during the period		
Purchases		
Bonus shares acquired		
Dividends received from the current year profit		
Sales		
Revaluation Increase (2)	67,801	105,029
Impairment		
Balance at the end of the period	453,026	385,225
Capital commitments		
Contribution in equity at the end of the period (%)		

(1) Includes the information related to associate which is a credit institution in which the Bank has direct shares.

(2) Includes the equity method accounting differences.

h.4. Sectoral information on consolidated associates and the related carrying amounts (1):

	Current Period	Prior Period
Banks	453,026	385,225
Insurance Companies		
Factoring Companies		
Leasing Companies		
Finance Companies		
Other Financial Participations		
Total	453,026	385,225

(1) Includes the information related to associate which is a credit institution in which the Bank has direct shares.

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Notes To The Consolidated Financial Statement For The Year Ended December 31, 2023

h.5. Consolidated associates traded on a stock exchange: None.

h.6. Consolidated associates disposed of in the current period: None.

h.7. Consolidated associates acquired in the current period: None.

h.8. Other issues related to associates:

The accounting method for non-financial subsidiaries, associates and jointly controlled associates is changed in accordance with TAS 27 “Individual Financial Statements” to the equity method introduced in TAS 28. The effects of these changes are given in Section Three III.2 numbered footnotes in detail.

Anadolu Hayat Emeklilik A.Ş. participated in the cash capital increase of its subsidiary Emeklilik Gözetim Merkezi A.Ş. in the current period by paying TL 2,857.

i. Information on subsidiaries (Net):

As per the “Communiqué on Preparation of Consolidated Financial Statements of Banks”, the Bank includes credit institutions or financial institutions subsidiaries in the scope of consolidated financial statements.

i.1. Information on the equity of major subsidiaries:

	Insurance / Reinsurance Companies	Türkiye Sınai Kalkınma Bankası A.Ş.	İşbank AG	İş Finansal Kiralama A.Ş.
COMMON EQUITY TIER I CAPITAL				
Common Equity Tier I Capital Before Deductions	30,811,509	21,747,485	12,560,904	6,097,045
Deductions from Common Equity Tier I Capital (-)	680,036	1,007,980	202,947	29,990
Total Common Equity Tier I Capital	30,131,473	20,739,505	12,357,957	6,067,055
ADDITIONAL TIER I CAPITAL				
Additional Tier I Capital before Deductions				
Deductions from Additional Tier I Capital (-)				
Total Capital	30,131,473	20,739,505	12,357,957	6,067,055
TIER II CAPITAL				
Tier II Capital Before Deductions		7,074,994		
Deduction from Tier II Capital (-)				
Total Additional Tier II Capital		7,074,994		
Total Capital and Tier II Capital	30,131,473	27,814,499	12,357,957	6,067,055
Deductions from Total Capital and Additional Tier I Capital (-)				
CAPITAL	30,131,473	27,814,499	12,357,957	6,067,055

i.2. Information on unconsolidated subsidiaries: None.

i.3. Information on consolidated subsidiaries:

	Title	Address (City/ Country)	Bank's Share Percentage-If Different. Voting Rights (%) (1)	Bank's Risk Group Share Percentage (%)
1-	Anadolu Anonim Türk Sigorta Şirketi	İstanbul/Turkey	50.23	49.77
2-	Anadolu Hayat Emeklilik A.Ş.	İstanbul/Turkey	74.84	25.16
3-	Efes Varlık Yönetim A.Ş.	İstanbul/Turkey	66.29	33.71
4-	İş Faktoring A.Ş.	İstanbul/Turkey	46.51	53.49
5-	İş Finansal Kiralama A.Ş.	İstanbul/Turkey	45.42	54.58
6-	İş Gayrimenkul Yatırım Ortaklığı A.Ş.	İstanbul/Turkey	60.48	39.52
7-	İş Girişim Sermayesi Yatırım Ortaklığı A.Ş.	İstanbul/Turkey	35.37	64.63
8-	İş Portföy Yönetimi A.Ş.	İstanbul/Turkey	67.47	32.53
9-	İş Yatırım Menkul Değerler A.Ş.	İstanbul/Turkey	67.98	32.02
10-	İş Yatırım Ortaklığı A.Ş.	İstanbul/Turkey	24.46	75.54
11-	İşbank AG	Frankfurt/Germany	100.00	0.00
12-	JSC İşbank	Moscow/Russia	100.00	0.00
13-	JSC İşbank Georgia	Tbilisi/Georgia	100.00	0.00
14-	Levent Varlık Kiralama A.Ş.	İstanbul/Turkey	67.98	32.02
15-	Maxis Girişim Sermayesi Portföy Yönetimi A.Ş.	İstanbul/Turkey	67.98	32.02
16-	Maxis Investments Ltd.	London/England	67.98	32.02
17-	Milli Reasürans T.A.Ş.	İstanbul/Turkey	87.60	12.40
18-	Moka Ödeme ve Elektronik Para Kuruluşu A.Ş.	İstanbul/Turkey	100.00	0.00
19-	TSKB Gayrimenkul Yatırım Ortaklığı A.Ş.	İstanbul/Turkey	44.78	55.22
20-	Türkiye Sınai Kalkınma Bankası A.Ş.	İstanbul/Turkey	50.46	49.54
21-	Yatırım Finansman Menkul Değerler A.Ş.	İstanbul/Turkey	48.90	51.10
22-	Yatırım Varlık Kiralama A.Ş.	İstanbul/Turkey	48.90	51.10

(1) Indirect share of the Group is considered as the Parent Bank's share percentage.

Türkiye İş Bankası A.Ş.

Notes To The Consolidated Financial Statement For The Year Ended December 31, 2023

Financial statement information related to consolidated subsidiaries in the above order:

	Total Assets	Shareholders' Equity	Total Tangible Assets	Interest Income (2)	Securities Income	Current Period Profit/Loss	Prior Period Profit/Loss	Fair Value (3)	Additional Shareholders' Equity Required
1	56,381,518	12,217,136	1,000,560	2,702,714	5,033,829	6,380,160	1,323,552	29,773,500	
2	162,865,081	6,449,458	303,078	1,693,711	1,461,713	2,853,815	1,391,752	16,229,060	
3	296,796	266,368	9,595	237,850	18,786	97,261	51,395		
4	24,005,377	3,083,927	26,239	4,287,254	19,209	1,159,924	445,386		
5	51,557,546	6,769,900	65,031	7,293,713	37,574	1,767,060	826,766	7,779,741	
6	31,191,034	25,209,951	24,696,795	121,520	438,861	11,175,211	8,364,189	14,340,024	
7	2,242,201	2,234,936	3,447	21,187		1,227,673	732,001	1,663,556	
8	978,725	848,523	11,765	16,268	205,924	459,899	224,749		
9	41,220,341	16,512,401	378,891	4,643,010	8,082,005	9,811,742	4,529,607	45,652,500	
10	372,635	366,938	460	37,113	101,684	109,910	80,245	1,562,310	
11	67,285,904	14,039,466	451,318	2,822,060		860,199	323,549		
12	11,890,612	2,196,726	139,393	561,284		422,943	478,434		
13	5,158,288	1,484,387	102,809	327,419		155,201	82,366		
14	103	94		2		-6			
15	307,945	284,786	6,529	40,126	11,260	266,187	8,969		
16	3,519,769	353,702	9,075	13,901		101,702	31,829		
17	22,668,143	10,128,118	183,087	510,231	362,369	3,629,008	888,620		
18	1,385,991	94,464	7,114	41,958	477	47,877	2,351		
19	3,366,099	3,344,980	3,271,714	15,316		1,535,587	1,069,466	3,868,150	
20	180,913,852	21,825,052	3,675,723	18,772,862	167,740	7,149,926	4,105,739	18,242,000	
21	5,598,442	637,290	74,785	774,776	103,674	282,714	115,122		
22	1,621,851	674				371	66		

(1) Within the framework of BRSA regulations, it includes values dated 31.12.2023 that are not subject to inflation accounting.

(2) Includes interest income on securities.

(3) Fair value is the companies' market value.

i.4. Movement of investments in subsidiaries (1):

	Current Period	Prior Period
Balance at the Beginning of the Period	37,373,370	17,613,057
Movements in the Period		
Purchases (2)	53,758	2,714,715
Bonus Shares Acquired		
Dividends Received from the Current Year Profit		
Sales		
Revaluation Surplus/Deficit (3)	30,038,491	17,045,598
Impairment		
Balance at the End of the Period	67,465,619	37,373,370
Capital Commitments		
Contribution in equity at the end of the period (%)		

(1) Reveals the information related to companies subject to consolidation in which Bank directly owns share.

(2) The current period balance is due to the reclassification of Anadolu Hayat Emeklilik A.Ş. and İş Finansal Kiralama A.Ş.'s shares followed under Financial Assets at Fair Value Through Profit or Loss under subsidiaries, and the prior period balance is due to the capital increase of İşbank AG.

(3) Includes accounting differences by equity method.

i.5. Sectoral information on consolidated subsidiaries and the related carrying amounts (1):

	Current Period	Prior Period
Banks	28,573,981	16,800,054
Insurance Companies	14,039,712	7,310,823
Factoring Companies		
Leasing Companies	1,472,096	937,316
Finance Companies		
Other Financial Subsidiaries	23,379,830	12,325,177
Total	67,465,619	37,373,370

(1) Reveals the information related to companies subject to consolidation in which Bank directly owns share.

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Notes To The Consolidated Financial Statement For The Year Ended December 31, 2023

i.6. Consolidated subsidiaries traded on stock exchange (1):

	Current Period	Prior Period
Traded on domestic stock exchanges	40,271,948	22,198,019
Traded on foreign stock exchanges		

i.7. Consolidated subsidiaries disposed of in the current period: None

i.8. Subsidiaries acquired in the current period: None

i.9. Other issues on subsidiaries:

As explained in Note III.2 of Section Three, non-financial subsidiaries, associates and jointly controlled associates are accounted by using the equity method defined in TAS 28 "Investments in Subsidiaries and Associates" within the scope of TAS 27 "Individual Financial Statements".

The Parent Bank participated in the cash capital increase of TL 9,250,000 of Trakya Yatırım Holding A.Ş., which it owns 100%.

In the current period, İş Girişim Sermayesi Yatırım Ortaklığı A.Ş., a Group company, sold all of its shares in the capital of its subsidiary Nevotek Bilişim Ses ve İletişim Sistemleri Sanayi ve Ticaret A.Ş. for TL 2.126 and sold to outside the group all of its shares in the capital of another subsidiary Mikla Yiyecek ve İçecek A.Ş. for TL 145.500.

As announced in the Parent Bank's special event disclosures dated 25.08.2023 and 27.10.2023, it was decided to continue the partial division transactions in a simplified manner with the participation model, through the financial statements dated 31.12.2023.

j. Information on jointly controlled entities (Net):

As per the "Communiqué on Preparation of Consolidated Financial Statements of Banks", jointly controlled entities as credit institutions or financial institutions are included in the scope of consolidated financial statements. There are no jointly controlled entities which are excluded in the scope of the consolidation.

On the other hand, as explained in Note III.2 of Section Three, non-financial subsidiaries, associates and jointly controlled associates are accounted by using the equity method defined in TAS 28 "Investments in Subsidiaries and Associates" within the scope of TAS 27 "Individual Financial Statements".

k. Information regarding finance lease receivables (Net):

k.1. Presentation of finance lease receivables according to their remaining maturities:

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 Year	13,690,050	10,975,364	8,698,663	7,065,854
1-4 Years	13,428,777	11,884,748	10,780,717	9,443,616
More than 4 Years	1,139,279	900,585	1,271,472	1,133,105
Total	28,258,106	23,760,697	20,750,852	17,642,575

k.2. Information regarding net investments made on finance lease:

	Current Period	Prior Period
Gross Finance Lease Investment	28,258,106	20,750,852
Unearned Finance Revenue from Finance Lease (-)	4,497,409	3,108,277
Net Finance Lease Investment	23,760,697	17,642,575

k.3. Presentation of operating lease receivables according to their remaining maturities:

As at December 31, 2023 the remaining maturities of the Group's operating lease receivable is less than 1 year the total amount is TL 93,070 (December 31, 2022; TL 35,795).

l. Positive differences table for hedging derivative financial assets:

Part of Derivative Financial Assets at Fair Value Through Profit Loss (1)	Current Period		Prior Period	
	Net	Gross	Net	Gross
Hedging Derivative Financial Assets		310,639		387,926
Hedging Cash Flow				
Protection from Net Investment Risk Abroad				
Total		310,639		387,926

(1) Includes information on derivative financial assets for hedging purposes classified under derivative financial assets.

Explanations on hedging derivative financial assets:

Derivative Financial Liabilities at Fair Value through Profit/Loss	Current Period			Prior Period		
	Contract Sum	Assets	Liability	Contract Sum	Assets	Liability
Interest Rate Swap Transactions	12,304,847	94,859	130,762	15,582,944		134,010
FC	12,304,847	94,859	130,762	15,582,944		134,010
TL						
Currency Swap Transactions	26,483,208	215,780	39,214	10,914,093	387,926	
FC	26,483,208	215,780	39,214	10,914,093	387,926	
TL						

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Information on fair value hedge accounting is given below.

Current Period:

Hedging Instrument	Hedging Item	Risk Exposure	Fair Value Difference of Hedging Assets (1)	Net fair value of hedging instrument (1)		Income statement effect (profit / loss from derivative financial transactions)
				Assets	Liabilities	
Interest Rate Swap Transactions	Fixed Interest rate Eurobond and Greenbond	Interest Risk	(112,672)		77,745	(34,927)
Interest Rate Swap Transactions	Fixed Rate Loans Used	Interest Risk	107,833		(115,332)	(7,499)
Cross Currency Swap Transactions	Fixed Interest Rate Eurobond	Interest Risk	(103,960)	152,334		48,374

(1) The fair value of the protected assets and the hedged assets subject to hedge accounting is shown as the net market value excluding the credit risk and the accumulated interest.

Prior Period:

Hedging Instrument	Hedging Item	Risk Exposure	Fair Value Difference of Hedging Assets (1)	Net fair value of hedging instrument (1)		Income statement effect (profit / loss from derivative financial transactions)
				Assets	Liabilities	
Interest Rate Swap Transactions	Fixed Interest rate Eurobond and Greenbond	Interest Rate Risk	8,201		(3,496)	4,705
Interest Rate Swap Transactions	Fixed Rate Loans Used	Interest Rate Risk	93,402		(94,182)	(780)
Cross Currency Swap Transactions	Fixed Interest Rate Eurobond	Interest Rate Risk	(76,245)	80,846		4,601

(1) The fair value of the protected assets and the hedged assets subject to hedge accounting is shown as the net market value excluding the credit risk and the accumulated interest.

m. Information on Tangible Assets:

Current Period	Real Estate	Right-to-Use Assets	Buildings Under Construction	Vehicles	Other MDV	Total
Previous Period						
Cost	20,694,380	3,502,559	311,421	78,021	5,160,629	29,747,010
Accumulated Depreciation	(19,762)	(1,998,332)		(40,420)	(3,210,378)	(5,268,892)
Net Book Value	20,674,618	1,504,227	311,421	37,601	1,950,251	24,478,118
Current Period						
Net Book Value at the Beginning of Period	20,674,618	1,504,227	311,421	37,601	1,950,251	24,478,118
Current Period Changes (Net) (1)	18,379,219	1,224,322	217,052	32,018	2,417,243	22,269,854
Depreciation Fee	(293,138)	(796,294)		(13,210)	(898,060)	(2,000,702)
Provision for Impairment (Net)	(133,192)					(133,192)
Foreign Exchane Differences (Net) (1)	18,334	158,073		1,608	3,445	181,460
End of Term Cost	38,677,652	5,163,854	528,473	114,950	7,674,348	52,159,277
Accumulated Depreciaton at the End of the Period	(31,811)	(3,073,526)		(56,933)	(4,201,469)	(7,363,739)
Net Book Value at the End of the Period	38,645,841	2,090,328	528,473	58,017	3,472,879	44,795,538

(1) Includes the movements in cost value and accumulated depreciation items.

k. Information on Intangible Assets:

Explanation regarding consolidation goodwill that is included in intangible assets is given in Section Three under the caption of “XII. Explanations on Goodwill and Other Intangible Assets.” The table consisting movements of other intangible assets are presented below.

	Current Period	Prior Period
Net Book Value at the Beginning of the Period	4,051,819	2,154,031
Change During the Period (Net)(1)	4,386,262	2,756,745
Depreciation	(1,425,520)	(912,870)
Impairment		
Currency Translation Differences (1)	97,686	53,913
Cost at Period End	12,969,359	8,199,345
Accumulated Depreciation at Period End	(5,859,112)	(4,147,526)
Net Book Value at the End of the Period	7,110,247	4,051,819

(1) The balance includes the movements in cost and accumulated depreciation items.

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I. Information on investment property:

Investment properties are properties that the Group holds to earn rentals. Explanations on these subjects are given in Section Three Note XIV. Total rental income obtained from investment properties during the period is TL 536,694 (December 31, 2022: TL 275,199).

	Current Period	Prior Period
Net Book Value at the Beginning of the Period	11,320,190	4,601,916
Change During the Period (Net)	(1,395,323)	190,204
Revaluations Surplus/Deficit	8,131,363	6,528,070
Net Book Value at the End of the Period	18,056,230	11,320,190

m. Information on deferred tax asset:

As of December 31, 2023, the Parent Bank and the other consolidated Group companies has deferred tax asset amounting to TL 14,637,453. Such deferred tax asset is calculated based on the temporary differences between the book value of assets and liabilities and their tax basis measured as per the prevailing tax regulation. When the items comprising the temporary differences are followed under equity, the related tax asset/liability is directly recognized under equity items.

	Current Period	Prior Period
Tangible Assets Base Differences	629,472	59,702
Provisions (1)	(15,396,760)	(1,292,150)
Finance Lease Income Accruals	107,969	66,033
Valuation of Financial Assets	386,583	259,564
Other	(364,717)	(67,259)
Net Deferred Tax Asset	(14,637,453)	(974,110)

(1) Comprised of employee termination benefits, actual and technical deficits of the pension fund, insurance technical provisions, the provisions for credit card bonus points, expected credit loss for Stage 1 and Stage 2 loans and other provisions.

	Current Period	Prior Period
Balance at the Beginning of the Period	(625,273)	2,994,027
Deferred Tax Income/ (Expense) (Net)	6,780,453	5,112,280
Deferred Tax Accounted Under Equity	7,333,400	(8,745,726)
Deferred Tax Accounted Under Previous Year P / L	1,042,313	
Exchange rate differences	(7,633)	14,146
Net Deferred Tax Asset / (Liability) (1)	14,523,260	(625,273)

(1) In the consolidated financial statements, there are deferred tax assets of TL 14,637,453 and deferred tax liabilities of TL 114.193 in the current period. Explanations on deferred tax liability are given in Section Five, Note II.h.2.

n. Information on assets held for sale and discontinued operations:

	Current Period	Prior Period
Net Balance at the Beginning of the Period	1,618,994	910,871
Change during the periods (Net) (1)	(62,651)	708,104
Amortized Cost		
Provision for Decrease in Value	(190)	(7,042)
Foreign Currency Difference	6,801	7,061
Net Book Value at the End of the Period	1,562,954	1,618,994

(1) The TL 1,249,492 portion of the change in the current period relates to the transfer of the 12.28% share in General Energy PLC's capital to the Bank as an offset to the receivable.

The other assets classified as “Fixed Assets Held for Sale” mostly consist of real estates subject to sale are made by using newspaper advertisements and similar media. Additionally, the Parent Bank’s real estates subject to sale are announced on the Bank’s web site.

The Group has no discontinued operations.

o. Information on other assets of the group:

Other assets item does not exceed 10% of the balance sheet total.

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Notes To The Consolidated Financial Statement For The Year Ended December 31, 2023

II. DISCLOSURES AND FOOTNOTES ON CONSOLIDATED LIABILITIES

a. Information on Deposits:

a.1. The maturity structure of deposits:

Current Period	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6 Months to 1 Year	1 Year and Over	Accumulated Deposits	Total
Savings Deposits	72,206,209		17,511,367	157,038,120	227,466,867	17,360,564	12,239,090	3,774	503,825,991
Foreign Currency Deposits	411,566,482		51,485,336	153,058,226	24,761,842	11,076,837	46,725,033	1,068	698,674,824
Residents in Turkey	343,778,843		44,820,892	116,294,871	19,261,998	3,579,531	10,300,935	1,068	538,038,138
Residents Abroad	67,787,639		6,664,444	36,763,355	5,499,844	7,497,306	36,424,098		160,636,686
Public Sector Deposits	1,634,553		75,221	366,251	122,942	430	5		2,199,402
Commercial Deposits	61,006,380		85,271,302	23,979,704	69,582,262	25,114,833	12,497,610		277,452,091
Other Institutions Deposits	1,676,230		2,997,524	5,529,104	5,328,329	103,904	9,942		15,645,033
Precious Metals Deposits	102,599,647		2,937	3,979,932	821,987	8,683,669	364,383		116,452,555
Interbank Deposits	1,419,938		78,812,056	896,803	1,222,655	3,321,529	10,128,943		95,801,924
The Central Bank of Turkey	974								974
Domestic Banks	82,546		75,646,900	502,329		164,775			76,396,550
Foreign Banks	1,335,595		3,165,156	394,474	1,222,655	3,156,754	10,128,943		19,403,577
Participation Banks	823								823
Other									
Total	652,109,439		236,155,743	344,848,140	329,306,884	65,661,766	81,965,006	4,842	1,710,051,820

Prior Period	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6 Months to 1 Year	1 Year and Over	Accumulated Deposits	Total
Savings Deposits	52,201,388		13,192,421	57,543,852	89,132,133	5,629,299	4,469,259	4453	222,172,805
Foreign Currency Deposits	259,519,298		44,938,425	142,216,242	14,994,589	6,031,447	21,436,452	1,332	489,137,785
Residents in Turkey	217,729,950		41,659,997	120,084,874	11,660,457	2,295,737	4,755,227	1,312	398,187,554
Residents Abroad	41,789,348		3,278,428	22,131,368	3,334,132	3,735,710	16,681,225	20	90,950,231
Public Sector Deposits	948,455		41,996	218,359	2,352	412	5		1,211,579
Commercial Deposits	54,943,461		49,548,292	11,835,853	19,297,798	8,470,551	4,974,482		149,070,437
Other Institutions Deposits	933,998		1,585,467	2,555,476	126,370	11,971	30,133		5,243,415
Precious Metals Deposits	61,964,641		10,925	3,864,020	221,532	8,091,907	339,773		74,492,798
Interbank Deposits	1,192,084		2,933,032	2,021,365	56,837	1,398,107	3,705,688		11,307,113
The Central Bank of Turkey	756								756
Domestic Banks	37,492		2,297,918	322,705		400,126			3,058,241
Foreign Banks	1,153,256		635,114	1,698,660	56,837	997,981	3,705,688		8,247,536
Participation Banks	580								580
Other									
Total	431,703,325		112,250,558	220,255,167	123,831,611	29,633,694	34,955,792	5,785	952,635,932

Within the framework of the ""Communiqué on Supporting the Transformation into Turkish Lira Deposits and Participation Accounts"" published in the Official Gazette dated 24.02.2022 and numbered 31760 and the CBRT's communiques numbered 2021/14, 2021/16, 2022/7 and 2022/11, Parent Bank offers its customers a TL deposit product with exchange rate protection. As of 31.12.2023, the amount of the foreign exchange-protected deposits opened within this scope is TL 279,584,133 (31.12.2022: 129,809,134 TL).

Türkiye İş Bankası A.Ş.

Notes To The Consolidated Financial Statement For The Year Ended December 31, 2023

a.2. Savings deposits which are under the guarantee of Savings Deposits Insurance Fund exceeding the insurance limit:

Savings Deposits	Under the Guarantee of Savings Deposits Insurance Fund		Exceeding the Limit of Deposit Insurance Fund	
	Current Period (1)	Prior Period	Current Period	Prior Period
Savings Deposits	179,078,644	98,271,661	320,081,874	122,016,357
Foreign Currency Savings Deposits	142,427,842	76,393,000	271,482,690	221,588,222
Other Deposits in the Form of Savings Deposits	53,207,056	26,836,200	60,492,920	41,995,951
Foreign Branches' Deposits Under Foreign Authorities' Insurance	39,482,651	21,388,501	6,219,273	4,438,625
Off-shore Banking Regions' Deposits Under Foreign Authorities Insurance				

(1) With the Official Gazette dated 27.08.2022 and numbered 31936, a change was made in the determination of the deposits subject to insurance, and all deposits except those belonging to official institutions and credit and financial institutions were covered by insurance. Within this framework, there are commercial deposits amounting to TL 36,212,609 (31.12.2022: 21,845,052 TL) within the scope of the insurance, and the related amount is not shown in the table.

a.3. Savings deposits which are not under the guarantee of deposit insurance fund:

	Current Period	Prior Period
Foreign Branches' Saving Deposits and Other Accounts	6,219,273	4,438,625
Deposits and Other Accounts held by Main Shareholders and their Relatives		
Deposits and Other Accounts of the Chairperson and Members of Board of Directors, Chief Executive Officer, Senior Executive Officers and their Relatives	77,781	39,447
Deposits and Other Accounts Covered by Assets Generated Through the Offenses Mentioned in Article 282 of the Turkish Criminal Code Numbered 5237 and Dated 26 September 2004		
Deposits in the Banks to be Engaged Exclusively in Off-shore Banking in Turkey		

b. Negative Differences on Derivative Financial Liabilities Held for Trading:

Derivative Financial Liabilities at Fair Value through Profit/Loss (1)	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	184,450	796,917	115,054	601,553
Swap Transactions	413,616	5,677,628	2,910,812	6,050,298
Futures				
Options	4,211	1,117,558	34,799	244,575
Other				
Total	602,277	7,592,103	3,060,665	6,896,426

(1) Includes information related to derivative financial liabilities held for trading and clssified under derivative financial liabilities. Information on derivative financial liabilities for hedging purposes is disclosed in Note II.g of Section Five.

c. Banks and Other Financial Institutions:

c.1. Information on banks and other financial institutions:

	Current Period		Prior Period	
	TL	FC	TL	FC
Funds borrowed from the CBRT				
Domestic banks and institutions	6,579,759	7,068,265	9,536,923	8,805,823
Foreign banks, institutions and funds	3,508,820	224,083,749	2,564,571	135,074,282
Total	10,088,579	231,152,014	12,101,494	143,880,105

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c.2. Maturity analysis of funds borrowed:

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-term	7,320,155	13,300,977	9,704,698	8,339,020
Medium and Long-term	2,768,424	217,851,037	2,396,796	135,541,085
Total	10,088,579	231,152,014	12,101,494	143,880,105

c.3. Information on funds borrowed:

Information on funds received through syndicated loans and securitization deals, which take a significant place among funds borrowed, are given below.

Syndication loans:

Date of Use	Funds Borrowed	Maturity
July 2023	USD 17,500,000 + EURO 94,000,000	1 year
June 2023	USD 224,000,000 + EURO 388,250,000	1 year
November 2023	USD 465,000,000 + EURO 411,000,000	1 year

Securitization deals:

The Parent Bank obtained funds by putting on securitization deals all its claims and receivables based on diversified payment rights in USD, EUR and GBP through its consolidated structured entity TIB Diversified Payment Rights Finance Company (TIB) which was established in abroad. The Parent Bank monitors securitization credits under the "Borrowings" on its financial statements as per its nature.

Information on funds received through securitization is given below.

Date	Amount	Final Maturity	Remaining Debt Amount as at December 31, 2023
June 2012	EURO 125,000,000	12 years	EURO 9,375,000
December 2013	EURO 50,000,000	12 years	EURO 10,000,000
December 2014	USD 220,000,000	14 years	USD 100,000,000
March 2015	USD 15,000,000	15 years	USD 11,718,750
October 2015	USD 221,200,000	10 years	USD 48,387,500
October 2016	USD 55,000,000	12 years	USD 26,829,260
December 2016	USD 158,800,000	10-13 years	USD 64,005,715
December 2017	USD 55,000,000	7 years	USD 11,000,000
December 2017	USD 125,000,000	9 years	USD 77,380,952
August 2022	USD 227,000,000	5 years	USD 227,000,000
November 2023	USD 195,000,000	5 years	USD 195,000,000
November 2023	EURO 50,000,000	5 years	EURO 50,000,000

Other Transactions:

d. Information on Debt Securities Issued (Net):

	Current Period		Prior Period	
	TL	FC	TL	FC
Bills	6,165,382	735,314	10,463,791	
Asset backed security	1,508,031		164,426	
Bonds	2,642,046	98,092,794	895,529	46,820,814
Total	10,315,459	98,828,108	11,523,746	46,820,814

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e. Concentration of the liabilities of the Group:

Group's liabilities 56% are comprised of deposits, 9% are comprised of funds borrowed, 5% are comprised subordinated debt and marketable securities issued and 3% are comprised of debt from money markets. Deposits are distributed among a large variety of customers with different characteristics. The borrowings, on the other hand, are comprised of various funds obtained from financial institutions through syndication, securitization, post-financing and money market operations.

f. Information on Other Liabilities:

Other liabilities do not exceed 10% of the balance sheet total.

g. Information on Lease Payables (Net):

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	100,418	60,323	54,887	29,467
1-4 years	648,076	489,502	546,849	390,839
More than 4 years	2,726,586	1,747,689	1,857,601	1,222,747
Total	3,475,080	2,297,514	2,459,337	1,643,053

h.. Negative differences related to derivative financial instruments for hedging purposes:

Part of Derivative Financial Liabilities at Fair Value Through Profit Loss (1)	Current Period		Prior Period	
	Gross	Net	Gross	Net
Fair Value Hedge Purpose		169,976		134,010
Cash Flow Hedges				
Net Investment Hedge Abroad				
Total		169,976		134,010

(1) Includes the negative differences related to derivative financial assets for hedging purposes classified under derivative financial assets.

The transactional details for the hedging derivative financial instruments are disclosed in Note I.I of Section Five.

i. Information on Provisions:

i.1. Reserves for employee benefits:

According to the related regulation and the collective bargaining agreements, the Parent Bank is obliged to pay employee termination benefits to employees who retire, die, quit for their military service obligations, who have been dismissed as defined in the related regulation or to the female employees who have voluntarily quit within one year after the date of their marriage. In accordance with the related regulations, the amount of employee termination benefits is TL 23,489.83 (exact TL amount as of December 31, 2023), which is one-month salary for each service year and cannot exceed the base salary ceiling for employee termination benefits. A provision for severance pay to allocate that employees need to be paid upon retirement is calculated by estimating the present value of probable amount. A provision for severance pay to allocate that employees need to be paid upon retirement is TL 5,643,824 as of December 31, 2023 (December 31, 2022; TL 5,605,220).

Main actuarial assumptions used in calculation of severance pay liability are as follows:

- In the calculation, the discount rate is 23.58%, the inflation rate is 19.65%, and the real wage increase rate is 2%.
- In the calculation, the ceiling of 24,489.83 TL (full TL amount) valid as of 31.12.2023 was taken as basis.
- Retirement age is taken into account as the earliest age at which individuals can retire.
- CSO 1980 mortality table is used for probability of death for women and men.

The movements related to provision for employee termination benefits are given below:

	Current Period	Prior Period
Present value of defined benefit obligation at the beginning of the period	5,605,220	2,424,212
Current Service Cost	432,431	194,109
Interest Cost	1,216,303	452,379
Benefits paid	(1,841,112)	(195,616)
Loss/(Gain) due to Settlements / Reductions / Terminations	2,642	9,837
Prior Year Service Cost	239,358	1,941
Actuarial loss/(gain)	(11,018)	2,718,358
Defined benefit obligation at the end of the period	5,643,824	5,605,220

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In addition to the retirement pay liability, the Bank and the Group companies included in the consolidation reserve provisions for unused vacation. As of December 31, 2023, the unused vacation provision amount is TL 530,788 (December 31, 2022: TL 288,519).

i.2. Provisions for exchange losses in the principal amount of foreign currency indexed loans:

Since foreign currency indexed loans are followed based on the rates on the lending date, the Parent Bank incurs a loss if the exchange rates decrease and makes profit if the exchange rate increases. As of December 31, 2023, and December 31, 2022 there is no provision amount for the currency evaluation losses in the principal amount of foreign currency indexed loans.

i.3. Specific provisions for non-cash loans, which are not indemnified and not converted into cash:

As of December 31, 2023, TL 2.976.310 provision (December 31, 2022: TL 1.618.580) is allocated for the non-cash loans of companies whose loans are followed under non-performing loans accounts

i.4. Information on other provisions:

i.4.1. Liabilities arising from retirement benefits:

Liabilities of pension funds founded as per the Social Security Act:

Within the scope of the explanations given in. Section Three Note XX.2, in the actuarial report which was prepared as of December 31, 2023 for Türkiye İş Bankası A.Ş. Emekli Sandığı Vakfı (İşbank Pension Fund) by a licensed actuary, of which each Bank employee is a member, and which has been established according to the provisional Article 20 of the Social Security Act numbered 506, the amount of actuarial and technical deficit stands at TL 14,288,742.According to the actuarial report as at December 31, 2023 of Milli Reasürans T.A.Ş. besides the Parent Bank, the amount of actuarial and technical deficit was determined to be TL 339,283. There is a provision on financial statements to compensate the deficit in mentioned period, the mentioned provision is preserved on current year financial statements as well. In the financial statements for the said period, there are as many provisions as the said deficit amount, and the said provision amount has been retained in the financial statements for the current period.

The above-mentioned actuarial audit, which was made in accordance with the principles of the related law, measures the cash value of the liability as of December 31, 2023, in other words, it measures the amount to be paid to the Social Security Institution by the Parent Bank. Actuarial assumptions used in the calculation are given below.

- 9.8 % technical deficit interest rate is used.
- 34.5 % total premium rate is used.
- CSO 1980 woman/man mortality tables are used.

Below table shows the cash values of premium and salary payments of the Parent Bank as of December 31, 2023, taking the health expenses within the Social Security Institution limits into account.

	Current Period	Prior Period
Net Present Value of Total Liabilities Other Than Health	(57,235,905)	(30,350,164)
Net Present Value of Long Term Insurance Line Premiums	25,775,506	13,123,522
Net Present Value of Total Liabilities Other Than Health	(31,460,399)	(17,226,642)
Net Present Value of Health Liabilities	(6,190,532)	(2,986,675)
Net Present Value of Health Premiums	18,687,242	9,514,553
Net Present Value of Health Liabilities	12,496,710	6,527,878
Pension Fund Assets	4,674,947	2,319,023
Amount of Actuarial and Technical Deficit	(14,288,742)	(8,379,741)

The assets of the pension fund are as follows:

	Current Period	Prior Period
Cash and Cash Equivalents	3,366,702	1,240,842
Securities Portfolio	604,264	742,714
Other	703,981	335,467
Total	4,674,947	2,319,023

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Health benefits that are still being paid will be determined within the framework of the Social Security Institution legislation and related regulations with the transfer.

i.4.2. Provision of credit cards and promotion of banking services applications: The Bank has recognized provisions amounting to TL 642,592 for the amount which is recognized within the framework of credit card expenses of credit card customers or promotions for banking services as of December 31, 2023. (December 31, 2022: TL 235,129)

i.4.3. In 1993, Dışbank A.Ş. shares which were owned by the Parent Bank were sold to Lapis Holding A.Ş. In 2008, it was claimed that USD 52.6 million of the amount, which was paid upfront within the context of the sale agreement, had been provided from the funds of the insolvent TYT Bank A.Ş. by the buyer and payment of the mentioned amount as well as the interest to be calculated to the Savings Deposit Insurance Fund (SDIF) was demanded.

The administrative actions initiated by the SDIF in 2008 were revoked by Council of State Administrative Law Chambers 13th upon the application of the Bank. The decisions which were in favour of the Bank were reversed by Plenary Session of the Law Chamber upon the appeal of the SDIF, Council of State Administrative Law Chambers 13th decided to reject the applications of the Bank in January 2016 due to their obligation to obey the decisions of reversal.

After the aforementioned court decisions, although the legal process was still in progress, the collection procedures were carried out within the context of Law No. 6183 and TL 298,466 including the default interest, was collected from the Bank by the SDIF at prior periods and made provision for the whole amount.

Within the legal process, the individual application made by the Bank to the Constitutional Court did not yield a positive result and the negative declaration lawsuit filed for the determination of the Bank's non-debtor status was finalized against the Bank. Within the scope of the ongoing process, an agreement was reached with the SDIF by way of mutual release and the total balance subject to the proceedings was paid to the SDIF in the amount of USD 48 million on 05.02.2024, and the necessary provision was made in the financial statements as of 31.12.2023 for the entire amount.

i.4.4. Except the other provisions indicated above, free provision within conservatism principle, for negative circumstances which may arise from the possible changes that may arise in the economy and market conditions, amounting to TL 10,000,000 of which TL 8,475,000 provided in prior years and TL 1,525,000 was provided in the current period.

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j. Information on Tax Liability:

j.1. Information on current tax liability:

j.1.1. Information on tax provision:

Explanations on taxation and calculations are explained in Note XXI of Section Three. As of December 31, 2023, as a result of the clarification of the Group's corporate tax liability and temporary taxes paid, the remaining corporate tax liability amounts to TL 9,361,158 (December 31, 2022 TL 6,356,595). and as a result of the separate clarification process of each partnership and tax authority, current tax asset amounting to TL 50,335 (December 31, 2022 TL 26,354) occurs.

j.1.2. Information on taxes payable:

	Current Period	Prior Period
Corporate Tax Payable	9,361,158	6,356,595
Tax on Securities Income	1,050,214	439,514
Tax on Real Estate Income	10,422	8,285
Banking Insurance Transaction Tax	2,091,978	823,231
Foreign Exchange Transaction Tax	40,098	52,378
Value Added Tax Payable	261,828	114,629
Other	773,056	269,451
Total	13,588,754	8,064,083

j.1.3. Information on premiums:

	Current Period	Prior Period
Social Security Premiums – Employees	27,338	10,348
Social Security Premiums – Employer	33,931	12,478
Bank Pension Fund Premiums – Employees		
Bank Pension Fund Premiums – Employer		
Pension Fund Membership Fees and Provisions–Employees	38,284	18,065
Pension Fund Membership Fees and Provisions–Employer	44	23
Unemployment Insurance – Employees	13,588	6,965
Unemployment Insurance – Employer	27,291	13,942
Other	118	83
Total	140,594	61,904

j.2. Information on deferred tax liabilities:

The Parent Bank and the consolidated Group companies have TL 114,193 deferred tax liability as of December 31, 2023. The related deferred tax debt is calculated over the temporary differences between the book values of assets and liabilities in the records and their tax base values calculated according to tax.

	Current Period	Prior Period
Tangible Assets Base Differences	26,847	2,170,487
Provisions	(115,856)	(7,697,538)
Valuation of Financial Assets	147,596	7,153,981
Other	55,606	(27,547)
Deferred Tax Liability	114,193	1,599,383

(1) In the consolidated financial statements, there are deferred tax assets of TL 974,110 and deferred tax liabilities of TL 1,599,383 in the current period. Explanations on deferred tax liability are given in Section Five, Note II.h.2.

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k. Information on Payables for Assets Held for Sale and Discontinued Operations

The Bank does not have any payables for assets held for sale and discontinued operations.

l. Information on subordinated loans

Bank has issued subordinated debt securities, to be included in the contribution capital calculation, with the following nominal values;

- 11 year-term having a call option on 6th year in the amount of USD 500,000,000 with interest rate of 7% on June 29, 2017 and 10 year-term having a call option on 5th year in the amount of USD 750,000,000 with interest rate of 7% (effective from June 29, 2023 with an interest rate of 9.192%) on January 22, 2020 for the purpose of making available to the individuals and legal persons who are resident abroad,
- TL 1,100,000,000 on August 8, 2017, TL 800,000,000 June 19, 2019, and TL 350,000,000 September 26, 2019 (Full TL amount) each with a 10-year maturity and floating interest rates for qualified investors without being offered to the public in Turkey.

Nominal value contribution capital has issued borrowing instruments that will be included in the calculation of bonds. The bills mentioned are amounting to TL 39,870,982 as of December 31, 2023 (December 31, 2022 TL 33,558,745).

	Current Period		Prior Period	
	TL	FC	TL	FC
Debt Instruments To Be Included In Additional Capital Calculation				
Subordinated Loans				
Subordinated Debt Instrument				
Debt Instruments To Be Included In Contribution Capital Calculation				
Subordinated Loans	2,324,411	37,546,571	2,277,824	31,280,921
Subordinated Debt Instrument				
Total	2,324,411	37,546,571	2,277,824	31,280,921
Toplam	2,324,411	37,546,571	2,277,824	31,280,921

m. Information on consolidated shareholders' equity:

m.1. Presentation of paid-in capital:

	Current Period	Prior Period
Common shares	9,999,970	9,999,970
Preferred shares	30	30
Total	10,000,000	10,000,000

m.2. Explanation as to whether the registered share capital system ceiling is applicable at bank, if so, the amount of registered share capital:

Capital System	Paid-in Capital	Ceiling
Registered Capital System	10,000,000	25,000,000

m.3. The capital increase made in current period: None

m.4. Capital increase through transfer from capital reserves during the current period: None.

m.5. Significant commitments of the Parent Bank related to capital expenditures within the last year and the following quarter, the general purpose thereof, and the estimation of funds required for them: There is no capital commitment.

m.6. Information on shares acquired by the Company: The Parent Bank has repurchased shares amounting to TL 530,307 in accordance with the Board of Directors Decision dated August 17, 2018.

m.7. Previous periods' indicators related to income, profitability and liquidity, and the estimated effects of forecasts, which are to be made by taking into consideration the uncertainties of these indicators, on the Group's equity: The Parent Bank's and the Group companies' balance sheets are managed in a prudent way to ensure that the effect of risks arising from interest rates, exchange rates and loans is at the lowest level.

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m.8. Privileges Granted to Shares:

Turkish Commercial Law and related registration are kept conditionally;

Group (A) shares each with a nominal value of 1 Kuruş have the privileges of;

- receiving 20 times the number of shares in the distribution of bonus shares issued from conversion of extraordinary and revaluation reserves generated in accordance with the relevant laws (Article 18 of the Articles of Incorporation),
- exercising the preference rights as 20 times (Article 19 of the Articles of Incorporation) and

despite having a lower nominal value, Group (B) shares, each with a nominal value of 1 Kuruş, have the same rights with the Group (C) shares having a nominal value of 4 Kuruş each. Furthermore, Group (A) and (B) shares, each with a nominal value of 1 Kuruş are granted privileges in distribution of profits pursuant to Article 58 of the Articles of Incorporation.

m.9. Information on marketable securities value increase fund:

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets At Fair Value Through Other Comprehensive Income	4,420,683	(1,461,390)	29,879,045	(4,864,454)
Valuation Difference	5,810,836	(2,063,705)	39,560,096	(6,237,059)
Deferred Tax Effect on Valuation	(1,584,704)	602,315	(9,768,524)	1,372,605
Foreign Exchange Differences	194,551		87,473	
Total	4,420,683	(1,461,390)	29,879,045	(4,864,454)

n. Information on minority interest

	Current Period	Prior Period
Balance at the beginning of the period	18,801,765	9,234,928
Distributed Dividend	(346,380)	(226,322)
Subsidiaries Profit/Loss on minority interest	14,116,181	7,459,012
Effect of change in subsidiaries equity	2,723,743	2,312,603
Effect of change in Group's minority interest	(135,638)	21,544
Period Ending Balance	35,159,671	18,801,765

m. Information on Dividend Distribution

At the Bank's Ordinary General Assembly, held on March 30, 2023, it was decided to allocate net profit from operating activities of 2022, amounting to TL 61,537,880 thousand as follows;

- adding a total of TL 165,466 which is formed within the framework of various legislative regulations and is monitored in the profits of previous years,
- the balance sheet profit based on distribution amounting to TL 61,703,346 formed accordingly, TL 204,246 arising from real estate sales gains, of which it was decided to be used in capital increase, including the separation of TL 989 venture capital investment related to R&D discount, allocating a total of TL 476,341 as special reserves, of which TL 272,095 is allocated to venture capital investment trusts and funds,
- Addition of the provision amount of TL 3,093,000 allocated during the period for the profit share to be distributed to the personnel within the framework of the accounting standard "TAS 19-Benefits Provided to the Employees",

of the amount as a basis for distribution of TL 64,320,005;

- TL 9,230,643 to A, B and C group shares as cash,
- TL 39 to the founding shares as cash,
- TL 3,092,161 as cash dividend to employees to be distributed,
- TL 51,997,162 as legal and extraordinary reserves to be reserved,

has been decided. As of March 30, 2023; TL 51,997,162 was transferred to reserves account, cash dividends were distributed to the shares other than the shares acquired by the Bank, as of April 3, 2023.

- Since the Bank's Ordinary General Assembly Meeting for the year 2023 was not held as of the date of the report, the distribution of profits from the activities of the said period was not carried out.

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III. DISCLOSURES AND FOOTNOTES ON CONSOLIDATED OFF-BALANCE SHEET ITEMS

a. Explanations to Liabilities Related to Off-Balance Sheet Items:

a.1. Types and amounts of irrevocable loan commitments:

Commitment for customer credit card limits amounts to TL 417,894,567 and commitment to pay for cheque leaves amounts to TL 9,204,813. The amount of commitment for the forward purchase of assets is TL 14,376,964 and for the forward sale of assets is TL 14,410,167.

a.2. The structure and amount of probable losses and commitments resulting from off-balance sheet items, including those below:

The Group's provisions for indemnified non-cash loans balance is TL 2,976,310 as of December 31, 2023 (December 31, 2022: TL 1,618,580) which is allocated for the non-cash loans of companies whose loans are followed under "Non-performing Loans" accounts, Commitments are shown in the table of "Off-balance sheet items".

a.3. Guarantees, bank acceptances, collaterals that qualify as financial guarantees, and non-cash loans including other letters of credit:

	Current Period	Prior Period
Bank Acceptances	14,395,310	8,053,507
Letters of Credit	91,063,527	56,868,515
Other Guarantees	6,236,053	4,841,274
Total	111,694,890	69,763,296

a.4. Certain guarantee, provisional guarantees, suretyships and similar transactions:

	Current Period	Prior Period
Letters of Tentative Guarantees	6,461,015	2,855,259
Letters of Certain Guarantees	185,238,771	109,153,663
Letters of Advance Guarantees	43,825,683	21,968,649
Letters of Guarantee Given to Customs Offices	14,947,470	9,508,835
Other Letters of Guarantee	69,327,517	37,266,219
Total	319,800,456	180,752,625

a.5. Total Non-cash Loans

	Current Period	Prior Period
Non-cash Loans against Cash Risks	75,434,184	39,218,113
With Original Maturity of 1 Year or Less	13,279,229	11,916,800
With Original Maturity More Than 1 Year	62,154,955	27,301,313
Other Non-cash Loans	356,061,162	211,297,808
Total	431,495,346	250,515,921

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a.6. Sectoral risk concentration of non-cash loans:

	Current Period				Prior Period			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agriculture	915,302	0.54	281,184	0.11	612,476	0.67	82,994	0.05
Farming and Livestock	790,750	0.47	265,733	0.10	490,047	0.54	44,531	0.03
Forestry	112,662	0.07		0.00	107,093	0.12		0.00
Fishery	11,890	0.00	15,451	0.01	15,336	0.01	38,463	0.02
Industry	63,734,022	37.77	145,952,470	55.55	33,356,650	36.43	89,881,397	56.54
Mining and Quarrying	2,224,842	1.32	1,825,487	0.69	1,003,885	1.10	763,041	0.48
Manufacturing Industry	50,226,268	29.76	123,233,517	46.90	25,722,487	28.09	77,110,974	48.51
Electricity, Gas, Water	11,282,912	6.69	20,893,466	7.96	6,630,278	7.24	12,007,382	7.55
Construction	22,680,828	13.44	40,429,597	15.39	10,052,780	10.98	24,651,767	15.51
Services	80,938,974	47.96	69,580,248	26.48	47,177,829	51.53	43,029,313	27.07
Wholesale and Retail Trade	45,774,873	27.12	30,578,217	11.64	27,079,113	29.58	20,274,689	12.75
Hotel and Restaurant Services	1,852,852	1.10	808,327	0.31	1,283,859	1.40	914,027	0.58
Transport and Communications	8,149,862	4.83	19,334,249	7.36	5,338,287	5.83	11,961,045	7.52
Financial Institutions	18,971,238	11.24	14,717,032	5.60	9,689,863	10.58	7,869,063	4.95
Real Estate and Rental Services.	4,043,004	2.40	3,438,762	1.31	2,320,371	2.53	1,546,769	0.97
Self-Employment Services	1,034,103	0.61	216,365	0.08	812,991	0.89	142,340	0.09
Education Services	386,245	0.23	8,671	0.00	111,558	0.12	6,549	0.00
Health and Social Services	726,797	0.43	478,625	0.18	541,787	0.60	314,831	0.21
Other	495,541	0.29	6,487,180	2.47	357,507	0.39	1,313,208	0.83
Total	168,764,667	100.00	262,730,679	100.00	91,557,242	100.00	158,958,679	100.00

a.7. Non-cash Loans classified under Group I and Group II:

	Group I		Group II	
	TL	FC	TL	FC
Non-cash Loans	166,749,625	251,376,202	1,745,582	5,539,815
Letters of Guarantee	157,049,582	150,809,088	1,745,082	4,869,725
Bank Acceptances	9,434,550	4,960,260	500	
Letters of Credit	261,037	89,411,585		670,090
Endorsements				
Underwriting Commitments of the Securities Issued				
Factoring Related Guarantees				
Other Guaranties and Warranties	4,456	6,195,269		

b. Information on derivative financial instruments:

The derivative transactions of the Group mainly consist of money and interest swaps and forward foreign exchange purchase and sale transactions. In addition to these, money, interest and security options and futures transactions are also performed. Although the Group's derivative transactions accounted for trading purposes, there are derivative transactions that are accounted for trading purposes, as all the conditions required to be defined as an item suitable for financial risk hedge accounting are not fulfilled, although they provide economic hedging. On the other hand, derivative transactions, which are carried out to protect against changes in the fair values of financial instruments and have all the necessary conditions for their evaluation within the scope of hedge accounting, are classified as hedging purposes.

c. Explanations Related to Contingencies and Commitments:

The balance of the "Other Irrevocable Commitments" account, which comprised the letters of guarantees, guarantees and commitments submitted by the Group pursuant to its own internal affairs and guarantees given to third parties by other institutions in favor of the Parent Bank and the commitments due to housing loans extended within the scope of unfinished house projects followed, amounts to TL 48,032,693.

Due to the cheques given to the customers, the payment obligation amounting to TL 9,204,813, which was incurred as per the relevant legislation, was recorded in the commitment accounts. In the event that checks submitted to their beneficiaries are dishonored, up to TL 6,000 (in exact TL amount) for checks subject to both the "Law on the Regulation of Payments by Check and Protection of Check Holders" and the "Cheque Law" numbered 5941, within the framework of the relevant legislation, will be liable to pay. The said amounts will be collected from the customers, and the uncollectible amounts will be followed in the "Compensated Non-Cash Loan Amounts" accounts.

d. Explanations related to transactions made on behalf of or on the account of others:

It is explained in Note X under Section Four.

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Notes To The Consolidated Financial Statement For The Year Ended December 31, 2023

IV. DISCLOSURES AND FOOTNOTES ON THE CONSOLIDATED INCOME STATEMENT

a. Interest Income

a.1. Information on interest income on loans:

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Income on Loans (1)				
Short-term Loans	60,110,182	10,868,072	23,507,304	4,332,358
Medium and Long-term Loans	57,012,723	32,493,410	40,324,541	18,049,045
Interest on Non-performing Loans	3,735,258	11,244	2,581,728	19,307
Premiums Received from State Resource Utilization Support Fund				
Total	120,858,163	43,372,726	66,413,573	22,400,710

(1) Includes fee and commission income on cash loans.

a.2. Information on interest income on banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
The Central Bank of Turkey		38,987		52,130
Domestic Banks	2,707,515	125,451	737,608	134,658
Foreign Banks	88,128	811,649	39,480	228,800
Foreign Head Offices and Branches				
Total	2,795,643	976,087	777,088	415,588

a.3. Information on interest income from securities:

	Current Period		Current Period	
	TL	FC	TL	FC
Financial Assets at Fair Value through Profit and Loss	76,557	398,697	102,873	192,371
Financial Assets at Fair Value through Other Comprehensive Income	39,363,179	6,410,969	23,120,222	3,804,326
Financial Assets Measured at Amortized Cost	30,675,940	1,392,378	17,828,194	549,041
Total	70,115,676	8,202,044	41,051,289	4,545,738

As detailed in Note VII of Chapter III, the Bank has consumer price indexed (CPI) government bonds classified as financial assets at fair value through other comprehensive income, financial assets at fair value through profit or loss and financial assets measured by amortized cost in its securities portfolio. In the case of CPI forecast changes by 100 basis points in a positive or negative direction, as of 31 December 2023, the Parent Bank's pre-tax profit will increase by approximately TL 147 million (full amount) or decrease by the same amount.

a.4. Information on interest income received from associates and subsidiaries:

	Current Period	Priod Period
Interest Received From Affiliates and Subsidiaries	426,042	455,651

Türkiye İş Bankası A.Ş.

Notes To The Consolidated Financial Statement For The Year Ended December 31, 2023

b. Interest Expense

b.1. Information on interest expense from funds borrowed:

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	2,171,832	7,247,451	1,111,691	2,727,892
Central Bank of Turkey				
Domestic Banks	1,734,647	339,275	815,666	267,315
Foreign Banks	437,185	6,908,176	296,025	2,460,577
Foreign Head Offices and Branches				
Other Institutions	2,691	5,084,589	1,363	1,695,863
Total (1)	2,174,523	12,332,040	1,113,054	4,423,755

(1) Includes fee and commission expenses from cash loans.

b.2. Information on interest paid to associates and subsidiaries:

	Current Period	Prior Period
Interest Paid to Associates and Subsidiaries	2,027,892	447,325

b.3. Information on interest paid on marketable securities issued:

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest on Securities Issued	2,363,193	7,976,338	2,365,094	5,870,931

b.4. Information on Interest Expense on Deposits According to Maturity Structure:

Current Period	Demand Deposits	Time Deposits						Total
		Up to One Month	Up to Three Months	Up to Six Months	Up to One Year	Over One Year	Accumulated Deposits	
TL								
Bank Deposits	60	3,053,308	183,747					3,237,115
Savings Deposits	106	2,262,834	25,071,982	42,191,641	2,213,742	1,233,077	394	72,973,776
Public Sector Deposits		9,358	110,246	13,742	19			133,365
Commercial Deposits	1,450	17,597,878	5,894,130	9,843,852	3,233,704	1,469,119		38,040,133
Other Institutions Deposits		759,413	1,703,750	607,223	13,205	137		3,083,728
Deposits with 7 Days Notice								
Total	1,616	23,682,791	32,963,855	52,656,458	5,460,670	2,702,333	394	117,468,117
FC								
Foreign Currency Deposits	1,067	399,023	1,103,961	564,935	181,824	910,559	7	3,161,376
Bank Deposits	1,334	49,029	43,998	69,281	79,635	439,974		683,251
Deposits with 7 Days Notice								
Precious Metals Deposits			5,623	11,030	10,569	520		27,742
Total	2,401	448,052	1,153,582	645,246	272,028	1,351,053	7	3,872,369
TOTAL	4,017	24,130,843	34,117,437	53,301,704	5,732,698	4,053,386	401	121,340,486

Türkiye İş Bankası A.Ş.

Notes To The Consolidated Financial Statement For The Year Ended December 31, 2023

Current Period	Demand Deposits	Time Deposits						Total
		Up to One Month	Up to Three Months	Up to Six Months	Up to One Year	Over One Year	Accumulated Deposits	
TL								
Bank Deposits	75	215,542	132,256					347,873
Savings Deposits	8	1,540,779	8,305,750	9,067,691	536,973	396,682	464	19,848,347
Public Sector Deposits		2,663	23,780	10	42	2		26,497
Commercial Deposits	129	4,516,737	1,540,121	2,438,509	1,455,146	376,488		10,327,130
Other Institutions Deposits		117,461	562,135	18,097	1,699	223		699,615
Deposits with 7 Days Notice								
Total	212	6,393,182	10,564,042	11,524,307	1,993,860	773,395	464	31,249,462
FC								
Foreign Currency Deposits	1,410	162,334	660,935	74,422	25,328	238,676	2	1,163,107
Bank Deposits	11,446	7,276	6,060	2,525	19,697	25,975		72,979
Deposits with 7 Days Notice								
Precious Metals Deposits		11	6,524	744	16,422	890		24,591
Total	12,856	169,621	673,519	77,691	61,447	265,541	2	1,260,677
TOTAL	13,068	6,562,803	11,237,561	11,601,998	2,055,307	1,038,936	466	32,510,139

c. Explanations on dividend income:

	Current Period	Prior Period
Financial Assets with Fair Value Differences Recognized in Profit/Loss	340,620	213,750
Financial Assets with Fair Value Differences Recognized in Comprehensive Income	75,722	45,674
Other	5,180	4,102
Total	421,522	263,526

d. Information on trading profit/losses (Net):

	Current Period	Prior Period
Profit	2,507,981,258	1,808,795,913
Securities Trading Gains	229,156,069	128,986,395
Gains on Derivative Financial Instruments (1)	80,995,783	108,952,062
Foreign Exchange Gains	2,197,829,406	1,570,857,456
Losses (-)	2,467,236,519	1,789,318,125
Securities Trading Losses	211,227,197	118,479,257
Losses on Derivative Financial Instruments (1)	81,931,866	119,115,248
Foreign Exchange Losses	2,174,077,456	1,551,723,620
Trading Income/Losses (Net)	40,744,739	19,477,788

(1) Income arising from foreign currency changes related to derivative transactions amounting TL 83,206,057 and the losses amounting TL 98,296,587 and the amount of net loss is TL 15,090,530. (December 31, 2021: profit TL 39,998,909,156 loss TL 40,803,221 and net loss amount TL 804,312)

e. Information on other operating income:

As at reporting period, TL 38,547,396 of other operating income sources from inclusion and classification of operations of insurance and reinsurance companies; 90% of which is from insurance premiums. (December 31, 2022: TL 18,824,865, 91%). The remaining balance consists mainly of expected loss provisions allocated for loans, collections from loans in the 3rd stage and cancellations of free provisions allocated for possible risks in previous periods, collections from loans in the 3rd stage and fee income obtained from customers in return for various banking services and fixed asset sales revenues. 2,000,000 TL of free provisions for possible risks in prior periods have been reversed in the current period.

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Notes To The Consolidated Financial Statement For The Year Ended December 31, 2023

f. Information on expected credit loss and other provision expense:

	Current Period	Prior Period
Expected Credit Loss	19,759,355	13,055,945
Expected Credit Loss for 12 Months (Stage 1)	2,059,578	1,209,566
Significant Increase in Credit Risk (Stage 2)	5,615,275	1,963,033
Non-Performing Loans (Stage 3)	12,084,502	9,883,346
Impairment Losses on Marketable Securities	1,935	91,472
Financial Assets at Fair Value through Profit and Loss	824	18,954
Financial Assets at Fair Value Through Other Comprehensive Income	1,111	72,518
Impairment Losses on Associates, Subsidiaries and Joint-Ventures		
Associates		
Subsidiaries		
Jointly Controlled Entities		
Other (1)	4,628,282	6,083,658
Total	24,389,572	19,231,075

(1) The current period balance includes TL 3.525.000 free provision expense and TL 639.000 expense of the provision for litigation, details of which are disclosed in Note II.h.4.3 of Section Five.

g. Other operating expenses:

	Current Period	Prior Period
Reserve for Employee Termination Benefits	760,336	464,172
Bank Pension Fund Deficit Provisions	6,013,017	2,416,955
Impairment Losses on Tangible Assets	142,047	4,587
Depreciation Expenses of Tangible Assets	2,000,702	1,136,163
Impairment Losses on Intangible Assets		
Impairment Losses on Goodwill		
Amortization Expenses of Intangible Assets	1,425,520	912,870
Impairment Losses on Investments Accounted Under Equity Method		
Impairment Losses on Assets to be Disposed	7,403	33,675
Depreciation Expenses of Assets to be Disposed		
Impairment Losses on Assets Held for Sale and Subject to Discontinued Operations	923	378
Other Operating Expenses	31,020,238	12,629,150
Leasing Expenses Related to Exceptions to TFRS 16	499,200	217,764
Repair and Maintenance Expenses	981,110	550,271
Advertisement Expenses	1,805,980	808,529
Other Expenses	27,733,948	11,052,586
Loss on Sale of Assets	9,081	4,361
Other	51,632,349	24,569,241
Total	93,011,616	42,171,552

(1) The Group's expenditure within the scope of donation, aid and social responsibility projects in the current period is TL 79,971 (31.12.2020: TL 104,006).

In the table above, TL 39,732,789 of the operating expenses in the “Other” group arises from the insurance and reinsurance companies because of the classification of their activities in the “Other” group, and significant portion of the related expenses is compensation expenses paid (December 31, 2022: TL 20,610,199). In the current period, TL 2,488,465 of the “Other” item consists of cash donations made by companies included in the consolidation to the Disaster and Emergency Management Presidency (AFAD) due to the earthquake, and TL 2,768,973 of it consists of taxes, duties, fees and fund expenses.

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Notes To The Consolidated Financial Statement For The Year Ended December 31, 2023

h. Explanations on net profit / loss of continued and discontinued operations:

The Group's profit before tax arises from continuing operations. As of 31.12.2023, the profit before tax consists of TL 89,023,559 of net interest income, TL 40,133,066 of net fees and commission income, and the total of personnel expenses and other operating expenses is TL 123,656,421.

h.1. Information on provision for taxes from continuing and discounted operations

As of 31.12.2023, the Group's tax provision amounting to TL 13,478,534 consists of current tax provision of TL 20,258,987 and deferred tax income of TL 6,780,453. The Group does not have any discontinued operations.

h.2. Explanations on net profit / loss of continued and discontinued operations:

The net profit of the Group from its ongoing operations as of 31.12.2023 is TL 86,369,954.

i. Information on net period profit/loss:

- i.1. Income and expenses resulting from ordinary banking activities: There is no specific issue required to be disclosed for the Group's performance for January 1, 2023-December 31, 2023.
- i.2. Effects of changes in accounting estimates on the current and future periods' profit/loss: There is no issue to be disclosed.
- i.3. “The Other” item which is located at the bottom “Fees and Commissions Received” in the income statement consist of various fees and commissions received from transactions such as credit card transactions, capital market transactions and insurance-reinsurance transactions.
- i.4. Net profit / loss of Minority Interest:

	Current Period	Prior Period
Net Profit / Loss of Non-controlling Interest	14,116,181	7,459,012

j. Explanation on other items in income statement

The main other income items in the income statement consist of other interest income, other fees and commission income disclosed in Note IV.i.3 in Section 5, other operating income disclosed in Note IV.d in Section 5 and profit/loss from equity accounted investees.

k. Fees for services received from an independent audit firm

In accordance with the decision of KGK dated 26.03.2021, the fees for the reporting period regarding the services received from the independent auditor or independent audit firm are given in the table below. In addition to the Bank, the fees for services rendered to the Bank's domestic/foreign subsidiaries and jointly controlled partnerships are included in the aforementioned fees, which are stated as VAT excluded.

	Current Period	Prior Period
Independent Audit Fee for the Reporting Period	81,759	30,347
Other Assurance Services and Other Non-Audit Fees	20,191	8,029
Total	101,950	38,376

V. DISCLOSURES AND FOOTNOTES ON CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

The paid-in capital is TL 10,000,000 in legal records. As of balance sheet date, the balance of legal reserves is TL 11,797,317 the balance of extraordinary reserves is TL 403,399 and the balance of statutory reserves is TL 98,659,463.

The details of revaluation surplus account of securities are shared in the Note Section V-II-I-9. TL (982,389) of this amount is the deferred tax effect on marketable securities at fair value through other comprehensive income (December 31, 2022: TL (8,395,919)).

Foreign exchange differences amounting to TL 1.121.189 arising from net investment hedge accounting, details of which are explained in Note II.2 of Section Three, are recognized under “Accumulated Other Comprehensive Income or Expenses Reclassified to Profit or Loss”.

Türkiye İş Bankası A.Ş.

Notes To The Consolidated Financial Statement For The Year Ended December 31, 2023

VI. DISCLOSURES AND FOOTNOTES ON THE CONSOLIDATED STATEMENTS OF CASH-FLOWS

The consolidated operating profit of TL 86,645,439 before the changes in operating assets and liabilities mostly comprised of TL 211,263,314 of interest received from loans and securities, and TL 143,037,374 of interest paid on deposits, money market transactions and funds borrowed by the Bank. An important part of other revenues, TL 56,180,996 consists of premium collections of insurance companies. The account "Other" classified under operating profit other than fees and commissions paid, cash payments to personnel and service suppliers and taxes paid consists of other operating expenses and foreign exchange gains/losses accounts is TL (22,429,632) (December 31, 2022: TL (13,421,662)).

Net Increase (Decrease) in Other Liabilities account classified in changes of assets and liabilities resulting from the changes in Funds Provided Under Repurchase Agreements, miscellaneous payables, other liabilities and taxes, duties, charges, and premiums is decreased by TL 160,819,031 (December 31, 2022: TL 63,388,101 increase).

The Net Cash Provided from Other Investing Activities account includes net cash flows from the sale of intangible assets and declined by TL 4,288,012 (December 31, 2022: TL 2,756,163 decrease).

Foreign currency exchange differences on cash and cash equivalents are on the positive side TL 8.591.643 (31.12.2022 TL 975,670) as of December 31, 2023. Due to the high rate of turnover of related foreign currency assets, the difference between the last 30 days' arithmetic average of currency exchange rates and the year-end currency exchange rate is used to calculate the effect of change in foreign exchange rate. Under the same assumption, the effect of change in foreign exchange rate on cash and cash equivalents is calculated.

Cash, cash in foreign currency, unrestricted deposits in Central Bank of Turkey, money in transit, cheques purchased, money market operations as well as demand deposits and time deposits up to 3 months are defined as cash and cash equivalents.

Cash and cash equivalents at beginning of period:

	December 31, 2022	December 31, 2021
Cash	79,788,516	96,316,663
Cash in TL and Foreign Currency	15,828,672	14,862,587
Central Bank of Turkey and Other	63,959,844	81,454,076
Cash Equivalents	34,356,072	36,005,939
Receivables from Money Market Operations	6,101,378	2,950,824
Banks' Demand Deposits and Time Deposits Up to 3 Months	28,254,694	33,055,115
Total Cash and Cash Equivalents	114,144,588	132,322,602

The total amount resulting from the transactions made in the previous period shows the total cash and cash equivalents as of the beginning of the current period.

Cash and Cash equivalents as of end of the period:

	December 31, 2023	December 31, 2022
Cash	325,236,461	79,788,516
Cash in TL and Foreign Currency	30,877,622	15,828,672
Central Bank of Turkey and Other	294,358,839	63,959,844
Cash Equivalents	72,058,144	34,356,072
Receivables from Money Market Operations	7,811,536	6,101,378
Banks' Demand Deposits and Time Deposits Up to 3 Months	64,246,608	28,254,694
Total Cash and Cash Equivalents	397,294,605	114,144,588

Türkiye İş Bankası A.Ş.

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VII. DISCLOSURES AND FOOTNOTES ON THE GROUP'S RISK GROUP

a. Information on the volume of transactions relating to the Group's risk group, incomplete loan and deposit transactions and period's profit and loss:

a.1. Information on loans held by the Group's risk group:

Current Period:

Group's Risk Group	Investments in Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures)		Direct and Indirect Shareholders of the Bank		Other Real Persons and Corporate Bodies that have been Included in the Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans						
Balance at the beginning of the period	2,343,655	17,111,566			2,920,845	1,309,864
Balance at the end of the period	10,195,890	28,515,121			3,363,190	2,191,348
Interest and commission income received	426,042	10,200			504,933	16,305

Prior Period:

Group's Risk Group	Investments in Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures)		Direct and Indirect Shareholders of the Bank		Other Real Persons and Corporate Bodies that have been Included in the Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans						
Balance at the beginning of the period	2,402,860	16,824,670			1,916,562	608,306
Balance at the end of the period	2,343,655	17,111,566			2,920,845	1,309,864
Interest and commission income received	455,651	5,747			295,514	7,447

a.2. Information on deposits held by the Group's risk group:

Current Period:

Group's Risk Group	Investments in Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures)		Direct and Indirect Shareholders of the Bank		Other Real Persons and Corporate Bodies that have been Included in the Risk Group	
Deposits						
Balance at the beginning of the period	13,305,929		130,226		5,589,672	
Balance at the end of the period	21,601,646		1,700,282		4,383,964	
Interest expense on deposits	2,027,892		404,204		514,337	

Prior Period:

Group's Risk Group	Investments in Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures)		Direct and Indirect Shareholders of the Bank		Other Real Persons and Corporate Bodies that have been Included in the Risk Group	
Deposits						
Balance at the beginning of the period	10,076,451		302,826		1,710,018	
Balance at the end of the period	13,305,929		130,226		5,589,672	
Interest expense on deposits	447,325		58,439		172,982	

a.3. Information on forward and option and other similar agreements made with the Group's risk group:

Group's Risk Group	Investments in Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures)		Direct and Indirect Shareholders of the Bank		Other Real Persons and Corporate Bodies that have been Included in the Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Transactions in which the Difference in Fair Value is Reflected in Profit or Loss						
Balance at the beginning of the period	14,841,605	422,104				
Balance at the end of the period		14,841,605				
Total Profit/Loss		23,306				-1,400
Transactions for hedging purposes						
Beginning of the period						
End of the period						
Total Profit/Loss						

Türkiye İş Bankası A.Ş.

Notes To The Consolidated Financial Statement For The Year Ended December 31, 2023

b. Disclosures for the Group's risk group:

b.1. The relations of the Group with corporations in its risk group and under its control regardless of whether there are any transactions between the parties: All types of corporate and retail banking services are provided to these corporations in line with the articles of Banking Law.

b.2. The type and amount of transaction carried out, and its ratio to the overall transaction volume, values of principal items and their ratios to overall items, pricing policy and other items in addition to the structure of the relationship:

The transactions carried out are mainly loan and deposit transactions, The ratio of loans extended to the risk group to the overall loans is 1.04%, while the ratio to the overall assets is 0.46% the ratio of deposits of the risk group corporations to the overall deposits is 1.62%, while the ratio to overall liabilities is 0.94%, The comparable pricing method is used for the transactions.

b.3. Purchase and sale of real estates, other assets and services, agency agreements, finance lease contracts, transfer of information obtained through research and development, license agreements, funding (including loans and provision of support as cash capital or capital-in-kind), guarantees and collaterals and management agreements:

The Parent Bank's branches act as agents of Anadolu Anonim Türk Sigorta Şirketi and Anadolu Hayat Emeklilik A.Ş. Furthermore, through its branches, the Bank mediates the order transmission for İş Yatırım Menkul Değerler A.Ş. and carries out agency activities of İş Portföy Yönetimi A.Ş. 34 mutual funds which are founded by the Anadolu Hayat Emeklilik A.Ş. are managed by İş Portföy Yönetimi A.Ş. Securities purchases, when required, are made by İş Finansal Kiralama A.Ş., a subsidiary of the Bank, through leasing. The Bank's Private Banking and Commercial and Corporate Banking specialized branches are agencies of İş Portföy Yönetimi A.Ş.

If requested, the cash and non-cash loan needs of the risk group companies are met in accordance with the limits imposed by Banking Law and the prevailing market conditions.

c. Total salaries and similar benefits paid to the (executive members and senior executives)

In the current period, the gross payment provided to the key management of Group amounts TL 599,919 (December 31, 2022: TL 309,172).

VIII. DISCLOSURES ON THE GROUP'S DOMESTIC, FOREIGN, OFF-SHORE BRANCHES OR PARTICIPATIONS AND REPRESENTATIVE OFFICES

The Parent Bank – Türkiye İş Bankası A.Ş

	Number	Employees			
Domestic Branches (1)	1,066	20,809			
			Country of Incorporation		
Foreign Representative Offices	1	3	China		
	1	2	Egypt		
				Total Assets	Legal Capital
Foreign Branches	2	53	England	90,022,049	3,750
	15	214	TRNC	59,129,476	80,000
	2	45	Iraq	14,377,299	1,395,743
	2	35	Kosovo	4,574,098	325,698
	1	6	Bahrain	19,109,630	
Off-Shore Branches					

(1) The Branches located in Free Trade Zones in Turkey are included among domestic branches.

İşbank AG

	Number	Employees			
Domestic Branches (1)	8	144			
			Country of Incorporation		
Foreign Representative Offices					
				Total Assets	Legal Capital
Foreign Branches	1	7	Netherlands	2,623,721	
Off-Shore Branches					

(1) The branches of the company, which is headquartered in Germany, in Germany are shown as domestic branches

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Notes To The Consolidated Financial Statement For The Year Ended December 31, 2023

Milli Reasürans T.A.Ş.

	Number	Employees			
Domestic Branches	1	163			
			Country of Incorporation		
Foreign Representative Offices					
				Total Assets	Legal Capital
Foreign Branches					
Off-Shore Branches	1	11	Singapore	1,185,349	973,213

JSC İşbank

	Number	Employees			
Domestic Branches ¹	1	95			
			Country of Incorporation		
Foreign Representative Offices					
				Total Assets	Legal Capital
Foreign Branches					
Off-Shore Branches					

(1) The branches of the company, which is headquartered in Moscow, in Russia are shown as domestic branches.

JSC İşbank Georgia

	Number	Employees			
Domestic Branches ¹	2	58			
			Country of Incorporation		
Foreign Representative Offices					
				Total Assets	Legal Capital
Foreign Branches					
Off-Shore Branches					

(1) The branches of the company, which is headquartered in Tiflis, in Georgia are shown as domestic branches.

Number of employees of consolidated companies that does not have agencies and branches abroad:

	Employees
ANADOLU ANONİM TÜRK SİGORTA ŞİRKETİ	1,708
ANADOLU HAYAT EMEKLİLİK A.Ş.	1,062
EFES VARLIK YÖNETİM A.Ş.	89
İŞ FAKTÖRİNG A.Ş.	122
İŞ FİNANSAL KİRALAMA A.Ş.	135
İŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.	70
İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.	6
İŞ PORTFÖY YÖNETİMİ A.Ş.	84
İŞ YATIRIM MENKUL DEĞERLER A.Ş.	582
İŞ YATIRIM ORTAKLIĞI A.Ş.	6
MAXİS GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.	18
MAXIS INVESTMENTS LTD. (1)	10
MOKA ÖDEME VE ELEKTRONİK PARA KURULUŞU A.Ş.	67
TSKB GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.	12
TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.	452
YATIRIM FİNANSMAN MENKUL DEĞERLER A.Ş.	18

(1) The Company, which is headquartered in London, does not have any branch or representative office beside its head office. Yatırım Varlık Kiralama A.Ş. which is included to scope of consolidation during the current period does not have any employees.

Türkiye İş Bankası A.Ş.

Notes To The Consolidated Financial Statement For The Year Ended December 31, 2023

IX. SUBSEQUENT EVENTS

Within the scope of the decision of the Board of Directors regarding the issue of debt instrument on August 23, 2023, the Parent Bank issued a financial bond with a nominal value of TL 1,459,387 after December 31, 2023.

Within the scope of the decisions of the Parent Bank's Board of Directors dated 23.11.2022, 14.06.2023 and 20.11.2023 regarding the issuance of debt instruments abroad, financial bills and bonds with a nominal value of 285 million USD and 10 million EURO were issued abroad after 31.12.2023.

It has been decided to increase the Bank's paid-in capital from 10,000,000 TL to 25,000,000 TL, entirely from internal resources (extraordinary reserves). Accordingly, BRSA approval for the capital increase was obtained on 11.01.2024 and internal resources were transferred to the capital account. On 15.01.2024, the process regarding the application made to the Capital Markets Board (CMB) is ongoing and the issuance of new shares and necessary registration procedures will be realized after the CMB approval.

SECTION SIX: OTHER EXPLANATIONS

I. EXPLANATIONS ON THE GROUP'S CREDIT RATINGS:

Türkiye İş Bankası A.Ş.

	Rating	Outlook (*)
MOODY'S		
Long-term Foreign Currency Deposit	B3	Positive
Long-term Local Currency Deposit	B3	Positive
Long-term Foreign Currency Senior Debt	B3	Positive
Short-term Foreign Currency Deposit	Not-Prime	-
Short-term Local Currency Deposit	Not-Prime	-
FITCH RATINGS		
Long-term Foreign Currency Issuer Default Rating	B-	Stable
Long-term Local Currency Issuer Default Rating	B	Stable
Short-term Foreign Currency Issuer Default Rating	B	-
Short-term Local Currency Issuer Default Rating	B	-
National Long-term Rating	A+ (tur)	Stable
Viability Rating	B	-

The dates when the Bank's credit ratings/outlooks were last updated are given below:

Moody's: 17.01.2024, Fitch Ratings: 22.09.2023

İş Finansal Kiralama A.Ş.

	Rating	Outlook(*)
FITCH RATINGS		
Long-term Foreign Currency Issuer Default Rating	B-	Stable
Long-term Local Currency Issuer Default Rating	B	Stable
Short-term Foreign Currency Issuer Default Rating	B	-
Short-term Local Currency Issuer Default Rating	B	-
National Long-term Rating	A+ (tur)	Stable
Support Rating	B-	-

The date when the credit ratings/outlooks of İş Finansal Kiralama A.Ş were last updated are given below:

Fitch Ratings: 26.09.2023

Türkiye İş Bankası A.Ş.

Notes To The Consolidated Financial Statement For The Year Ended December 31, 2023

Türkiye Sınai Kalkınma Bankası A.Ş.

	Rating	Outlook(*)
MOODY'S		
Long-term Foreign Currency Issuer Rating	B3	Positive
Long-term Local Currency Issuer Rating	B3	Positive
Long-term Counterparty Risk Rating	B3	-
Counterparty Risk Assessment	B3(cr)	-
Adjusted Basic Credit Assessment	Caa1	-
Priority Unsecured Debt Rating	Caa1	-
Foreign Currency GMTN Program Rating	(P)B3	-
	Rating	Outlook(*)
FITCH RATINGS		
Long-term Foreign Currency Issuer Default Rating	B-	Stable
Long-term Local Currency Issuer Default Rating	B	Stable
Short-term Foreign Currency Issuer Default Rating	B	-
Short-term Local Currency Issuer Default Rating	B	-
Long-term National Rating	AA	Stable
Support Rating	Ns	-
Financial Capacity Rating	B-	-
Short-Term Priority Unsecured Debt Rating	B-	-
Long-Term Priority Unsecured Debt Rating	B	-

The date when the credit ratings/outlooks of TSKB were last updated are given below:

Moody's: 17.01.2024, Fitch Ratings: 22.09.2023

(*) Outlook:

"Stable" indicates that the current rating will not be changed in the short term; "positive" indicates that the current rating is very likely to be upgraded and "negative" indicates that the current rating is very likely to be downgraded.

SECTION SEVEN: EXPLANATIONS ON THE INDEPENDENT AUDITORS' REPORT

I. EXPLANATIONS ON THE INDEPENDENT AUDITORS' REPORT:

The consolidated financial statements and disclosures for the year ended December 31, 2023 have been reviewed by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi (A member firm of Ernst&Young Global Limited) and the independent auditor's report dated February 13, 2023, is presented preceding the consolidated financial statements.

II. EXPLANATIONS AND FOOTNOTES OF THE INDEPENDENT AUDITORS REPORT

There are no significant issues or necessary disclosures or notes in relation to the Group's operations other than those mentioned above.

Annexes

Activities for which Support Services are Received in Accordance with the Regulation on Procurement of Support Services for Banks

- Support services received from Atos Müşteri Hizmetleri A.Ş. for sales-oriented external calls,
- Support services received from ATP Ticari Bilgisayar Ağı ve Elektrik Güç Kaynakları Üretim ve Pazarlama Ticaret A.Ş. regarding the transfer of right to use software and documents,
- Support services received from Austriacard Turkey Kart Operasyonları A.Ş. for production and customization of credit cards and debit cards following purchase of credit card and debit card plastics,
- Support services received from Bilişim Bilgisayar Hizmetleri Ltd. Şti. for use of the payment application on Cash Registers,
- Support services received from Brink's Güvenlik Hizmetleri A.Ş. for international transportation,
- Support services received from CMC İletişim ve Çağrı Merkezi Hizmetleri A.Ş. aimed at calling customers and reminding them about deferrals regarding retail loans and credit cards payments,
- Support services received from Comdata Teknoloji ve Müşteri Hizmetleri A.Ş. aimed at calling customers and reminding them about deferrals regarding retail loans and credit cards payments,Support services received from Definex Danışmanlık A.Ş. for the development of a project loans app, risk center queries and foreign trade processes,
- Support services received from Edata Elektronik San ve Tic A.Ş. for maintenance of and running the Bank's application on cash registers,
- Support services received from E-Kart Elektronik Kart Sistemleri San. Tic. A.Ş. for production and customization of credit cards and debit cards following purchase of credit card and debit card plastics,
- Support services received from Enuygun Com İnternet Bilgi Hizmetleri Teknoloji ve Ticaret A.Ş. for marketing of consumer loans,
- Support services received from Erişim Müşteri Hizmetleri A.Ş. to meet the demands of customers using the telephone branch,
- Support services received from Hangisi İnternet ve Bilgi Hizmetleri A.Ş. for marketing of consumer loans,
- Support services received from Hobim Arşivleme ve Basım Hizmetleri A.Ş. for printing and/or enveloping bank statements of the credit cards and contracted merchants, and other documents such as letters and notices,
- Support services received from Hugin Yazılım Teknolojileri San. ve Tic. A.Ş. for maintenance of and running the Bank's application on cash registers,
- Support services received from Iron Mountain Arşivleme Hizmetleri A.Ş. regarding physical archive services,
- Support services received from Iron Mountain Arşivleme Hizmetleri A.Ş. for opening archive boxes, scanning of contracts and uploading them into the Bank's system by firm personnel, in addition to physical archive services,
- Support services received from Ingenico Ödeme Sistem Çözümleri A.Ş. for maintenance of and running the Bank's application on cash registers,
- Support services received from Innova Bilişim Çözümleri A.Ş. regarding the use of virtual POS,
- Support services received from Infina Yazılım A.Ş. regarding purchasing, installation, and maintenance of software and support services to be rendered throughout the term of the contract,
- Support services received from İnfoteks Bilgisayar Elektronik Telekom San. Tic. LTD. Şti. for maintenance of and running the Bank's application on cash registers,
- Support services received from İş Net Elektronik Bilgi Üretim Dağıtım Ticaret ve İletişim Hizmetleri A.Ş. regarding the provision of required resources for the operation, management and maintenance of data processing application servers and server operating systems, and the operation, management and maintenance of communication networks,
- Support services received from Jetizz Hızlı Taşımacılık A.Ş. for delivery of card products to our customers' addresses,
- Support services received from Karbil Yazılım ve Bilişim Teknolojileri Tic. A.Ş. for maintenance of and running the Bank's application on cash registers,
- Support services received from Key Yazılım Çözümleri A.Ş. regarding expertise software,

Activities for which Support Services are Received in Accordance with the Regulation on Procurement of Support Services for Banks

- Support services received from Konut Kredisi Com Tr Danışmanlık A.Ş. for marketing of consumer loans,
- Support services received from KKB Kredi Kayıt Bürosu A.Ş. regarding the use of Anadolu Data Center hard disk space,
- Support services received from Kurye Net Motorlu Kuryecilik ve Dağıtım Hizmetleri A.Ş. for delivery of credit card products to customer addresses,
- Support services received from Loomis Güvenlik Hizmetleri A.Ş. for transporting cheques, promissory notes, other commercial papers and documents,
- Support services received from Loomis Güvenlik Hizmetleri A.Ş. for transporting cash,
- Support services received from Loomis Güvenlik Hizmetleri A.Ş. for transporting cash abroad,
- Support services received from Loomis Güvenlik Hizmetleri A.Ş. for customer collection, transportation, processing and storage,
- Support services received from Mikrosaray Mikrobilgisayar Paz. ve Tic. A.Ş. for maintenance of and running the Bank's application on cash registers,
- Support services received from MT Bilgi Teknoloji Dış Ticaret A.Ş. for maintenance of and running the Bank's application on cash registers,
- Support services received from Obase Bilgisayar Danışmanlık Hizmetleri Ticaret San. A.Ş. for outsourcing data analytic activities,
- Support services received from Panaroma Bilişim Teknolojileri San. ve Tic. A.Ş. for maintenance of and running the Bank's application on cash registers,
- Support services received from Payten Teknoloji A.Ş. regarding secure e-payment infrastructure for electronic commerce,
- Support services received from Plastik Kart Akıllı kart İletişim Sistemleri San. ve Tic. A.Ş. for production and customization of credit cards and debit cards following the purchase of credit card and debit card plastics,
- Support services received from Postkom Basım ve Posta İletişim Hizmetleri A.Ş. for printing and/or enveloping bank statements of credit cards and contracted merchants, and other documents such as letters and notices,
- Support services received from R2 Servis Elektrik, Elektronik ve Bilgisayar Teknolojileri San. ve Tic. A.Ş. for maintenance of and running the Bank's application on cash registers,
- Support services received from Softtech Yazılım Teknolojileri Araştırma Geliştirme ve Pazarlama Tic. A.Ş. for information systems management, information systems infrastructure support, software development, project development, business analysis, systems analysis, project and product consulting, and technical support,
- Support services received from Softtech Yazılım Teknolojileri Araştırma Geliştirme ve Pazarlama Tic. A.Ş. for digitalization of financial analysis processes,
- Support services received from Token Finansal Teknolojiler A.Ş. for maintenance of and running the Bank's application on cash registers.
- Support services received from Emlakjet İnternet Hizmetleri ve Gayrimenkul Danışmanlığı A.Ş. for marketing of consumer loans,
- Support services received from Arabam Com İnternet ve Bilgi Hizmetleri A.Ş. for marketing of consumer loans,
- Software development and maintenance services from Topkapı Danışmanlık Elektronik Hizmetler Pazarlama ve Ticaret A.Ş.,
- Document Scanning and Barcode Reading Contract from İş Merkezleri Yönetim ve İşletim A.Ş.,
- Support services received from Paygo Finansal Teknolojileri A.Ş. for maintenance of and running the Bank's application on cash registers,
- Software development and support service received from Softtech Yazılım Teknolojileri Araştırma Geliştirme ve Pazarlama Tic. A.Ş. within the framework of the Capital Markets Infrastructure Transformation Program,
- Support services received from Figo Ticari Bilgi ve Uygulama Platformu A.Ş. regarding supplier financing needs,
- Support services received from AVI Gayrimenkul Yatırım Değerleme ve Danışmanlık A.Ş. regarding mortgage establishment transactions,
- Support services received from FU Gayrimenkul Yatırım Danışmanlık A.Ş. regarding mortgage establishment transactions,
- Support services received from İPOTEKA Gayrimenkul Yatırım Danışmanlık A.Ş. regarding mortgage establishment transactions
- Support service received from Faturalab Elektronik Ticaret ve Bilişim Hizmetleri A.Ş. for supplier financing needs,
- Mepsan Petrol Cih. San. and Tic. A.Ş. for the operation and maintenance of the Bank application on the SLRs,
- Consultancy service for procurement of resources for application and data management used in credit allocation processes from Prometeia SPA Center Italy Istanbul Central Branch

Additional Information Provided Within the Scope of Relevant Legislation

Additional Information Provided Within the Scope of Relevant Legislation

Duties undertaken by İşbank’s Board Members outside the Bank

Name-Surname	Duty	Duties Undertaken Outside İşbank
Adnan Bali	Chairperson of the Board of Directors	Chairperson of the Board of Directors of Türkiye Sınai Kalkınma Bankası A.Ş., Chairperson of the Board of Directors of Türkiye İş Bankası A.Ş. Members' Supplementary Social Security and Charity Fund Foundation
Güziye Meltem Kökden	Deputy Chairperson of the Board of Directors	Deputy Chairperson of the Board of Directors of Türkiye İş Bankası A.Ş. Members' Supplementary Social Security and Charity Fund Foundation
Hakan Aran	Board Member	Chairman of the Board of Trakya Yatırım Holding, Chairman of the Board of İşbank AG
Şebnem Aydın	Board Member	Member of the Board of Directors of Türkiye İş Bankası A.Ş. Retirement Fund Foundation
Gökhan Şen	Board Member	Coordinator at Ciner Cam, Coordinator at Ciner Grup
Fazlı Bulut	Board Member	None
Durmuş Öztekin	Board Member	None
Recep Hakan Özyıldız	Board Member	Part-time academic tutor at Ankara University, Faculty of Political Sciences
Mustafa Rıdvan Selçuk	Board Member	BDD Bağımsız Denetim ve Danışmanlık A.Ş. Independent Auditor, Girişim YMM Ltd. Şti. Partner
Ahmet Gökhan Sungur	Board Member	None
Sadrettin Yurtsever	Board Member	None

Independence declaration of Mr. Ahmet Gökhan Sungur and Mr. Gökhan Şen, Independent Member of the Board

Mr. Ahmet Gökhan Sungur and Mr. Gökhan Şen were nominated as Independent Member of the Board to the Corporate Governance Committee that performs the tasks of the Nomination Committee, and the Corporate Governance Committee's "Evaluation Report of Independent Member Nominee" dated 16.01.2023 was submitted to the Board on the same date. The independence declaration of Mr. Ahmet Gökhan Sungur and Mr. Gökhan Şen, who were elected as Independent Member of the Board at the Ordinary General Meeting dated 30.03.2023, is quoted below:

"As per the requirements of the legislation, Corporate Governance Principles of the Capital Markets Board and the Articles of Incorporation of İşbank, due to my nomination as an "independent member" to the Board of Directors of İşbank, I hereby declare to the committee, İşbank shareholders and all the related parties that;

- Within the last five years, there has not been any employment relationship in a managerial position to assume important duties and responsibilities, any joint or sole ownership of more than 5% of capital, voting rights, or privileged shares, nor has there been any significant commercial relationship established between (i) İşbank, partnerships where İşbank has management control or significant impact and partners that have management control of İşbank or significant impact on İşbank, (ii) and I, my spouse and my relatives by blood or by marriage up to the second degree;

- Within the last five years, I have not worked as an executive manager, been a board member, or a partner owning 5% and above shares assuming important duties and responsibilities in companies, particularly in companies that provide auditing (including tax audit, legal audit, internal audit), rating, and consulting services to İşbank, from which İşbank purchases or to which İşbank sells products and services within the framework of agreements signed during the timeframe of selling/purchasing products and services,

- I possess the professional education, knowledge, and experience necessary to fulfill the duties I will assume as an independent board member,

- I am not working full-time in public institutions and organizations, I am considered as a resident in Türkiye according to the Income Tax Law (no.193) dated 31/12/1960,

- I have high ethical standards, a professional reputation, and the experience necessary to positively contribute to İşbank's activities, to maintain my objectivity in conflicts of interest between İşbank and its shareholders, and to decide independently by taking into account the rights of stakeholders,

- I am capable of dedicating sufficient time to be able to observe İşbank's activities and to fulfill the requirements of the duties I undertake,

Additional Information Provided Within the Scope of Relevant Legislation

- I have not been a member of the Board of Directors of İşbank for more than six years in total within the last decade,

- I am not an independent member of the Board of Directors in more than three of the companies controlled by İşbank or by the shareholders who control the management of İşbank, and in more than five of the publicly traded companies in total,

- I have not been registered and announced on behalf of the juridical person elected as a member of the Board of Directors,

- I still have all the qualifications as per the Corporate Governance Principles to be an independent member, and I will protect all these conditions during the term of duty in case I am appointed as an independent member. In the event that a situation arises that compromises my independence, I will immediately notify the Board of Directors of İşbank, together with its justification, and simultaneously notify the Capital Markets Board of this situation and its justification in writing. And thus, I am independent."

Remuneration

- In accordance with the General Assembly decision taken on 30.03.2023, a net allocation of 90,000 is paid to the members of the Board of Directors on an individual basis every month. Benefits paid to key management personnel in 2022 amount to TL 159,490 thousand. Moreover, expenses for allowance, travel, accommodation, representation, as well as the opportunities in cash and in kind, insurance and similar guarantees for key management personnel in the same year amount to TL 29,401 thousand.

Dividend Payments:

Information on İşbank's dividend payment policy as set out in detail in Article 58 of the Bank's Articles of Incorporation is provided in the integrated annual report. The said information is also available on the Bank's corporate website under the title of Investor Relations, in Turkish and English.

Company Share Information:

İşbank's Group A and Group B shares are listed on the Main Market with the ISATR and ISBTR symbols; İşbank's Group C shares are listed on the Stars Market with the ISCTR symbol. İşbank's Group C shares are traded on the London Stock Exchange as Global Depositary Receipts, being subject to "Regulation S"; they are also traded on over-the-counter markets in the USA as American Depositary Receipts, being subject to "Rule 144A".

Changes in the Organizational Structure in 2023

- Financial Legal and Tax Management Consultancy was established.
- The Agile Management Department was discontinued. The related teams continue their activities within the Corporate Architecture Department and Human Resources Management Department.

- "Loans Monitoring" and "Retail Loans Follow-up" Regional Directorates were merged as "Retail Loans Monitoring and Follow-up Regional Directorates".

- Disaster and Emergency Coordination Department was established.

- The Information Security Department was transformed into an Information Security Coordination Department reporting directly to the General Manager.

Other Issues

- No custom audits were carried out at İşbank within the scope of Articles 207, 438, and 439 of the Turkish Commercial Code in 2023. Our bank is subject to public auditing, especially public institutions such as BRSA, CMB, Competition Board, and the Central Bank. If there is a situation that needs to be disclosed to the public regarding the audits of the aforementioned public institutions in our Bank, they are disclosed via the KAP platform.

- Companies within the İşbank group do not have any shares in the Bank's capital.

- The actions required with respect to the decisions made at the Ordinary General Shareholders' Meeting of 2023 were performed.

- Mr. Gökhan Şen, a member of the Board of Directors of our Bank, resigned from his position on 01.03.2024 due to his relocation abroad. The new member to be elected to the Board of Directors vacated by Mr. Gökhan Şen in accordance with Article 363 of the Turkish Commercial Code will be submitted to the approval of our General Assembly.

- Article 5 of our Articles of Association titled Capital has been amended in relation to the increase of our Bank's capital from TL 10,000,000,000,000 to TL 25,000,000,000,000 and the said amendment has been registered on 01.03.2024.

- Since the Board of Directors has not prepared a dividend distribution proposal as of the publication date of the report, no explanation regarding this issue is included in the report.

Information on the Transactions Carried Out with the Bank's Risk Group

All financial services provided to companies within İşbank’s Risk Group are provided on an arm’s length basis, subject to the same procedures and policies applicable to third parties. Credit lines and other lending transactions allocated to companies within İşbank’s Risk Group are analyzed and monitored to ensure that such transactions are within regulatory limits. In 2023, the loans extended to Group companies were all below the regulatory risk limits

İşbank's Subsidiaries

Finance

İşbank has financial services subsidiaries that are active in the business lines of banking, insurance, private pension, capital market brokerage, portfolio management, venture capital, factoring, reinsurance, financial leasing, asset management, securities investment trust, investment banking, payment services and real estate investment trust. Financial services subsidiaries enrich the range of products and services offered by İşbank to individual and corporate customers in different business lines while also creating complementary and cross-product delivery and sales opportunities.

Türkiye Sinai Kalkınma Bankası

Türkiye’s first privately-owned development and investment bank

TSKB, as a leader among the privately-owned development and investment banks, has undertaken a significant role in Türkiye's economic development since its incorporation in 1950. The Bank continues to add sustainable value for stakeholders and the national economy with the value it generates in economic, environmental and social areas. Offering its customers a wide range of innovative services with its in-depth knowledge in corporate banking, investment banking and advisory services, TSKB has adopted it as its mission to contribute continued and increasing support to the inclusive and sustainable development of the country. Within the scope of the resources obtained from development finance institutions and international financial institutions, TSKB provides loans in the area of renewable energy and adaptation, as well as social loans related to women's employment, supporting employment management in underdeveloped areas, and indirectly transfers funds to SMEs’ investments in diverse sectors through APEX loans provided to financial institutions.

TSKB, which works for Türkiye’s development and sustainable growth, ranked in the lowest risk group with 6.9 points as a result of a 1-point improvement in the Environmental, Social and Governance (ESG) risk rating conducted by Sustainalytics, an independent organisation specialised in its field, as of November 2023, and maintained its 1st place position in Türkiye, rose to 9th place among development banks in the world, and ranked among the top 10 banks in the global banking sector. The corporate governance rating of

the Bank, which is also among the leading institutions in corporate governance, increased from 9.59 to 9.66 out of 10 in the 2023 October period.

In 2023, TSKB secured USD 1.1 billion in funding, including funding agreements signed with development finance institutions. In April 2023, the Republic of Türkiye signed a EUR 100 million "Climate Finance Loan" agreement with the German Development Bank (KfW) to be extended to TSKB. With this financing, TSKB will support climate-focused investments in Türkiye. In addition to this funding, the International Climate Initiative (IKI) will provide TSKB with a grant of EUR 10 million. In May 2023, TSKB and the Austrian Development Bank (OeEB) signed a new EUR 25 million loan agreement to finance renewable energy and energy efficiency investments. In July 2023, TSKB renewed its sustainability criteria-indexed syndicated loan, which it had obtained in previous years, for the fourth time this year with differentiated criteria. The USD 123 million loan agreement signed on 19 July was successfully completed with the participation of 9 banks from Europe, America, Asia and the Middle East, including 2 new participants, with a renewal rate of 113%. In 2016, TSKB issued the first green/sustainable bond for Türkiye and the CEEMEA region and in September 2023, TSKB issued its fourth sustainable bond amounting to USD 300 million. With the participation of 70 different investors, approximately 2.8 times the demand was collected and 40% of the investors were ESG-focused investors. In December 2023, TSKB added a new one to its innovative financing practices with the vision of providing qualified support to Türkiye's sustainable and inclusive development and signed a USD 155 million "Türkiye Green Fund" loan agreement with the World Bank (IBRD) under the guarantee of the Republic of Türkiye Ministry of Treasury and Finance. On the other hand, TSKB, which continues to support qualified investment projects for the redevelopment of earthquake zones, signed a new financing agreement in this field in December 2023. Having secured USD 100 million in funding from the Islamic Development Bank, TSKB continues to support ecosystem restorative recovery. Again in December 2023, TSKB signed a new USD 200 million loan agreement with the Japan Bank for International Cooperation (JBIC) to finance renewable energy, energy efficiency, water and waste management and advanced technology-supported energy efficiency investments that serve the green

transformation of companies affected by earthquakes. This funding agreement, which will provide a significant support to the qualified development of our country through permanent green recovery investments, was realised with the guarantee of the Republic of Türkiye Ministry of Treasury and Finance.

TSKB is one of Türkiye's leading institutions in the field of sustainability, taking into account the environmental and social impact dimensions of all investment and operating loans it extends. Currently, the share of the Bank's Sustainable Development Goals (SDG) related loans in the total portfolio is 90 percent, while the share of loans contributing to climate and environment-related SDGs is 62 percent. In 2019, TSKB broke new ground and became the first institution in the Turkish finance sector to publish an Integrated Report. In 2016, the Bank broke new ground in Türkiye and the CEEMEA region with its Green/Sustainable Bond issuance, and in March 2017, the Bank issued the first subordinated sustainable bond in the world. In 2019, TSKB became a signatory to the UNEP-FI Principles for Responsible Banking. In the same year, TSKB joined the Management Committee of IDFC, of which it has been a member together with leading international development banks since 2011, as the 10th member. In October 2022, the Bank became a signatory to the Net-Zero Banking Alliance established by the United Nations Environment Programme Finance Initiative (UNEP FI) and committed to align its loan and investment portfolio with zero emission targets by 2050. In 2023, TSKB took decisive steps forward in its climate risks roadmap and signed another pioneering practice by announcing its "Approved Science-Based Greenhouse Gas Emissions Reduction Targets". The Bank's emissions from its loan and investment portfolio, which correspond to 53% of its total assets, and the operational emissions reduction targets announced in previous years have been approved by the Science Based Targets initiative (SBTi).

On 17 January 2024, Moody's affirmed TSKB's Adjusted Core and Core Credit Ratings of "caa1" and Long-Term Foreign and Domestic Currency Issuer Ratings of "B3" and revised the outlooks of the ratings from "Stable" to "Positive" for TSKB, which had a consolidated shareholders' equity of TL 22 billion and total assets of TL 181 billion as of end-December 2023.

www.tskb.com.tr

İşbank Almanyası

A leading financial institution backed by Turkish capital in Europe

Founded in 1992, İşbank Germany has grown and thrived within the financial system in Europe over the course of the past 30 years and helped customers in Türkiye to access the European financial system. Having successfully adapted to the changing dynamics throughout its operations for more than a quarter of a century, İşbank Germany operates in Germany with 8 branches and in the Netherlands with one branch. As of September 2023, the Bank had 149 employees and EUR 1.7 billion in total assets and EUR 407 million in total shareholder equity. İşbank Germany provides finance solutions for foreign trade transactions between Türkiye and EU member states with a focus on corporate banking.

www.isbank.de

İşbank Georgia

İşbank's organization in Georgia

The presence of İşbank in Georgia, Türkiye's border neighbor which is the gateway to the Caucasus, started with the branch opened in Batumi in 2012. The Tbilisi branch became operational in 2014, and from 2015 onwards, the existing branches were transformed into a subsidiary bank under JSC İşbank Georgia.

Mainly offering corporate banking services and having 58 employees, İşbank Georgia had total assets worth USD 166 million (GEL 444 million), and its shareholder equity amounted to USD 49 million (GEL 131 million) as of September 2023.

www.isbank.ge

İşbank Russia

Serving customers at 3 locations in Russia

İşbank has been cultivating its presence and operations in Russia, one of Türkiye's important trade partners, since 2011.

With 95 employees on its payroll, İşbank Russia has 1 branch in Moscow, one representative office in Saint-Petersburg and one in Kazan. Concentrated mostly on corporate banking services, İşbank Russia's total assets were worth USD 327 million (RUB 31,801 million) and its shareholder equity was registered as USD 65 million (RUB 6,355 million) as of September 2023.

www.isbank.com.ru

Anadolu Hayat Emeklilik

The first publicly-traded private pension and life insurance company

Launched in 1990 as Türkiye's first life insurer, Anadolu Hayat Emeklilik A.Ş. is also the first publicly-traded company operating in the private pension and life insurance sector.

As of end-December 2023, the Company had consolidated assets of TL 162.9 billion and shareholders' equity of TL 6.5 billion. As of the aforementioned date, the Company's customer assets under management in private pension and life insurance totalled TL 151.8 billion.

As of year-end 2023, Anadolu Hayat Emeklilik maintained its leadership among privately-owned companies in the voluntary PPS participant number and automatic enrolment PPS fund categories and continued to be the company with the highest number of participants with its private pension product "PPS for my child" for participants under the age of 18.

Focusing on a sustainable future, the Company accelerated its activities in this area and continued to create added value in the sector with its pioneering practices. In addition to its Sustainability Equity Fund, carbon emissions, which it has continued to zero since 2016, and its strong position in the BIST Sustainability Index,

Anadolu Hayat Emeklilik upcycles coffee waste in offices to reduce the amount of waste, and donates unused electronic devices to the Koruncuk Foundation through electronic waste collection bins, both reducing the amount of electronic waste and supporting a project that contributes to society. The Company published its 2022 Sustainability Report prepared in accordance with GRI Standards on its corporate website.

Anadolu Hayat Emeklilik, which is at the forefront with its activities on gender equality and equal opportunities in the workplace, sets an important example in the private pension and life insurance sector with its female employment and special practices for female employees. The ratio of female employees in the company is 59 per cent. On the other hand, with the idea that gender equality starts with language, the Company launched the "Equal Dictionary" application, which automatically changes sexist words in sentences when using Outlook, Word and Excel.

www.anadoluhayat.com.tr

Anadolu Sigorta

Leading organisation of the Turkish insurance industry

Anadolu Anonim Türk Sigorta Şirketi, one of Turkey's leading insurance companies operating in non-life insurance branches, generated TL 44.2 billion in premium production as of the end of December.

As of end-December 2023, the Company has total assets of TL 56.4 billion and shareholders' equity of TL 12.2 billion on a consolidated basis. In the 2023 Corporate Governance Rating Report prepared in November, the Company's rating was raised from 9.57 to 9.59.

Anadolu Sigorta continues to be included in the BIST Sustainability Index, which it joined in 2021. Anadolu Sigorta transparently shares its performance in sustainability through sustainability reports and CDP climate change declarations. The Company aims to increase its portfolio in this area in the coming periods with innovative products and services such as Wind and Solar Power Plant Insurance, Individual Rooftop Solar Energy Panel Insurance and Electric Vehicle Comprehensive Insurance to promote renewable energy investments and low carbon emissions. In 2023, the electric vehicle insurance portfolio grew by 100% compared to the previous year.

Anadolu Sigorta has established the Zero Waste system to reduce the negative environmental impact of its operations and carries out various activities in line with its paperless insurance target. With campaigns on recycling paper waste, electronic waste and coffee pulp, the Company raises awareness and ensures the participation of its employees.

With regard to equality, which is one of the components of sustainable development, Anadolu Sigorta has become a member of the "30 Percent Club", which works internationally to increase the ratio of female employees in the boards of directors and senior management of companies to at least 30%, and whose work in Turkey is undertaken by the Sabancı University Corporate

Governance Forum. In addition, our Company was also included in the UN Women's (UN Women) Promise to Action programme, in which 10 institutions from Turkey participate, and in which exemplary/reference studies and road map suggestions will be developed in this field.

www.anadolusigorta.com.tr

İş Leasing

Türkiye's pioneering financial leasing company

As one of the pioneers of the leasing sector in Türkiye since its foundation in 1988, İş Finansal Kiralama A.Ş. (İş Leasing) operates with the mission of prioritizing SMEs in its funding activities, developing and maintaining a large and high-quality portfolio, and meeting customer demands with effective, quick and quality solutions.

As of September 2023, İş Leasing's consolidated assets amounted to TL 48.4 billion, shareholders' equity to TL 7.2 billion and financial leasing receivables to TL 21.8 billion.

In its latest report published on 26.09.2023, international credit rating agency Fitch Ratings updated the Company's Long Term Local Currency Credit Rating to B, Long Term Foreign Currency Credit Rating to B and Shareholder Support Rating to b-.

İş Leasing aims to be a part of the solution in the combat against all environmental and social problems facing the world today, including climate change. Accordingly, the company introduced the Environmental and Social Risk Governance System (ESRG) Project. Displaying İş Leasing's approach to sustainability, this project also defines the governance mechanisms and all necessary processes put in place to manage the company's environmental and social impact. İş Leasing is committed to continuing its sustainability-driven activities at full pace as a pioneering company in the sector.

İş Leasing's corporate governance rating remained unchanged in December 2022 compared to December 2022 of the previous year and maintained its level of 9.29 out of 10.

www.isleasing.com.tr

Moka

All shares of Moka Ödeme Kuruluşu Anonim Şirketi, a payment services company, were purchased in January 2021, electronic money issuance was added to the company's fields of activity as per the permission obtained from the CBRT in December 2021, and the company's name was changed to Moka Ödeme ve Elektronik Para Kuruluşu A.Ş. at the end of the same year. As of 2023, the Company reached TL 1,386 million in assets with TL 94 million in shareholders' equity and continues its operations with 67 employees. Moka, which accelerated its monthly business volume with new business partnerships in the current year, ranks 3rd in the payment institutions market in terms of POS volume.

www.moka.com

Millî Reasürans

Uninterrupted reinsurance services since 1929

Established in 1929 and having undertaken an important role in the formation and development of the Turkish insurance sector. Millî Reasürans T.A.Ş. (Millî Reasürans) has total consolidated assets and shareholders' equity reached TL 73.1 billion and TL 15.3 billion, respectively. As of December 2023,

Millî Reasürans has a branch operating in Singapore in line with the Company's strategy to export its know-how and reinsurance experience acquired in the national market to global markets. As of year-end 2023, premiums generated abroad accounted for 15% of the Company's total premiums. Since 1994, the Company has been supporting the arts and has a chamber orchestra.

www.millire.com

İş Faktoring

An innovative approach to the accounts receivable factoring sector

Being one of the pioneering companies in the sector since its incorporation in 1993 with its robust financial structure and customer oriented approach to business, İş Faktoring A.Ş. (İş Faktoring) has been offering quick and competitive services in the areas of finance, guarantee and collection.

As of September 2023, İş Faktoring's total assets and shareholders' equity amounted to TL 23.2 billion and TL 3.3 billion, respectively.

As a company that operates in line with the Sustainable Development Goals (SDGs) announced in 2015, a Sustainability Working Group was established within İş Faktoring employees in June 2022 and comprehensive studies on the subject were initiated. As of January 10, 2023, the Sustainability Committee was established and the Sustainability Committee Charter was prepared. In 2023, a step was taken to reduce the Carbon Footprint by measuring Greenhouse Gas Emissions.

www.isfaktoring.com.tr

İş GYO

One of Türkiye's largest real estate investment trusts

Being one of the sector's leading actors with its solid portfolio and financial structure, İş Gayrimenkul Yatırım Ortaklığı A.Ş. (İş GYO) focuses on maintaining and developing a diversified and well-balanced portfolio.

As of December 2023, the Company's total assets and shareholders' equity amounted to TL 31.2 billion and TL 25.2 billion, respectively.

As a result of the review conducted by Saha Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş. in August 2023, the Company's Long-Term National Rating (TR) was affirmed as AA, Short-Term National Rating (TR) as A1+ with a stable outlook.

Within the scope of the projects under development, 99% of the Istanbul Finance Center project has been completed and the construction and sales activities of the Üsküdar Altunizade (Litus Istanbul) project are ongoing. The residential project to be built on the land of Profilo Shopping Mall is expected to commence in 2024. Tuzla Housing Project and Kasaba Modern Project in Ömerli are also under development. Gayrettepe and Kadıköy Hotel projects are in the planning stages.

www.isgyo.com.tr

İş Yatırım

A leading and pioneering investment house in capital markets

IS Investment Menkul Değerler A.Ş. provides brokerage, investment advisory and corporate finance services for the trading of capital market instruments in domestic and international markets. There are 9 publicly traded brokerage houses operating in the sector and the Company is the only brokerage house listed in the BIST 100.

IS Investment's long and short-term national credit ratings were affirmed by SAHA Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş. as AAA and A1+ with a stable outlook on September 14, 2023. As of September 2023, IS Investment's consolidated assets and shareholders' equity amounted to TL 45.7 billion and TL 13.4 billion, respectively.

IS Investment stands out with a return on equity above the sector average and a significant increase in market capitalization.

www.isyatirim.com.tr

İş Portföy (İş Asset Management)

Is Asset Management's client portfolio consists mainly of institutional clients such as mutual funds, pension funds, venture capital funds, real estate funds, insurance companies and foundations.

The size of the portfolio under management reached TL 338 billion as of year-end 2023, with real estate mutual funds amounting to TL 9.2 billion and venture capital mutual funds to TL 6.3 billion.

It is one of the first asset management companies to establish a venture capital fund in the sector and provides a successful return performance to its participants.

Worldwide interest in thematic funds, whose portfolios consist of investment instruments based on unique themes such as environmental, social and corporate governance, sustainability, clean energy, and digitalization, is growing exponentially. Defining 2021 as the 'Year of Transformation', Is Asset Management went beyond classical approaches in formulating its investment strategies and focused on the rapidly growing 'Thematic Mutual Funds', which have investment strategies based on transformations in business models, industries, economies or social norms. Is Asset Management organizes its Thematic Funds under two main headings: 'Technology' and 'Environmental, Social, Corporate Governance'. Under the

umbrella of technology-themed funds, Is Asset Management offers investment opportunities in fast-growing sectors such as Block Chain Technologies, Cyber Security Technologies, Digital Gaming, Semiconductor Technologies.

Within the environmental, social and corporate governance theme, İş Asset Management's Theme Variable Fund, İş Asset Management Electric Vehicles Mixed Fund, and İş Asset Management Women in Business Equity Fund, which supports gender equality in business life and offers the opportunity to invest in companies that emphasize women's employment, represent firsts in their respective fields. İş Asset Management has also become one of the leading companies in the asset management sector in the thematic and renewable energy sectors with the İş Asset Management Electric Vehicles Mixed Fund, İş Asset Management Renewable Energy Mixed Fund, İş Asset Management Renewable Energy Venture Capital Mutual Fund, İş Asset Management Renewable Energy Technologies Venture Capital Mutual Fund and İş Asset Management Infrastructure Venture Capital Mutual Fund.

www.isportfoy.com.tr

**Software
Softtech**

Experienced solution partner in information technologies

Founded in 2006 in Istanbul, Softtech is Turkey's largest software company with more than 1,600 employees and an asset size approaching TL 1 billion. In addition to its experience in the banking and finance sector, Softtech develops customer-oriented solutions in the domestic and international markets with its products in different fields and undertakes initiatives to create new opportunities and collaborations with a focus on technology. In addition to its offices in Ankara and Cyprus, the Company has subsidiaries in Istanbul, San Francisco and Shanghai, which follow and develop innovation on the ground within the entrepreneurship ecosystem.

www.softtech.com.tr

**Health
Bayek**

Bayindir Healthcare Group (Bayek), a group of companies operating in the healthcare sector with 3 hospitals, 1 medical center and 6 dental clinics, offers quality healthcare services in İstanbul, Ankara and İzmir with its expert staff and robust technological infrastructure.

Bayek is the first organization in Turkey to have two hospitals accredited by the Joint Commission International (JCI) in terms of quality management and has been re-accredited by JCI for the sixth time as of November 2021.

www.bayindirhastanesi.com.tr

**Glass
Şişecam**

The founder and the unchanging leader of the Turkish glass industry

Founded in 1935, Türkiye Şişe ve Cam Fabrikaları A.Ş. (Şişecam) has a broad portfolio of products, especially flat glass, glassware, glass packaging and chemicals, mainly soda ash and chromium chemicals.

The Şişecam Group carries out production in facilities and plants located in Türkiye as well as in the USA, Egypt, Russia, Georgia, Bulgaria, Bosnia-Herzegovina, Italy, Ukraine, Romania, Germany, Hungary, Slovakia and India.

As of September 2023, Şişecam Group realized 41% of its total glass production in tons abroad and generated 64% of its total sales revenues from exports from Turkey and from its facilities established abroad. As of September 2023, Şişecam Group exported USD 814 million worth of products from Turkey to more than 150 countries.

Ranking among the world's and Europe's leading manufacturers in its sector, Şişecam Group ranked between second and fifth in the world and Europe in glass production, according to capacity size, as of the end of 2023.

Ranking fourth in Europe and second in the world in terms of soda production capacity, the Group is the world leader in basic chromium sulfate production and ranks second in sodium bichromate production. As of December 2023, Şişecam's consolidated assets and shareholders' equity amounted to TL 267.4 billion and TL 146.4 billion, respectively.

In September 2023, Fitch Ratings affirmed the Company's credit rating as "B" and revised its outlook from "negative" to "stable". In Moody's assessment dated January 19, 2024, the Company's credit rating was affirmed as "B3" and the outlook was revised from "stable" to "positive".

In the list of Turkey's Top 500 Industrial Enterprises for the year 2022 compiled by ISO, Türkiye Şişe ve Cam Fabrikaları A.Ş. ranked 14th.

Şişecam's investment in natural soda ash in the US with Ciner Group is ongoing and Şişecam is expected to become the world leader in soda ash once the natural soda plant investments are realized.

The architectural glass and energy glass investments in Mersin are also ongoing and are expected to be commissioned in 2025. In order to meet the need for soda ash, which will increase with the completion of Şişecam's glass investments, from domestic resources, it has been decided to increase the heavy soda ash capacity of the Mersin Soda Ash plant by 175 thousand tons/year. The investment cost, including working capital, is expected to be approximately USD 125.3 million and is targeted to be commissioned in 2026. The housing project to be built on the land of Profilo Shopping Mall is expected to start in 2024, while Tuzla Housing Project and Kasaba Modern Project in Ömerli are also under development. Gayrettepe and Kadıköy Hotel projects are in the planning stages.

www.sisecam.com.tr

**Platform
Topkapı**

Topkapı Danışmanlık Elektronik Hizmetler Pazarlama ve Ticaret A.Ş. operates with the aim of contributing to the development of the online shopping sector in our country with its marketplace model that aims to bring together companies of all sizes operating in Turkey, to provide an improved experience supported by secure next generation payment solutions by processing customer data in the most accurate way and to develop cooperation models that will provide maximum benefit to its stakeholders. The Company's branch in Kartal Manzara became operational in October 2023.

In addition to solutions in payment systems, the company also incorporates the Pazarama platform, which aims to bring an innovative and different understanding to the e-commerce sector for all stakeholders.

In August 2023, Hamurlabs, which offers ordering, inventory, purchasing, payment, delivery and transportation, warehouse and product management, and multi-channel sales integrations from a single platform, was acquired by 20% in August 2023 as a result of negotiations that started in 2022.

www.topkapidanismanlik.com.tr

Maksmarket

Founded in September 2022 in Istanbul with the aim of becoming a reliable marketplace for commodity trade and pioneering the digitalisation of commodity sectors, Maksmarket Danışmanlık Elektronik Hizmetler Tic. A.Ş. launched Proemtia, a digital marketplace platform that mediates the trade of industrial products, starting with iron and steel products, in April 2023.

As of December 2023, Proemtia, which is the only platform that brings together sellers and buyers of industrial products in different parts of Turkey on a reliable platform, provides easy access to products with certain quality standards, can meet the needs of buyers and sellers at the same time in product exchanges, is transparent, reliable and supports cooperation. As of December 2023, approximately 14 thousand buyer member companies and more than 300 seller companies and approximately 1.5 billion TL worth of transactions were mediated.

<https://www.proemtia.com/>

İmecemobil

At the beginning of 2023, Imecemobil Tarım Platformu Elektronik Hizmetler Tic. A.Ş. was established. The company incorporates the Imecemobil Platform, which provides meteorological information, market price information and similar data to support farmers in their agricultural work via mobile application, as well as financial planning support to farmers, and provides access to our Bank's Group financial products without going to the branch.

www.imecemobil.com.tr

**Telecommunication
İşNet**

Founded in 1999, İşNet has expanded its field of activity and range of services over the years, providing services to companies and public institutions of all sizes in voice, data centre, internet, virtual network VPN, satellite services, digitalisation solutions, security products and e-transformation. With 272 employees as of December 2023, İşNet will continue to offer innovative, high value-added solutions in line with sectoral needs with its investments in robotic process automation system, internet of things, cyber security, cloud and artificial intelligence, with the vision of being the "digital transformation friend" of companies in the coming period.

www.isnet.net.tr

**Facility Management
İşmer**

İşmer has completed its efforts to ensure that its services are carried out in accordance with ISO 9001 Quality Management System, ISO 14001 Environmental Management System, ISO 41001 Facility Management System and ISO 45001 Occupational Health and Safety Management System standards and successfully passed the 2023 audit. In addition to these four important certificates, the Company also holds ISO 50001 Energy Management System and ISO 27001 Information Security Management System certificates. The company is the first 100% Turkish capital company that is a member of TRFMA with 6 management system certificates.

www.ismer.com.tr

Direct and Indirect Subsidiaries*

Changes in the Portfolio of Direct and Indirect Subsidiaries between 31.12.2022-31.12.2023

DIRECT SUBSIDIARIES	31.12.2023	
Name	Direct Share	"Bank's Risk Group Share Percentage"
Anadolu Hayat Emeklilik AŞ	63.89%	84.89%
Arap Türk Bankası	20.58%	20.58%
İş Finansal Kiralama AŞ	30.43%	60.88%
İş Gayrimenkul Yatırım Ortaklığı AŞ	52.06%	64.84%
İş Merkezleri Yönetim Ve İşletim AŞ	86.33%	100.00%
İş Net Elektronik Bilgi Üretim Dağ Tic A.Ş.	100.00%	100.00%
İş Yatırım Menkul Değerler AŞ	65.74%	70.78%
İşbank AG	100.00%	100.00%
JSC Isbank Georgia	100.00%	100.00%
JSC İşbank	100.00%	100.00%
Kredi Kayıt Bürosu AŞ	9.09%	9.09%
Kültür Yayınları İş Türk Anonim Şirketi	100.00%	100.00%
Milli Reasürans T AŞ	87.60%	87.60%
Moka Ödeme ve Elektronik Para Kuruluşu A.Ş.	100.00%	100.00%
Trakya Yatırım Holding AŞ	100.00%	100.00%
Türkiye Sınai Kalkınma Bankası AŞ	47.68%	51.37%
Türkiye Şişe ve Cam Fabrikaları AŞ	51.06%	57.87%

Direct and Indirect Subsidiaries*

INDIRECT SUBSIDIARIES	31.12.2023	
Name	Direct Share	"Bank's Risk Group Share Percentage"
Anadolu Anonim Türk Sigorta Şirketi	0.00%	64.31%
Anavarza Otelcilik A.Ş.	0.00%	50.00%
AT Finansal Kiralama AŞ	0.00%	20.58%
Batı Karadeniz Elektrik Dağıtım Ve Ticar	0.00%	65.00%
Bayek Tedavi Sağlık Hizmetleri Ve İşlet	0.00%	99.90%
Besco Bebek Gereçleri Dış. Tic. Ltd. Şti.	0.00%	100.00%
Camiş Ambalaj Sanayii AŞ	0.00%	100.00%
Camiş Egypt Mining Ltd Co	0.00%	99.70%
Camiş Elektrik Üretim AŞ	0.00%	100.00%
Camiş Madencilik AŞ	0.00%	100.00%
Casaba Yönetim İşl İmal İth İhr Paz Sağ	0.00%	100.00%
C.JSC Brewery Pivdenna	0.00%	100.00%
Covision Medical Technologies Limited	0.00%	100.00%
Covision Medical Technologies Sanayi ve Tic. A.Ş.	0.00%	100.00%
Cromital SPA	0.00%	100.00%
Efes Varlık Yönetim AŞ	0.00%	100.00%
Enaş Enerji Yatırımları A.Ş.	0.00%	100.00%
Erişim Müşteri Hizmetleri AŞ	0.00%	100.00%
Gullseye Lojistik Teknolojileri A.Ş.	0.00%	100.00%
Hamurlabs Elektronik Hizmetler Yazılım Tic. A.Ş.	0.00%	20.00%
Inci Yenilenebilir Enerji Elektrik Üretim A.Ş.	0.00%	100.00%
Is Energy Investments BV	0.00%	100.00%
Is Energy Romania SRL	0.00%	100.00%
IS United Payment Systems Limited	0.00%	50.00%
İmecemobil Tarım Platformu Elektronik Hizm Tic A.Ş.	0.00%	100.00%
İş Enerji Yatırımları A.Ş.	0.00%	100.00%
İş Faktoring A.Ş.	0.00%	100.00%
İş Girişim Sermayesi Yatırım Ortaklığı A.Ş.	0.00%	%56.78
İş Portföy Yönetimi A.Ş.	0.00%	100.00%
İş Sanat A.Ş.	0.00%	100.00%
İş Yatırım Ortaklığı A.Ş.	0.00%	38.04%
İş Yenilenebilir Enerji Proje Yönetimi Danışmanlık A.Ş.	0.00%	100.00%
JSC Mina	0.00%	100.00%
Kanyon Yönetim İşletim ve Pazarlama A.Ş.	0.00%	50.00%
Kasaba Gayrimenkul İnşaat Taahhüt ve Ticaret A.Ş.	0.00%	100.00%
Levent Varlık Kiralama A.Ş.	0.00%	100.00%
Livewell Giyilebilir Sağlık Ürün Hizm. A.Ş.	0.00%	100.00%
Maksmarket Danışmanlık Elektronik Hizm Tic A.Ş.	0.00%	95.00%
Maxi Digital GmbH	0.00%	100.00%

Direct and Indirect Subsidiaries*

INDIRECT SUBSIDIARIES	31.12.2023	
Name	Direct Share	"Bank's Risk Group Share Percentage"
Maxis Girişim Sermayesi Portföy Yönetimi AŞ.	0.00%	100.00%
Maxis Investments Ltd.	0.00%	100.00%
Maxitech Inc.	0.00%	100.00%
Merefa Glass Company Ltd.	0.00%	100.00%
Miltaş Turizm İnşaat Ticaret A.Ş.	0.00%	100.00%
Mimas SolarPark Kft	0.00%	50.00%
Montenergy Alföld Kft	0.00%	50.00%
OOO Energosystems	0.00%	100.00%
OOO Posuda	0.00%	100.00%
OOO Ruscam Glass Packaging Holding	0.00%	100.00%
OOO Ruscam Management Company	0.00%	100.00%
Ortopro Tıbbi Aletler San. Tic. A.Ş.	0.00%	97.22%
Oxyvit Kimya Sanayii ve Ticaret A.Ş.	0.00%	100.00%
Ödesis Finansal Teknoloji Girişimleri A.Ş.	0.00%	100.00%
Pacific Soda LLC	0.00%	60.00%
Pasabahçe Bulgaria EAD	0.00%	100.00%
Pasabahçe Egypt Glass Manufacturing SAE	0.00%	100.00%
Paşabahçe (Shanghai) Trading Co. Ltd	0.00%	100.00%
Paşabahçe Glass Gmbh	0.00%	100.00%
Paşabahçe Mağazaları A.Ş.	0.00%	100.00%
Paşabahçe Spain SL	0.00%	100.00%
Paşabahçe SRL	0.00%	100.00%
Paşabahçe USA Inc	0.00%	100.00%
Polat Enerji Yatırımları A.Ş.	0.00%	50.00%
Radore İnternet Hizmetleri A.Ş.	0.00%	25.50%
Radore Veri Merkezi Hizmetleri A.Ş.	0.00%	25.50%
Refel SpA	0.00%	100.00%
Richard Fritz Prototype Spare Parts Gmbh	0.00%	100.00%
Rudnik Krcnjaka "Vijenac" D.O.O	0.00%	50.00%
Saint Gobain Egypt Trade LLC	0.00%	30.00%
Saint Gobain Glass Egypt SAE	0.00%	30.00%
Saint Gobain Mirrors Egypt SAE	0.00%	30.00%
SC Glass Trading BV	0.00%	100.00%
Sisecam Automotive Bulgaria EAD	0.00%	100.00%
Sisecam Automotive Germany GmbH	0.00%	100.00%
Sisecam Automotive Hungary Kft	0.00%	100.00%
Sisecam Automotive Romania SA	0.00%	100.00%
Sisecam Automotive Rus JSC	0.00%	100.00%
Sisecam Automotive Rus Trading LLC	0.00%	100.00%
Sisecam Automotive Slovakia S.R.O.	0.00%	100.00%
Sisecam Chemicals Resources LLC	0.00%	60.00%

Direct and Indirect Subsidiaries*

INDIRECT SUBSIDIARIES	31.12.2023	
Name	Direct Share	"Bank's Risk Group Share Percentage"
Sisecam Chemicals Wyoming LLC	0.00%	60.00%
Sisecam Flat Glass Italy SRL	0.00%	100.00%
Sisecam Flat Glass South Italy SRL	0.00%	100.00%
Sisecam Glasspackaging Hungary Kft	0.00%	100.00%
Sisecam Investment B.V.	0.00%	100.00%
Sisecam UK Limited	0.00%	100.00%
Sisecam USA Inc.	0.00%	100.00%
Sisecam Wyoming LLC	0.00%	51.00%
Softtech (Shanghai) Technology Co. Ltd.	0.00%	100.00%
Softtech Ventures Teknoloji A.Ş.	0.00%	100.00%
Softtech Yazılım Teknolojileri Araştırma Gel. ve Paz. Tic. A.Ş.	0.00%	100.00%
Soli GES Enerji Sanayi ve Ticaret A.Ş.	0.00%	50.00%
Solvay Sodi AD	0.00%	25.00%
Solvay Şişecam Holding AG	0.00%	25.00%
Stockton Soda Ash Port LLC	0.00%	50.00%
Şişecam Bulgaria EOOD	0.00%	100.00%
Şişecam Çevre Sistemleri A.Ş.	0.00%	100.00%
Şişecam Dış Ticaret A.Ş.	0.00%	100.00%
Şişecam Elyaf Sanayii A.Ş.	0.00%	100.00%
Şişecam Enerji A.Ş.	0.00%	100.00%
Şişecam Flat Glass India Private Limited	0.00%	100.00%
Şişecam Otomotiv A.Ş.	0.00%	100.00%
Şişecam Sigorta Aracılık Hizmetleri AŞ	0.00%	100.00%
Şişecam Soda Lukavac DOO	0.00%	100.00%
Şişecam Trading co.	0.00%	100.00%
Tatilbudur Kurumsal Hizmetler Turizm ve Ticaret A.Ş.	0.00%	40.09%
Tatilbudur Seyahat Acenteliği ve Turizm A.Ş.	0.00%	40.09%
TBC Seyahat Acenteliği ve Turizm A.Ş.	0.00%	40.09%
Toksöz Spor Malzemeleri Tic. A.Ş.	0.00%	90.63%
Topkapı Danışmanlık Elektronik Hizmetler Pazarlama ve Ticaret A.Ş.	0.00%	90.00%
Trakya Glass Bulgaria Ead	0.00%	100.00%
Trakya Glass Rus AO	0.00%	100.00%
Trakya Glass Rus Trading OOO	0.00%	100.00%
Trakya Investment BV	0.00%	100.00%
TRSG Glass Holding BV	0.00%	70.00%
TSKB Gayrimenkul Değerleme A.Ş.	0.00%	100.00%
TSKB Gayrimenkul Yatırım Ortaklığı A.Ş.	0.00%	88.74%
TSKB Sürdürülebilirlik Danışmanlığı A.Ş.	0.00%	100.00%
Yatırım Finansman Menkul Değerler A.Ş.	0.00%	98.42%
Yatırım Varlık Kiralama A.Ş.	0.00%	100.00%
Yüzüncü Yıl Teknoloji Girişimleri A.Ş.	0.00%	100.00%

Changes in Share Percentages in Subsidiaries

COMPANIES						
Companies Entering the Bank's Risk Group in 2023	Direct Share of İşbank as of December 2022	Direct Share of İşbank as of December 2023		Bank's Risk Group Share Percentage as of December 2022	Bank's Risk Group Share Percentage as of December 2022	REASON
Besco Bebek Gereçleri Dış. Tic. Ltd. Şti.	-	0.00%		-	100.00%	Purchasing
Hamurlabs Elektronik Hizmetler Yazılım Tic. A.Ş.	-	0.00%		-	20.00%	Purchasing
Inci Yenilenebilir Enerji Elektrik Üretim A.Ş.	-	0.00%		-	100.00%	Company establishment
Is Energy Investments BV	-	0.00%		-	100.00%	Company establishment
Is Energy Romania SRL	-	0.00%		-	100.00%	Company establishment
IS United Payment Systems Limited	-	0.00%		-	50.00%	Purchasing
İmecemobil Tarım Platformu Elektronik Hizm Tic A.Ş.	-	0.00%		-	100.00%	Company establishment
İş Yenilenebilir Enerji Proje Yönetimi Danışmanlık A.Ş.	-	0.00%		-	100.00%	Company establishment
Levent Varlık Kiralama A.Ş.	-	0.00%		-	100.00%	Company establishment
Mimas SolarPark Kft	-	0.00%		-	50.00%	Purchasing
Montenergy Alföld Kft	-	0.00%		-	50.00%	Purchasing
Ödesis Finansal Teknoloji Girişimleri A.Ş.	-	0.00%		-	100.00%	Company establishment
Sisecam UK Limited	-	0.00%		-	100.00%	Company establishment
Soli GES Enerji Sanayi ve Ticaret A.Ş.	-	0.00%		-	50.00%	Purchasing
Stockton Soda Ash Port LLC	-	0.00%		-	50.00%	Purchasing
Yüzüncü Yıl Teknoloji Girişimleri A.Ş.	-	0.00%		-	100.00%	Company establishment
Polat Enerji Yatırımları A.Ş.	-	0.00%		-	50.00%	Purchasing
Companies Whose Share Ratio Changed in the Bank's Risk Group in 2023						
Anadolu Hayat Emeklilik AŞ	62.00%	63.89%		83.00%	84.89%	Transfer of shares purchased from the market and recognized under Financial Assets at Fair Value Through Profit or Loss to the accounts of associates
İş Finansal Kiralama AŞ	27.79%	30.43%		58.24%	60.88%	Transfer of shares purchased from the market and recognized under Financial Assets at Fair Value Through Profit or Loss to the accounts of associates
İş Yatırım Ortaklığı A.Ş.	0.00%	0.00%		38.66%	38.04%	Sale of shares of our Bank's group company to the stock exchange
Topkapı Danışmanlık Elektronik Hizmetler Pazarlama ve Ticaret A.Ş.	0.00%	0.00%		100.00%	90.00%	Sale of shares of our Bank's group company
Türkiye Şişe ve Cam Fabrikaları AŞ	50.93%	51.06%		57.02%	57.87%	Transfer of shares purchased from the market and recognized under Financial Assets at Fair Value Through Profit or Loss to the accounts of associates
Companies Removed From the Bank's Risk Group in 2022						
Convera Uluslararası Yazılım Arge Teknoloji Yatırımları A.Ş.	0.00%	-		100.00%	-	Closing
Koridor Inc.	0.00%	-		74.66%	-	Sale
M4 Otelcilik ve Turizm A.Ş.	0.00%	-		40.09%	-	Merger
Mikla Yiyecek ve İçecek A.Ş.	0.00%	-		83.57%	-	Sale
Nevotek Bilişim Ses Ve İletişim Sistemle	0.00%	-		95.37%	-	Sale
Nevotek Inter corporation	0.00%	-		100.00%	-	Sale
Nevotek Middle East FZ Limited Liability Company	0.00%	-		100.00%	-	Sale
Sisecam Resource Partners LLC	0.00%	-		60.00%	-	Closing
Sisecam Resources LP	0.00%	-		74.00%	-	Closing
Companies whose Titles Changed in the Risk Group of the Bank in 2022						
Former Title	New Title					
Sisecam Chemicals USA Inc.	Sisecam USA Inc.					Change of title
Sisecam Glass Packaging Investment B.V.	Sisecam Investment B.V.					Change of title

İşbank Credit Ratings

VII. Compliance on Public Disclosure Obligations, Accuracy, Frequency and Compliance of Said Disclosures, Credit Ratings Assigned by Rating Agencies to the Bank and Related Explanations:

The Bank has a Disclosure Policy that includes written policies for compliance with the public disclosure obligation and evaluation of the accuracy, frequency and appropriateness of such disclosures. The Disclosure Policy adopted by the Board of Directors is available on the Bank's website.

Credit Ratings Assigned by Rating Agencies to the Bank and Related Explanations:

	Not	Görünüm ^(*)
MOODY'S		
Long-term Foreign Currency Deposit Rating	B3	Positive
Long-term Local Currency Deposit Rating	B3	Positive
Long-term Foreign Currency Senior Debt Rating	B3	Positive
Short-term Foreign Currency Deposit Rating	NP	-
Short-term Local Currency Deposit Rating	NP	-
FITCH RATINGS		
Long-term Foreign Currency Issuer Default Rating	B-	Stable
Long-term Local Currency Issuer Default Rating	B	Stable
Short-term Foreign Currency Issuer Default Rating	B	-
Short-term Local Currency Issuer Default Rating	B	-
National Long-term Rating	A+ (tour)	Stable
Viability Rating	b	-

The dates on which the Bank's credit ratings/outlook were last updated are given below:

Moody's 17.01.2024, Fitch Ratings: 22.09.2023

^(*) Outlook:

"Stable" indicates that the current rating will not be changed in the short term; "positive" indicates that the current rating is very likely to be upgraded, and "negative" indicates that the current rating is very likely to be downgraded.

Tax Breakdowns in the Countries where İşbank Operates

As of FY2022, İşbank has reported on the taxes paid in each country it operates in. Please see below: (Thousand TL)

Tax Jurisdiction	Profit (Loss) Before Income Tax	Income Tax Paid on cash Basis	Income Tax Accured - Current Year	Number of Employees
Turkey	45,588,636,999	16,105,898,032	20,777,931,512	27,715
Singapore	21,426,246	0	0	12
England	-6,554,942	0	0	58
Russia	653,939,307	86,881,297	86,319,932	94
Germany	186,711,305	63,127,506	64,620,316	140
Netherlands	25,716,417	11,590,879	13,897,231	6
Georgia	119,356,862	10,796,616	23,158,377	62
Bahrain	94,314,784	0	0	6
Kosovo	18,946,040	5,891,099	3,873,864	31
Iraq	129,490,004	17,108,565	23,192,528	40

Vergilendirmede Yetkili Ülke	Name of Constituent Entities resident in the Tax Jurisdiction	Vergilendirmede Yetkili Ülke	Vergilendirmede Yetkili Ülkede Yerleşik Kurucu Tüzel Kişilerin Adı
Turkey	1. Türkiye İş Bankası A.Ş.	England	1. Türkiye İş Bankası A.Ş. London Branches
	2. Anadolu Anonim Türk Sigorta Şirketi		2. Maxis Investments Ltd.
	3. Anadolu Hayat Emeklilik A.Ş.	Russian Federation	1. Joint Stock Company İşbank
	4. Efes Varlık Yönetim A.Ş.		
	5. İş Faktoring A.Ş.	Georgia	1. Joint Stock Company İşbank Georgia
	6. İş Finansal Kiralama A.Ş.	Germany	1. İşbank AG
	7. İş Gayrimenkul Yatırım Ortaklığı A.Ş.	Netherlands	1. İşbank AG Amsterdam Branch
	8. İş Girişim Sermayesi Yatırım Ortaklığı A.Ş.	Singapore	1. Milli Reasürans T.A.Ş. Singapore Branch
	9. İş Portföy Yönetimi A.Ş.	Bahrain	1. Türkiye İş Bankası A.Ş. Bahrain Branch
	10. İş Yatırım Menkul Değerler A.Ş.	Iraq	1. Türkiye İş Bankası A.Ş. Baghdad Branch
	11. İş Yatırım Ortaklığı A.Ş.		2. Türkiye İş Bankası A.Ş. Erbil Branch
	12. Maxis Girişim Sermayesi Portföy Yönetimi A.Ş.	Kosovo	1. Türkiye İş Bankası A.Ş. Kosova Branches
	13. Milli Reasürans T.A.Ş.		
	14. Moka Ödeme ve Elektronik Para Kuruluşu A.Ş		
	15. TSKB Gayrimenkul Yatırım Ortaklığı A.Ş.		
	16. Türkiye Sınai Kalkınma Bankası A.Ş.		
	17. Yatırım Finansman Menkul Değerler A.Ş.		
	18. Yatırım Varlık Kiralama A.Ş.		

Amendments to the Articles of Incorporation in 2023*

ARTICLE	OLD	NEW
5	<p>Capital</p> <p>The Corporation has accepted the registered capital system pursuant to the provisions of the Capital Market Law, and adopted the registered capital system as per the Capital Market Board permission dated 6.3.1997 and Nr.2683. The maximum level of registered capital of the Corporation is TRY 10,000,000,000 (ten billion).</p> <p>The issued and fully paid capital of the Corporation is TL 10,000,000,000 (ten billion) and TL 1,000 of it is composed of Group (A) shares each of which worth 1 Kurus, TL 29,000 of it is composed of Group</p> <p>(B) shares each of which worth 1 Kurus and TL 9,999,970,000 of it is composed of Group</p> <p>(C) shares each of which worth 4 Kurus.</p> <p>The registered capital maximum level permission granted by the Capital Market Board is valid between 2020 and 2024 (5 years). Even if the registered capital maximum level is not reached by the end of 2024; the Board of Directors, in order to be able to resolve for another capital increase after 2024, is obliged to obtain permission from the Capital Markets Board for the previously permitted or a new maximum level amount and then obtain authorization from the General Assembly for a new time period which shall not be more than five years. Unless such authorization is received, a capital increase cannot be made by a resolution of the Board of Directors.</p> <p>The Board of Directors is authorized to increase the issued capital by issuing registered shares up to the maximum level of the registered capital in accordance with the provisions of the Capital Market Law and the relevant legislation, whenever it deems necessary.</p> <p>However, no new shares can be issued unless all the issued shares are sold and their values are collected.</p> <p>All the shares of the Corporation are strictly required to be issued in return for cash; all of them must be registered.</p>	<p>Capital</p> <p>The Corporation has accepted the registered capital system pursuant to the provisions of the Capital Market Law, and adopted the registered capital system as per the Capital Market Board permission dated 6.3.1997 and Nr.2683. The maximum level of registered capital of the Corporation is TRY 25,000,000,000 (twentyfive billion).</p> <p>The issued and fully paid capital of the Corporation is TL 10,000,000,000 (ten billion) and TL 1,000 of it is composed of Group (A) shares each of which worth 1 Kurus, TL 29,000 of it is composed of Group</p> <p>(B) shares each of which worth 1 Kurus and TL 9,999,970,000 of it is composed of Group</p> <p>(C) shares each of which worth 4 Kurus.</p> <p>The registered capital maximum level permission granted by the Capital Market Board is valid between 2023 and 2027 (5 years). Even if the registered capital maximum level is not reached by the end of 2027; the Board of Directors, in order to be able to resolve for another capital increase after 2027, is obliged to obtain permission from the Capital Markets Board for the previously permitted or a new maximum level amount and then obtain authorization from the General Assembly for a new time period which shall not be more than five years. Unless such authorization is received, a capital increase cannot be made by a resolution of the Board of Directors.</p> <p>The Board of Directors is authorized to increase the issued capital by issuing registered shares up to the maximum level of the registered capital in accordance with the provisions of the Capital Market Law and the relevant legislation, whenever it deems necessary.</p> <p>However, no new shares can be issued unless all the issued shares are sold and their values are collected.</p> <p>All the shares of the Corporation are strictly required to be issued in return for cash; all of them must be registered.</p>

*Bankamız kayıtlı sermaye tavanının 10.000.000.000 TL'den 25.000.000.000 TL'ye artırılması sebebiyle Ana Sözleşmenin 5. maddesi tadil edilmiştir.

Corporate Memberships

Domestic

The Research Institute of Banking and Commercial Law
Block Chain Türkiye (BCTR)
Turkish Marine Environment Protection Association (TURMEPA)
Foreign Economic Relations Board of Türkiye (DEİK)
DEİK Türkiye - Iraq Business Council
ERTA
Elginkan Community
Fintech Association (FINTR)
Global Relations Forum
İstanbul Foundation for Culture and Arts (İKSİV)
Association of Corporate Communicators (KİD)
National Education Foundation
The Advertisers Association
Business Council for Sustainable Development(BCSD)
The Banks Association of Türkiye (TBB)
Turkish Informatics Foundation
Economic and Social History Foundation of Türkiye (History Foundation)
Vehbi Koç Foundation
Artificial Intelligence and Technology Association
30% Club

Foreign

The Institute of International Finance (IIF)
Institut International d'Etudes Bancaires (IIEB)
International Chamber of Commerce (ICC) Türkiye National Committee - The Commission on Banking Techniques and Practices
UN Global Compact Network Türkiye
United Nations Environment Program Finance Initiative (UNEP-FI)
Net-Zero Banking Alliance (NZBA)
European Association of Communication Directors (EACD)
Turkish Chamber of Commerce in China (ÇTTO)
Mobile Marketing Association - MMA Türkiye

As of 31.12.2023, İşbank's Outstanding Loans Obtained from International Financial Institutions

International Financial Institution	Date of Signature	Amount	Maturity (years)	Purpose of Extending Loans
European Investment Bank (EIB)	28.06.2012 ⁽¹⁾	€ 75,000,000	12	Financing of energy efficiency and renewable energy projects as part of the MidSEFF Program
	09.05.2014	€ 200,000,000	10	Financing the loans to be extended to residential buildings that fall under the scope of Law No. 6306 and conform to the EIB criteria in order to improve earthquake safety and energy efficiency in residential buildings
	30.10.2015 ⁽¹⁾	\$221,200,000	10	Financing of SMEs and enterprises with 250 to 3,000 employees
	01.12.2016 ⁽¹⁾	\$111,200,000	13	Financing of energy efficiency and renewable energy projects as part of the MidSEFF Program
		\$47,600,000	10	Financing of SMEs and enterprises with 250 to 3,000 employees
European Bank for Reconstruction and Development (EBRD)	27.10.2011	\$6,660,000	15	Financing of energy efficiency projects as part of the TurSEFF Program
	28.06.2012 ⁽¹⁾	€ 50,000,000	12	Financing of energy efficiency and renewable energy projects as part of the MidSEFF Program
	18.12.2013 ⁽¹⁾	€ 50,000,000	12	Financing of energy efficiency and renewable energy projects as part of the MidSEFF Program
	30.03.2015 ⁽¹⁾	\$15,000,000	15	Financing of energy efficiency in residences as part of the TurEEFF Program
	21.10.2016 ⁽¹⁾	\$55,000,000	12	Financing of energy efficiency and renewable energy projects as part of the MidSEFF Program
	06.12.2017 ⁽¹⁾	\$55,000,000	7	Financing of renewable energy and resource efficiency investments as part of the TurSEFF Program
	03.08.2023*	\$65,000,000	1	Financing of individuals and businesses in 11 provinces in the earthquake zone
	25.08.2022 ⁽¹⁾	\$76,000,000	5	Financing women entrepreneurs under the second phase of the Women in Business (TurWIB) Program
		\$51,000,000		Financing renewable energy, energy efficiency, and resource efficiency projects under the third phase of the TurSEFF Program
	03.11.2023 ⁽¹⁾	\$80,000,000	5	Financing of companies providing services and production with 11 provinces in the earthquake zone
		\$20,000,000		Financing of SMEs with female managers/owners
PROPARCO	30.06.2020	€ 25,000,000	10	Financing agriculture and the energy and resource efficiency activities of small and medium-sized companies operating in the agricultural sectors
DFC (OPIC)	10.12.2014 ⁽¹⁾	\$220,000,000	14	Financing of SMEs, prioritized regions in development, and women entrepreneurs
IFC	28.12.2017 ⁽¹⁾	\$105,000,000	9	Financing of housing loans, including green mortgages conforming to IFC energy efficiency criteria
		\$20,000,000		Financing "green mortgage" loans ensuring energy efficiency with the fund provided by the Clean Technology Fund ("CTF") through IFC
	25.08.2022 ⁽¹⁾	\$100,000,000	5	Financing of housing loans, including green mortgages conforming to IFC energy efficiency criteria
IFC	14.12.2023	\$67,000,000	1**	Financing of individuals, farmers, micro and small enterprises in 11 provinces in the earthquake zone
		€ 20,000,000		
PROPARCO		€ 35,000,000		
Asian Infrastructure Investment Bank (AIIB)	12.09.2022	\$100,000,000	5	Financing SMEs and small-scale corporate firms affected by the COVID-19 pandemic

(1)) Funding obtained through the transactions made within the scope of the diversified payment rights securitization program based on cash flows

*The total amount of the contract is 109 million USD.

** The IFC loan, which is provided within the scope of the IFC earthquake support package, has an option to extend the maturity of 2 times for 1 year.

Numbers of Social Media Followers

Account	Platform	Link	Number of
Followers	LinkedIn	https://www.linkedin.com/company/isbankasi	181,052
Türkiye İş Bankası A.Ş.	Youtube	https://www.youtube.com/c/isbankasi	48,800
Türkiye İş Bankası A.Ş.	Twitter	https://twitter.com/isbankasi	247,894
Türkiye İş Bankası A.Ş.	Facebook	https://www.facebook.com/isbankasi	628,923
Türkiye İş Bankası A.Ş.	Instagram	https://www.instagram.com/isbankasi/	165,755
Türkiye İş Bankası A.Ş.	Tiktok	https://www.tiktok.com/@isbankasi	41,100
İşcep	LinkedIn	-	
İşcep	Youtube	https://www.youtube.com/c/iscep	6,700
İşcep	Twitter	https://twitter.com/iscepisbankasi	60,038
İşcep	Facebook	https://www.facebook.com/iscep	410,234
İşcep	Instagram	https://www.instagram.com/iscepisbankasi/	71,570
Maximum	LinkedIn	-	
Maximum	Youtube	https://www.youtube.com/user/maximumkart	24,200
Maximum	Twitter	https://twitter.com/MaximumKart	57,209
Maximum	Facebook	https://www.facebook.com/maximum	347,253
Maximum	Instagram	https://www.instagram.com/maximumkart/	49,427
Maximiles	LinkedIn	-	
Maximiles	Youtube	https://www.youtube.com/c/MaximilesKart	479
Maximiles	Twitter	https://twitter.com/MaximilesKart	31,489
Maximiles	Facebook	https://www.facebook.com/MaximilesKart	135,131
Maximiles	Instagram	https://www.instagram.com/maximileskart/	18,536
Workup	LinkedIn	https://www.linkedin.com/company/isbankworkup/	8,712
Workup	Youtube	https://www.youtube.com/c/Workup%C4%B0%C5%9FBankas%C4%B1	2,490
Workup	Twitter	https://twitter.com/workupisbankasi	10,018
Workup	Facebook	https://www.facebook.com/workupisbankasi	17,213
Workup	Instagram	https://www.instagram.com/workupisbankasi/	11,807
Maximum Genç	LinkedIn	-	
Maximum Genç	Youtube	https://www.youtube.com/c/maximumgenc	5,900
Maximum Genç	Twitter	https://twitter.com/maximumgenc	24,812
Maximum Genç	Facebook	https://www.facebook.com/maximumgenc	182,825
Maximum Genç	Instagram	https://www.instagram.com/maximumgenc/	24,812
Total			2,814,379

Human Resources Data

	2021	2022	2023
Total Number of Employees	22,802	23,309	21,167
Number of Employees			
Female	11,506	11,782	10,307
Male	11,296	11,527	10,860
Number of Employees Covered by Collective Bargaining Agreements			
Female	11,309	11,455	9,966
Male	11,126	11,266	10,613
Number of Employees by Employment Type	2021	2022	2023
Full-time			
Female	11,393	11,647	10,166
Male	11,285	11,501	10,829
Partial Time			
Female	112	127	133
Male	11	10	14
Part-time			
Female	1	1	0
Male	0	0	0
Part-Time			
Female	0	7	8
Male	0	16	17
Total	22,802	23,309	21,167
Number of Employees by Region and Branch	2021	2022	2023
Head Office			
Female	2,928	3,249	3,037
Male	4,155	4,313	4,091
Branch			
Female	8,240	8,220	6,979
Male	6,728	6,814	6,369
Region			
Female	338	313	291
Male	413	400	400
Total	22,802	23,309	21,167

	2021	2022	2023
Number of Employees by Gender and Age Upper Management (Members of the Board of Directors and Executive Committee)			
50 years of age and older			
Female	3	4	4
Male	16	18	15
30-50 years of age			
Female	0	0	1
Male	5	4	5
30 years of age and younger			
Female	0	0	0
Male	0	0	0
Employees in Management Positions (Division Manager and above)	2021	2022	2023
50 years of age and older			
Female	8	7	9
Male	29	32	34
30-50 years of age			
Female	8	10	10
Male	37	35	27
30 years of age and younger			
Female	0	0	0
Male	0	0	0
Total	82	84	80
Breakdown of Employees by Age	2021	2022	2023
50 years of age and older			
Female	203	350	225
Male	483	611	467
30-50 years of age			
Female	10,686	10,340	8,567
Male	10,228	9,932	8,816
30 years of age and younger			
Female	617	1,092	1,515
Male	585	984	1,577
Total	22,802	23,309	21,167

Human Resources Data

Number of Employees by Seniority	2021	2022	2023
0-4,99 years			
Female	804	1,229	1,813
Male	805	1,129	1,747
5-9,99 years			
Female	1,793	1,761	1,668
Male	1,521	1,469	1,375
10+ years			
Female	8,909	8,792	6,826
Male	8,970	8,929	7,738
Total	22,802	23,309	21,167
Employee Turnover Rate (%)	2.01	1.9	1.63
Key Personnel Turnover Rate (%)		16.05	8.36

Breakdown of Employees by Educational Background	2021	2022	2023
Primary School	44	36	17
High School	3,299	3,125	2,120
College (2 or 3-year Associate Degree)	523	528	500
University (4-year College)	17,815	18,470	17,387
Post Graduate	1,100	1,128	1,122
PhD Degree	21	22	21
Total	22,802	23,309	21,167

Number of Employees Eligible for Parental Leave	2021	2022	2023
Number of Employees Eligible for Parental Leave			
Number of female employees	11,506	11,782	10,307
Number of male employees	11,296	11,527	10,860

Numbers of Employees Taking and Returning From Maternity Leave	2021	2022	2023
Number of Female Employees Eligible for Maternity Leave	592	499	373
Number of Female Employees Returning to Work from Maternity Leave	758	692	507
Rate of Return from Maternity Leave (%)	99.87%	99.71%	99.80%
Retention Rate After Maternity Leave (%)	98.18%	98.55%	99.13%
Number of Male Employees Whose Wife Took Maternity Leave	550	443	341

Total Employment Created with Subsidiaries	2021	2022	2023
Number of Subsidiaries Under Our Control	109	113	154
Number of Employees in Subsidiaries	35,973	39,184	39,947
Female	35,973	39,184	13,787
Male			26,160
Employee Trainings *	2021	2022	2023
Average Annual Training Hours Per Employee	29.3	43	56.5
Average Annual Training Hours Per Female Employee	26,7	39.5	54.1
Average Annual Training Hours Per Male Employee	32.7	47.5	59.4

* Training figures exclude participants of refresher trainings, and Private Security Officers and Servant Staff are also not included

Employee Trainings*	2021	2022	2023
Anti-Bribery and Anti-Corruption Training			
Number of Trainees	5,716	17,015	19,889
Person*Hours	627	2,130	2,667
Ethical Principles Training			
Number of Trainees	2,214	2,700	4,227
Person*Hours	1,305	1,480	2,849
Human Rights Training			
Number of Trainees	272	2,019	2,524
Person*Hours	727	4,887	6,034
Sustainability Training**			
Number of Trainees	8,637	12,291	12,800
Person*Hours	14,392	27,994	24,764
Sustainability E-Training			
Number of Trainees	775	2,110	2,035
Person*Hours	388	981	654
Diversity and Inclusion /Gender Equality Training/Other Diversity Trainings			
Number of Trainees	-	-	8,106
Person*Hours	-	-	14,654
International Sanctions Trainings			
Number of Trainees	-	-	2,894
Person*Hours	-	-	649

Human Resources Data

Occupational Health and Safety Data	2021	2022	2023
Injury Rate			
Direct Employment	0	0	0
Female	0	0	0
Male	0	0	0
Contractor Employees	0	0	0
Female	0	0	0
Male	0	0	0
Occupational Disease Rate (ODR)			
Direct Employment	0	0	0
Female	0	0	0
Male	0	0	0
Contractor Employees	0	0	0
Female	0	0	0
Male	0	0	0
Number of Occupational Diseases			
Direct Employment	0	0	0
Female	0	0	0
Male	0	0	0
Contractor Employees	0	0	0
Female	0	0	0
Male	0	0	0
Lost Day Rate (LDR)			
Direct Employment	1.98	1.12	3.05
Female	1.49	0.5	0.33
Male	0.49	0.62	2.71
Contractor Employees	0	0	0
Female	0	0	0
Male	0	0	0
Days of Absence Due to Accident			
Direct Employment	444	263	639
Female	335	118	70
Male	109	145	569
Contractor Employees	0	0	0
Female	0	0	0
Male	0	0	0

**Sustainability E-Trainings and Diversity and Inclusion / Gender Equality Training / Other Diversity Trainings data are included.

İş Sağlığı ve Güvenliği Verileri	2021	2022	2023
Absentee Rate (AR)			
Direct Employment	0.000079	0.000045	0.000121
Female	0.00006	0.00002	0.000013
Male	0.000019	0.000025	0.000108
Contractor Employees	0	0	0
Female	0	0	0
Male	0	0	0
Contractor Employees			
Direct Employment	0	0	0
Female	0	0	0
Male	0	0	0
Contractor Employees	0	0	0
Female	0	0	0
Male	0	0	0
Number of Fatal Incidents			
Direct Employment	0	0	0
Female	0	0	0
Male	0	0	0
Contractor Employees	0	0	0
Female	0	0	0
Male	0	0	0
Number of Incidents			
Direct Employment	46	61	97
Female	32	39	45
Male	14	22	52
Contractor Employees	0	0	0
Female	0	0	0
Male	0	0	0
Accident Frequency Rate*			
Direct Employment	0.2	0.26	0.46
Female	0.14	0.17	0.21
Male	6	0.09	0.25
Number of Employees Carrying Out Tasks with a High Risk of Occupational Diseases			
Direct Employment	0	0	0
Contractor Employees	0	0	0
* Accident frequency rate: Total number of incidents / (Total working hours - Lost hours)*200,000			

Summary Financial Highlights and Key Ratios for the Five-Year Period

NON-CONSOLIDATED					
ASSETS (TL Thousand)	2019/12	2020/12	2021/12	2022/12	2023/12
Cash	5,661,559	9,463,666	15,170,894	16,145,165	31,650,948
Receivables from Banks and Interbank Money Markets (1)	60,525,991	77,492,256	190,881,628	205,819,117	535,111,258
Securities (Net) (2)	84,246,760	109,485,041	142,653,302	278,281,335	472,417,535
Loans (3)	270,360,084	345,150,130	493,378,191	759,289,191	1,147,371,176
Partnership Investments (Subsidiaries and Affiliates) (Net)	21,070,554	26,002,383	39,461,345	79,859,474	144,453,136
Fixed Assets (Net)	8,478,257	9,161,214	11,277,602	22,312,006	42,170,034
Other Assets (4)	17,716,266	17,147,742	33,746,062	46,616,380	80,609,212
Total Assets	468,059,471	593,902,432	926,569,024	1,408,322,668	2,453,783,299
LIABILITIES (TL Thousand)	2019/12	2020/12	2021/12	2022/12	2023/12
Deposits	295,922,002	368,876,491	595,628,376	931,077,289	1,662,178,694
Funds Borrowed and Money Markets (5)	86,102,534	116,407,089	181,993,730	173,427,490	352,303,828
Provisions	7,042,357	10,224,590	15,487,318	30,539,092	39,920,879
Other Liabilities	20,119,113	30,612,810	46,620,309	81,902,722	131,582,414
Shareholders' Equity	58,873,465	67,781,452	86,839,291	191,376,075	267,797,484
Total Liabilities	468,059,471	593,902,432	926,569,024	1,408,322,668	2,453,783,299
INCOME/EXPENSE ITEMS (TL Thousand)	2019/12	2020/12	2021/12	2022/12	2023/12
Interest Income (6)	43,042,350	42,516,332	60,904,343	123,454,753	222,485,981
Interest Expenses (6)	23,183,222	17,274,293	29,963,074	48,251,300	155,412,822
Net Interest Income	19,859,128	25,242,039	30,941,269	75,203,453	67,073,159
Net Trading Profit/Loss	(6,397,400)	(3,341,357)	(5,149,127)	4,522,593	12,223,362
Net Fees and Commissions Income	5,569,128	5,617,613	7,619,945	16,146,898	42,437,948
Dividend Income	9,098	21,487	20,735	38,604	65,258
Other Operating Income	3,146,751	2,436,205	4,401,570	6,080,548	13,586,616
Total Operating Income	22,186,705	29,975,987	37,834,392	101,992,096	135,386,343
Operating Expenses (7)	9,792,544	11,796,986	15,911,689	34,029,278	72,228,962
NET OPERATING PROFIT/LOSS (8)	12,394,161	18,179,001	21,922,703	67,962,818	63,157,381
Provision for Losses on Loans and Other Receivables	8,325,906	12,729,920	14,450,167	15,804,444	20,070,907
Profit/Loss from Subsidiaries Based on Equity Method	2,806,196	3,406,471	8,003,345	21,790,674	33,996,027
PROFIT/LOSS BEFORE TAXES	6,874,451	8,855,552	15,475,881	73,949,048	77,082,501
Provision for Taxes	806,864	2,044,635	2,007,986	12,411,168	4,817,703
NET PERIOD PROFIT/LOSS	6,067,587	6,810,917	13,467,895	61,537,880	72,264,798

Summary Financial Highlights and Key Ratios for the Five-Year Period

NON-CONSOLIDATED					
KEY RATIOS	2019/12	2020/12	2021/12	2022/12	2023/12
Interest Earning Assets (9) / Total Assets	89.0%	89.8%	89.3%	88.2%	87.7%
Interest Earning Assets (9) / Interest Bearing Liabilities	109.0%	109.9%	106.4%	112.4%	106.8%
Securities / Total Assets	18.0%	18.4%	15.4%	19.8%	19.3%
Loans / Total Assets	57.8%	58.1%	53.2%	53.9%	46.8%
Loans / Deposits	91.4%	93.6%	82.8%	81.5%	69.0%
Personal Loans / Total Loans	23.6%	25.0%	22.2%	23.3%	29.1%
NPL Ratio	6.5%	5.6%	4.1%	3.0%	2.1%
Coverage Ratio	54.7%	63.7%	66.2%	74.4%	75.6%
Demand Deposits / Total Deposits	28.4%	41.7%	47.9%	45.5%	38.5%
Shareholders' Equity / Total Liabilities	12.6%	11.4%	9.4%	13.6%	10.9%
Capital Adequacy Standard Ratio	17.9%	18.7%	20.4%	24.4%	21.6%
Return on Average Assets (10)	1.4%	1.3%	1.9%	5.3%	3.8%
Return on Average Equity (10)	11.4%	10.9%	18.4%	46.8%	33.3%
OPEX / Operating Income (11)	39.2%	35.3%	34.7%	27.5%	42.6%
OTHER INFORMATION (TL Thousand)	2019/12	2020/12	2021/12	2022/12	2023/12
Regulatory Capital	69,198,849	84,540,460	116,325,684	229,090,694	318,987,884
Core Capital	57,971,231	66,666,192	90,161,889	192,857,543	266,416,068
Free Capital (12)	30,903,681	38,469,439	46,673,837	120,650,947	142,552,115
Demand Deposits	84,040,178	153,998,446	285,308,452	423,357,161	640,611,013

(1) Includes balances at the Central Bank and Required Reserves.

(2) 2019/12, 2020/12 and 2021/12 periods do not include the loan balance granted to the special purpose entity, which is classified under Other Financial Assets at Fair Value Through Profit and Loss.

(3) Excludes Non-performing Loans. 2018/12 period includes the loan balance granted to the special purpose entity, which is classified under Other Financial Assets at Fair Value Through Profit and Loss.

(4) 2019/12, 2020/12 and 2021/12 periods include the loan balance granted to the special purpose entity, which is classified under Other Financial Assets at Fair Value Through Profit and Loss.

(5) Includes Turkish Lira and foreign currency debt instruments issued and subordinated debts.

(6) Fees and Commissions Received from Cash Loans are shown in Interest Income, Fees and Commissions Given to Cash Loans are shown in Interest Expenses.

(7) Includes Personnel Expenses.

(8) Net Operating Profit / Loss = Total Operating Income - Operating Expenses

(9) Interest Earning Assets include Turkish Lira and foreign currency required reserves.

(10) Averages calculated based on quarterly balances.

(11) Operating Income = Total Operating Income + Profit/Loss from Subsidiaries Based on Equity Method

(12) Free Capital = Shareholders' Equity - (Fixed Assets + Non-Financial Associates and Subsidiaries + Net Non-performing Loans)

Summary Financial Highlights and Key Ratios for the Five-Year Period

CONSOLIDATED					
ASSETS (TL Thousand)	2019/12	2020/12	2021/12	2022/12	2023/12
Cash	5,700,435	9,504,086	15,230,787	16,263,472	31,839,900
Receivables from Banks and Interbank Money Markets (1)	70,109,172	87,017,464	206,978,744	230,772,584	588,002,168
Securities (Net) (2)	97,304,703	128,082,066	173,820,212	342,656,590	557,699,316
Loans, Factoring Receivables and Lease Receivables (3)	316,028,505	403,934,870	590,297,628	885,150,975	1,350,352,203
Partnership Investments (Subsidiaries and Affiliates) (Net)	11,190,991	13,052,096	21,918,409	42,870,444	81,346,534
Fixed Assets (Net)	13,826,688	14,706,181	19,101,836	41,497,115	71,552,963
Other Assets (4)	50,891,344	61,855,500	97,056,457	156,220,389	273,949,487
Total Assets	565,051,838	718,152,263	1,124,404,073	1,715,431,569	2,954,742,571
LIABILITIES (TL Thousand)	2019/12	2020/12	2021/12	2022/12	2023/12
Deposits	302,791,204	381,693,393	617,679,203	952,635,932	1,710,051,820
Funds Borrowed and Money Markets (5)	130,065,019	167,635,067	272,909,829	299,862,793	529,450,660
evet	17,860,585	24,027,066	35,609,317	67,292,475	107,633,317
Other Liabilities	48,633,563	69,935,017	102,037,545	185,587,676	304,249,934
Shareholders' Equity	65,701,467	74,861,720	96,168,179	210,052,693	303,356,840
Total Liabilities	565,051,838	718,152,263	1,124,404,073	1,715,431,569	2,954,742,571
INCOME/EXPENSE ITEMS (TL Thousand)	2019/12	2020/12	2021/12	2022/12	2023/12
Interest Income (6)	48,453,830	47,960,977	69,449,187	140,591,973	257,253,164
Interest Expenses (6)	25,654,752	18,898,262	32,530,364	54,160,597	168,229,605
Net Interest Income	22,799,078	29,062,715	36,918,823	86,431,376	89,023,559
Net Trading Profit/Loss	(4,633,920)	(1,206,769)	703,452	19,477,788	40,744,739
Net Fees and Commissions Income	4,611,770	4,919,413	6,691,855	14,671,415	40,133,066
Dividend Income	20,819	31,057	68,548	263,526	421,522
Other Operating Income	10,942,888	11,733,929	16,883,690	32,573,886	64,136,738
Total Operating Income	33,740,635	44,540,345	61,266,368	153,417,991	234,459,624
Operating Expenses (7)	17,512,911	21,179,158	30,381,409	59,881,644	123,656,421
NET OPERATING PROFIT/LOSS (8)	16,227,724	23,361,187	30,884,959	93,536,347	110,803,203
Provision for Losses on Loans and Other Receivables	9,236,283	14,150,040	16,810,490	19,231,075	24,389,572
Profit/Loss from Subsidiaries Based on Equity Method	1,462,479	1,455,956	4,874,850	10,205,448	13,434,857
PROFIT/LOSS BEFORE TAXES	8,453,920	10,667,103	18,949,319	84,510,720	99,848,488
Provision for Taxes	1,422,289	2,915,351	3,389,061	15,453,038	13,478,534
NET PERIOD PROFIT/LOSS	7,031,631	7,751,752	15,560,258	69,057,682	86,369,954
CONSOLIDATED					
KEY RATIOS	2019/12	2020/12	2021/12	2022/12	2023/12
Interest Earning Assets (9) / Total Assets	85.8%	86.2%	86.2%	84.2%	84.2%
Interest Earning Assets (9) / Interest Bearing Liabilities	112.0%	112.7%	108.9%	115.4%	111.2%
Securities / Total Assets	17.2%	17.8%	15.5%	20.0%	18.9%
Loans / Total Assets	54.5%	54.6%	50.9%	49.7%	44.1%
Loans / Deposits	101.6%	102.7%	92.6%	89.4%	76.3%
Personal Loans / Total Loans	20.8%	22.1%	19.3%	20.8%	25.7%
NPL Ratio	6.4%	5.6%	4.1%	3.1%	2.3%
Coverage Ratio	53.5%	62.1%	65.0%	75.6%	75.2%
Demand Deposits / Total Deposits	28.4%	41.2%	47.3%	45.3%	38.1%
Shareholders' Equity / Total Liabilities	11.6%	10.4%	8.6%	12.2%	10.3%
Capital Adequacy Standard Ratio	16.4%	17.0%	18.7%	21.8%	19.9%
Return on Average Assets (10)	1.3%	1.2%	1.8%	4.9%	3.8%
Return on Average Equity (10)	11.8%	11.2%	19.2%	48.1%	35.6%
OPEX / Operating Income (11)	39.8%	36.0%	34.5%	27.5%	40.3%

Summary Financial Highlights and Key Ratios for the Five-Year Period

OTHER INFORMATION (TL Thousand)	2019/12	2020/12	2021/12	2022/12	2023/12
Regulatory Capital	75,055,619	90,577,700	125,734,035	237,561,370	332,472,141
Core Capital	60,581,141	69,037,761	93,801,462	198,553,596	275,684,291
Free Capital (12)	31,093,535	38,572,660	46,881,642	119,423,191	143,197,495
Demand Deposits	86,043,036	157,339,437	291,867,150	431,703,325	652,109,439

(1) Includes balances at the Central Bank and Required Reserves.
(2) 2019/12, 2020/12 and 2021/12 periods do not include the loan balance granted to the special purpose entity, which is classified under Other Financial Assets at Fair Value Through Profit and Loss.
(3) Excludes Non-performing Loans. 2018/12 period includes the loan balance granted to the special purpose entity, which is classified under Other Financial Assets at Fair Value Through Profit and Loss.
(4) 2019/12, 2020/12, and 2021/12 periods include the loan balance granted to the special purpose entity, which is classified under Other Financial Assets at Fair Value Through Profit and Loss.
(5) Includes Turkish Lira and foreign currency debt instruments issued and subordinated debts.
(6) Fees and Commissions Received from Cash Loans are shown in Interest Income, Fees and Commissions Given to Cash Loans are shown in Interest Expenses.
(7) Includes Personnel Expenses.
(8) Net Operating Profit / Loss = Total Operating Income - Operating Expenses
(9) Interest Earning Assets include Turkish Lira and foreign currency required reserves.
(10) Averages calculated based on quarterly balances.
(11) Cost and income are netted against "Insurance Technical Income / Expense". Operating Income = Total Operating Income + Profit/Loss from Subsidiaries Based on Equity Method
(12) Free Capital = Shareholders' Equity - (Fixed Assets + Non-Financial Associates and Subsidiaries + Net Non-performing Loans)

UN Women's Empowerment Principles Progress Statement

PRINCIPLES	GRI STANDARDS	RELATED SECTION
Principle 1- Corporate Leadership Supporting Gender Equality	405-1, 405-2	Message from the General Manager, Initiatives Supported in the Field of Sustainability
Principle 2- Equal Opportunity, Participation and Anti-discrimination	202-1, 401-1, 401-3, 405-1, 405-2, 406-1	Equal Opportunity, Diversity, Gender Equality
Principle 3- Health, Safety and Freedom from Violence	406-1	Equal Opportunity, Diversity, Gender Equality; Employee Health and Safety
Principle 4- Education and Training	404-1; 404-2; 404-3	Equal Opportunity, Diversity, Gender Equality; Talent Management
Principle 5- Business Development, Supply Chain and Marketing Practices	204-1; 205-1; 3-1; 3-2; 3-3; 417-3	Responsible Supply Chain Management; Business Ethics
Principle 6- Community Leadership and Participation	201-1; 413-1	Initiatives Supported in the Field of Sustainability; Financial Performance and Profitability; Contribution to Social Welfare
Principle 7- Measurement and Transparent Reporting for Gender Equality	405-1; 405-2; 3-1; 3-2; 3-3	Equal Opportunity, Diversity, Gender Equality

Independent Auditor’s Report on the Annual Report of the Board Of Directors

To the General Assembly of Türkiye İş Bankası Anonim Şirketi

1. Qualified Opinion

We have audited the annual report of Türkiye İş Bankası A.Ş. (“the Bank”) and its subsidiaries (“the Group”) for the period of January 1, 2023 – December 31, 2023.

In our opinion, except for the matter described in the Basis for Qualified Opinion section of our reports, the consolidated and unconsolidated financial information provided in the annual report of the Board of Directors and the discussions made by the Board of Directors on the situation of the Group are presented fairly and consistent, in all material respects, with the audited full set consolidated and unconsolidated financial statements and the information we obtained during the audit.

2. Basis for Qualified Opinion

As described in the Basis For Qualified Opinion section of Independent Auditor’s Reports on the complete set of audited unconsolidated and consolidated financial statements of the Bank and the Group for the period between January 1, 2023 and December 31, 2023 dated February 13, 2024 on the unconsolidated and consolidated financial statements respectively, as at December 31, 2023 include a free provision at an amount of TL 10,000,000 thousands of which TL 8,475,000 thousands was provided in prior years, TL 2,000,000 thousands reversed in the current period and TL 3,525,000 thousands provided in the current period by the Bank and the Group management for the possible effects of the negative circumstances which may arise from the possible changes in the economy and market conditions which does not meet the recognition criteria of “Turkish Accounting Standard” (TAS) 37 “Provisions, Contingent Liabilities and Contingent Assets”.

We conducted our audit in accordance with “Regulation on independent audit of the Banks” published in the Official Gazette no.29314 dated April 2, 2015 published by Banking Regulation and Supervision Agency (BRSA Independent Audit Regulation) and Independent Auditing Standards (InAS) which are part of the Turkish Auditing Standards as issued by the Public Oversight Accounting and Auditing Standards Authority of Turkey (POA). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Annual Report section of our report. We are independent of the Group in accordance with the Code of Ethics for Independent Auditors (Code of Ethics) as issued by the POA, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

3. Our Auditor’s Opinion on the Full Set Consolidated and Unconsolidated Financial Statements

We have expressed qualified opinions in our auditor’s reports dated February 13,2024 on the full set unconsolidated and consolidated financial statements of the Group for the period of 1/1/2023-31/12/2023.

4. The Responsibility of the Board of Directors on the Annual Report

In accordance with Articles 514 and 516 of the Turkish Commercial Code 6102 (“TCC”) and communique on ‘Principles and procedures set out by the regulations on preparation and issuance of annual reports of Banks’,the management of the Group is responsible for the following items:

- a.

Preparation of the annual report within the first three months following the balance sheet date and submission of the annual report to the general assembly
- b.

Preparation and fair presentation of the annual report; reflecting the operations of the Group for the year, along with its financial position in a correct, complete, straightforward, true and honest manner. In this report, the financial position is assessed according to the consolidated and unconsolidated financial statements. The development of the Group and the potential risks to be encountered are also noted in the report. The evaluation of the board of directors is also included in this report
- c.

The annual report also includes the matters below:

-

Subsequent events occurred after the end of the fiscal year which have significance,

-

The research and development activities of the Group,

-

Financial benefits such as salaries and bonuses paid to the board members and to those charged governance, allowances, travel, accommodation and representation expenses, financial aids and aids in kind, insurances and similar deposits.
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Independent Auditor’s Report on the Annual Report of the Board Of Directors

- Other matters prescribed in the communique on ‘Principles and procedures set out by the regulations on preparation and issuance of annual reports of Banks’ published in official gazette no.26333 dated November 1, 2006.

When preparing the annual report, the board of directors takes into account the secondary legislative arrangements published by the Ministry of Trade and related institutions

5. Auditor’s Responsibilities for the Audit of the Annual Report

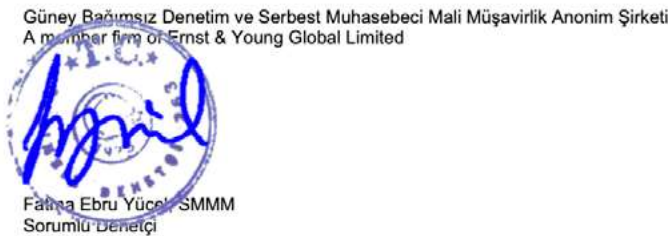
Our aim is to express an opinion, based on the independent audit we have performed on the annual report in accordance with provisions of the Turkish Commercial Code and the Communique on ‘Principles and procedures set out by the regulations on preparation and issuance of annual reports of Banks’ published in official gazette no.26333 dated November 1, 2006 , Banking Regulation and Supervision Agency (“BRSA”) Accounting and Financial Reporting Legislation which includes, “Regulation on Accounting Applications for Banks and Safeguarding of Documents” published in the Official Gazette no.26333 dated 1 November 2006 and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency (BRSA) and Turkish Financial Reporting Standards (“TFRS”) for those matters not regulated by the aforementioned regulations, on whether the consolidated and unconsolidated financial information provided in this annual report and the discussions of the Board of Directors are presented fairly and consistent with the Group’s audited consolidated and unconsolidated financial statements and to prepare a report including our opinion.

The independent audit we have performed is conducted in accordance with InAS and BRSA Independent Audit Regulation. These standards require compliance with ethical provisions and the independent audit to be planned and performed to obtain reasonable assurance on whether the consolidated and unconsolidated financial information provided in the annual report and the discussions of the Board of Directors are free from material misstatement and consistent with the consolidated and unconsolidated financial statements.

The name of the engagement partner who supervised and concluded this audit is Fatma Ebru Yücel.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi

A member firm of Ernst & Young Global Limited



March 7, 2024
İstanbul, Türkiye

Reporting Guide

Environmental Indicators

Total Energy Consumption (GJ):

Total energy consumption including energy sources covers electricity natural gas, fuel-oil, coal and diesel consumption figures. Electricity consumption was initially calculated in kWh and then converted to GJ. In this conversion, 1 kWh = 0.0036 GJ conversion factor was used.

In 2023, monthly natural gas consumption is calculated in cubic meters, coal consumption in kilograms, and fuel oil and diesel consumption for heating purposes in liters. Subsequently, natural gas consumption figures are converted to kilowatt-hours (kWh) using the monthly lower calorific values as indicated on the invoices. The total of these monthly consumptions, converted to kWh, is then further converted to gigajoules (GJ) using the specified conversion factor and added to the total energy consumption.

Reporting boundary for this KPI covers Türkiye operations of İş Bankası.

Greenhouse Gas Emissions:

- Scope 1 Emissions (tCO₂e)
- Scope 2 Emissions (tCO₂e)
- Scope 3 Emissions (tCO₂e)

It indicates the carbon equivalent of greenhouse gas emissions calculated in carbon dioxide equivalent units throughout the reporting period, stemming from energy consumption and refrigerant gases.

The greenhouse gas emissions resulting from the activities of Türkiye İş Bankası have been calculated by Demir Enerji, a consultancy providing services in the fields of Climate Change and Carbon Management, in accordance with the Corporate Greenhouse Gas Accounting and Reporting Protocol (The Greenhouse Gas Protocol: A Revised Corporate Accounting and Reporting Standard).

Greenhouse gas emissions are calculated in 3 different scopes: Scope 1 (Direct Greenhouse Gas Emissions), Scope 2 (Indirect Greenhouse Gas Emissions) and Scope 3 (Other Indirect Greenhouse Gas Emissions).

IPCC 5th Assessment Report factors were used for emission factors. Network Emission Factor has been calculated in accordance with the data provided by TEİAŞ. Direct greenhouse gas (GHG) emissions (Scope 1) and indirect energy greenhouse gas (GHG) emissions (Scope 2) were made according to the GHG Protocol – According to location-based criterion.

Other indirect greenhouse gas (GHG) emissions (Scope 3) are reported according to the GHG Protocol. DEFRA emission factors were used for air travel emissions and Environmental Paper Network emission factors were used for paper consumption.

While calculating greenhouse gas emissions, the following sources causing carbon emissions were considered:

Scope 1 Emissions*:

- Natural gas, diesel, LPG, fuel oil and coal consumption for heating purposes,
- Fuels used in generators (Diesel),
- Company vehicles fuel Consumption (Diesel and Gasoline)
- Refrigerants (Leaks reported during installation and maintenance phases are taken into account)

Scope 2 Emissions*:

- Electricity consumption

Scope 3 Emissions*:

- Fuel consumption of personnel service vehicles,
- International business travels (Flight, Bus, Taxi),
- Local business travels (Flight, Bus, Taxi),
- Paper consumption,

- Fuel consumption of private car used for business purposes.

*Reporting boundary for this KPI covers Türkiye operations of İş Bankası.

*The impact of remote working is not included in the resource consumption and emission calculations in the reporting period.

Fuel consumption of vehicles

- Fuel Consumption of Personnel Service Vehicles (liters).
- Fuel Consumption of Personal Vehicles (liters).
- Fuel Consumption of Company Vehicles (liters)

The personnel services encompass transportation for employees of the General Directorate buildings (İş Kuleleri Tower 1, ATOM, TUTOM, and ATLAS buildings) as well as shuttle services for branch/region staff. Fuel consumption data is calculated taking into account the distance covered within the route of the service vehicles provided by the transportation company responsible for personnel transportation.

Personal vehicles include the usage of vehicles for business purposes by employees working at the General Directorate buildings (İş Kuleleri Tower 1, ATOM, TUTOM, and ATLAS buildings), as well as all branches.

Company vehicles encompass all vehicles within the Bank’s fleet, including transportation vehicles. Fuel consumption information is based on data provided by the supplier company.

Total Water Consumption (m³)

- Total network water consumption (m³)
- Total rainwater consumption (reclaimed/reused water) (m³)
- Total drinking water consumption (m³)
- Total amount of wastewater (m³)

In Türkiye operations, locally provided network water and rainwater are utilized. The reporting scope includes the total amount of water consumed for various purposes. Water consumption is categorized into three distinct categories: Network water, Rainwater, and Drinking water. The total network water encompasses the amount of water purchased from municipalities or other authorized suppliers such as İSKİ. Consumption data is tracked from invoices and credit top-ups on metered counters. Throughout the year, consumption across all locations is monitored and reported.

For a small number of service buildings (78), where consumption quantities cannot be directly determined, estimated consumption information has been calculated based on the number of employees according to TS1258 standards.

Rainwater is collected via rainwater collection channels installed in the General Directorate buildings, filtered, and then stored after which its usage is measured and monitored by building management through meter readings. Rainwater constitutes the amount of reclaimed/reused water.

Total drinking water refers to the amount of drinking water consumed in the General Directorate buildings (İş Kuleleri Tower 1, ATOM, TUTOM). Drinking water for these buildings is supplied through water tankers, bottled water, and bottled water, and has been monitored since 2021. In service buildings certified with ISO14001, drinking water is supplied through bottled and container water. Water consumed in service buildings is not included in the reporting scope.

The total amount of wastewater is calculated as the sum of network water purchased and rainwater collected, which is then reused for various activities and subsequently classified as wastewater.

Emission Intensities

- Emissions per Employee (tCO₂e/Number of Employees)
- Emissions per Consolidated Asset Size (tCO₂e/million TL)
- Emissions per Consolidated Asset Size (tCO₂e/million US dollars)
- Emissions per Consolidated Net Profit (tCO₂e/million TL)

Reporting Guide

• Emissions per Consolidated Net Profit (tCO₂e/million US dollars)

The greenhouse gas emission intensity values calculated by dividing the Bank's Scope 1 and Scope 2 greenhouse gas emissions by its consolidated assets, total number of employees in Türkiye, and consolidated net profit are included. The Bank's total assets and net profit are obtained from the independently audited financial statements as of December 31, 2023.

Recycled total waste amount (tons)

- Recycled Non-hazardous Waste Amounts
- Recycled Hazardous Waste Amounts
- Recycled Paper Waste Amount
- Recycled Electronic Waste Amount

The total recycled waste amount consists of recycled non-hazardous waste, recycled hazardous waste, paper waste, and electronic waste.

Under recycled non-hazardous waste, plastics, metals, and glass wastes are evaluated. Under recycled hazardous waste, battery, fluorescent lamp, battery, car battery, and toner cartridge wastes are evaluated.

Recycled paper waste indicates the amount of paper, cardboard, and carton waste.

Reporting boundaries for waste include the ATOM, TUTOM, Tower-1, ATLAS buildings, and branch buildings included in the ISO14001 environmental management certification. Receipts from authorized recycling companies have been taken into account in calculating the recycled waste amount.

Renewable Energy Portfolio of İş Bankası

- The number of renewable energy projects financed in 2023, their installed capacity, and the amount of credit provided to these projects.
- The total installed capacity of renewable energy projects financed by İş Bankası.
- In İş Bankası's portfolio in 2023, the following renewable energy projects are included:
- Hydroelectric Power Plants (HPP)
- Wind Energy Power Plants (WPP)
- Biomass Energy Power Plants (BPP)
- Solar Energy Power Plants (SPP)
- Geothermal Energy Power Plants (GPP)

The total credit amount provided to renewable energy projects is determined based on the total risk information by considering the sum of cash and non-cash credit amounts disbursed by the Bank's Corporate Loans Allocation, Commercial Loans Allocation, Retail Loans Allocation, and Project Finance divisions.

During this process, in addition to the total credit amounts provided to projects, the installed capacities of projects are determined based on the credit allocation files of projects, which are referenced and updated annually. The number of renewable energy projects encompasses the number of financed power plants. In consortium structures, the bank's shares are not considered when calculating the installed capacity, and the total installed capacity information of the power plant(s) is reported.

Environmental and Social Risk Assessment Indicators

- Number of financed projects subjected to Environmental and Social Risk Assessment and risk categories

As detailed under the Responsible Finance section of Responsible Banking, evaluations within the Environmental and Social Risk Evaluation Tool (ERET) included projects with an investment amount of 10 million USD and above, for which loans were allocated or contracted during the reporting year.

Projects undergoing ERET evaluation process are evaluated with reference regulations such as national, environmental and international regulations,

IFC (International Finance Corporation) Performance Standards, EBRD (European Bank for Reconstruction and Development) Performance Requirements, Equator Principles. A Project Environmental and Social Assessment Document is prepared for each project.

- Field visits within the scope of Environmental and Social Risk Assessment

Definition of this indicator covers the number of field visits carried out within the scope of environmental and social risk assessment during the reporting period to monitor the projects financed in 2023 or before.

Talent Management Indicators

- Average annual training hours per employee
- Average training hours per female employee
- Average training hours per male employee

Training hours are calculated considering all trainings, excluding private security renewal trainings given to employees during the year. In this context, the calculations are made by dividing the total hours of training given to the employees during the reporting period by the number of employees as of 31 December 2023 (private security and servant staff are not included in these calculations).

- Number of employees received "Anti-Bribery and Anti-Corruption" training and total training time
- Number of employees received "Ethical Principles / Business Ethics" training and total training time
- Number of employees received "Human Rights" training and total training time
- Number of employees received "Sustainability" training and total training time
- Number of employees received "Information Security" training and total training time

"Anti-Bribery and Anti-Corruption", "Ethical Principles", "Human Rights" and "Sustainability" trainings are covered by the training modules including those subjects. Calculations for this indicator consider the number of employees participated in those trainings and the amount of time allocated to those issues within these trainings. There are no trainings directly devoted to "Anti-Bribery and Anti-Corruption", "Ethical Principles", "Human Rights" and "Sustainability" issues within the Bank. However, these issues have been addressed within certain training programs for certain periods of time. Therefore, when calculating the total hours of training and the number of participants, the time allocated for these titles is taken into account within the existing training programs. On the other hand, when calculating the training periods, the duration of the training given in these areas in the training programs organized by the Board of Inspectors for the Board Members are not included.

The subject of human rights is also mentioned in the course of " Law on Private Security Services and Individual Rights", which is provided to private security personnel as part of the renewal trainings at certain time intervals. This subject was not included in calculations, since it is a subject mentioned within the 10-hour renewal trainings provided by different suppliers in different provinces.

Calculations for total hours of information security trainings, considered the number of employees participated in trainings covering information security related issues (cyber security, social engineering, and information security etc.) and the number of hours devoted those subjects.

- Hours of training per newly recruited employees in the first year

Hours of training per newly recruited employees in the first year indicates the ratio of the total hours of training received by new employees during the reporting period to the number of newly recruited employees. In calculation of the relevant indicator, private security staff, members of the administrative council and servant staff were excluded.

- Hours of management and leadership development program training per person

Management and leadership development programs are measured by the number of training hours per person. The total training hours for managers (holding the title of Assistant Manager II and above) participating in management and leadership development programs during the reporting period are calculated by dividing it by the number of employees holding the title of manager (Assistant Manager II and above) as of December 31, 2023.

- Hours of IT competence development trainings per person

Hours of IT competence development training per person is calculated by dividing the total hours of "IT Business Line Trainings" during the reporting period with the number of employees within the Department of Information Technologies and Data Management (excluding private security and servant staff) as of 31 December 2023.

- Share of digital trainings in total trainings (%)

Digital trainings include distanced education such as videos, e-trainings and e-games. The share of digital trainings in total trainings is calculated by dividing the total duration of Digital Trainings completed in the reporting period by the total hours calculated for all trainings.

Human Resources Indicators

- Total Number of Employees

As of December 31, 2023, the total number of employees includes all employees working in Türkiye İş Bankası's domestic and international operations. Interns (high school and university interns) and employees under subcontractors, as well as BASİSEN, T. İş Bank. A.Ş. Mensupları Emekli ve Munzam Sandık Vakıfları, and employees assigned to domestic and international subsidiaries, are not included in the total number of employees.

- Breakdown of employees by gender and type of employment

As of December 31, 2023, the total number of employees includes all employees working in Türkiye İş Bankası's domestic and international operations. Interns (high school and university interns) and employees under subcontractors, as well as BASİSEN, T. İş Bank. A.Ş. Mensupları Emekli ve Munzam Sandık Vakıfları, and employees assigned to domestic and international subsidiaries, are not included in the total number of employees.

- Employee turnover rate (%)

Employee Turnover Rate is covering the ratio of the total number of employees who resigned during the year to the average number of employees. The average number of employees is calculated by dividing the sum of number of Bank's employees determined at each month by 12.

The Critical Personnel Turnover Rate is the ratio of the number of inspectors and specialists who resign and leave their jobs during the year to the average number of employees in these titles. The average number of employees is calculated by dividing the total number of Bank employees finalized at the end of each month (12 counts in total) by 12.

Rate of People Resigning Due to Retirement is the ratio of the number of employees who retire and resign (excluding resignations due to investigation and military service) during the year to the average number of employees. The average number of employees is calculated specifically for this turnover rate by dividing the total number of employees at the end of the current year and the previous year by 2.

- The number and percentages of female managers in junior, middle, and senior positions (%)

It is the ratio of the total number of female employees holding managerial titles (Assistant Manager II and above) as of December 31, 2023, to the

total number of employees holding managerial titles (Assistant Manager II and above). The titles of Assistant Manager II and above include Assistant Manager II, Other Managers, Managers, and Members of the Board of Directors.

- Unionization rate (%)

This indicator covers the ratio of employees who are members to BASİSEN to the total number of employees as of 31st of December 2023.

- Number of employees benefited from maternity leave

The number of employees entitled to maternity leave refers to the number of female employees who have taken paid or unpaid maternity leave during the reporting period. The number of employees returning from maternity leave refers to the number of female employees who have returned from paid or unpaid maternity leave during the reporting period.

- Rate of employees returned from maternity leave (%)

The ratio of the number of female employees who returned from maternity leave (paid or unpaid) during the reporting period to the total number of female employees who had their return date from maternity leave (paid or unpaid) within the reporting period.

- Retention rate after maternity leave (%)

The post-maternity leave retention rate is defined as the ratio of female employees who returned to work at İş Bankası after maternity leave and were still employed at the end of the reporting period, calculated and reported for the previous year instead of the reporting period. For the year 2023, the reported rate is the ratio of female employees who returned from paid or unpaid maternity leave during 2022 and continued to work at the Bank within 1 year from their return to work, to the total number of female employees who returned from paid or unpaid maternity leave during 2023.

- Number of employees benefited from paternity leave

The number of male employees who used paternity leave as part of compassionate leave during the period from 01.01.2023 to 31.12.2023.

OHS data on the basis of female and male employees

- Number of Incidents

Occupational Health and Safety related data covers İş Bankası employees within the borders of the Republic of Türkiye.

It covers the definition of work accident within laws numbered 6331 and 5510. In this context, calculations are made by considering the statements of the employees who reported work accidents, the hospital reports, the workplace doctor or the institution doctor reports.

- Injury rate

It is the ratio of the number of injuries resulting from occupational accidents to the total number of full-time employees.

- Number of work related fatalities

It is the number of fatalities resulting from accidents. As a result of the incident, it is evaluated according to the result of the fatalities report submitted by the competent authorities together with the judicial authorities.

- Number of occupational disease

It is the number of temporary or permanent diseases that are exposed due to a recurring reason caused by the nature of the work or related conditions of the work. These calculations are made in-line reports that have been prepared by the Health Boards authorized by the Turkish Ministry of Health.

- Absence due to accident

Calculated by considering the days of absence due to work accidents. In this regard, calculations are made according to the periods as stated in the doctor/hospital reports of the employees those had reported work accidents to Human Resources Management Division.

Reporting Guide

• Total Injury Frequency Rate (IR - Injury Rate)

The ratio of accidents during the year to total working time is calculated. In this regard, calculations are made by the formula of “Total number of accidents/ (Total working hours - Lost hours) * 200,000”. The number of accidents in this formula is obtained from the accident report forms filled out by employees. While calculating total working hours, official holidays within the year are subtracted and 1 workday is accepted as 8 hours.

Lost hour data is reported by calculating total number of work hours lost by the number of daily absences due to accidents.

• Lost Day Rate (LDR)

Covers the ratio of the number of days lost due to work accidents to total work hours. This calculation uses the following formula “(Total number of lost days * 200,000)/Total work hours”. The lost day in the formula covers absences due to accident.

• Occupational Disease Rate (ODR)

It is calculated by taking into account the ratio of total working hours of employees who are exposed to temporary or permanent occupational diseases due to a recurring reason caused by the nature of the work or due to conditions of the work. In this calculation, the formula used was as the following: “(Number of Occupational Diseases * 200,000) / Total Working Hours”.

• Absentee Rate (AR)

Covers the ratio of lost work hours to total work hours. This calculation uses the formula “Lost work hours/Total human work hours”.

• Number of OHS Committees established and the total number of members and representatives working on the committees

The indicator covers the number of OHS committees established at İş Bankası buildings with an employee population of 50 or more, in accordance with the law number 6331 on OHS. In this context total number of members corresponds to the total number of members to OHS committees. Union representatives are considered as natural employee representatives.

Other Indicators

• Total amount of loan agreements signed with international financial institutions within the sustainable framework for the year of 2023

In 2023, the amount of resources obtained through securitization transactions based on bilateral agreements or transfer flows from international financial institutions and international funds such as EBRD, IFC, Proparco, and Green for Growth Fund (GGF) for the purpose of providing special financing aimed at creating environmental and social benefits has been verified.

The list of sustainability-themed credit agreements signed with these institutions was obtained from the Financial Institutions Department, and the relevant credit agreements and disbursement documents were reviewed. Items such as date, signature, disbursement date, principal amount, interest amount, and currency of the principal were examined in these agreements and disbursement documents. The bank system screenshots of the relevant loans were reviewed and compared with the screenshots of the amounts reported to the Banking Regulation and Supervision Agency (BDDK) and the Central Bank of the Republic of Türkiye (TCMB).

• Number of customers

As of December 31, 2023, it includes all legal and natural person customers, including individual customers who have accounts at İş Bankası but are not active, as well as potential customers who have had a relationship with the Bank (such as money transfers, loan applications, supplementary card ownership, customer agency relationships), excluding canceled/inactive customers and customers in default.

• Number of digital banking customers

The unique number of individual customers who have successfully logged in to any of the following channels - individual İşCep, commercial İşCep, Maximum Mobil, Maximum İş Yerim, Nays, individual Internet Branch, or Commercial Internet Branch - with their customer number and password during the period from January 01, 2023, to December 31, 2023.

• Number of mobile banking users

The unique number of individual customers who have successfully logged in to any of the following channels - individual İşCep, commercial İşCep, Nays, Maximum İş Yerim, or Maximum Mobil - with their customer number and password during the period from January 01, 2023, to December 31, 2023.

• Customer satisfaction score

• Net promoter score

The indicator covers scores reflected in individual and commercial customer experience surveys conducted by independent research companies during the reporting period.

• Paper savings through digitized processes (Number of pages printed)

In 2023, the paper savings information was determined taking into account the number of pages of contracts issued with digital approval, the number of letters sent via KEP messages, and the number of digitally signed receipts. Since our bank's receipts are in A5 size, the number of digitally signed receipts was divided by 2 for the standard A4 calculation. The number of KEP messages was multiplied by 2 based on the average of 2 pages per letter determined through the examination of samples. The figures for digital approval and KEP messages were obtained from reports created for monitoring these applications. The number of digitally signed receipts was obtained through a database query.

• Number of trees planted during the year within the scope of the project carried out with the TEMA Foundation

Includes the number of trees which will be planted in 2023 in exchange to the paper waste (papers belonging to the expired files collected from archives) donated by İş Bankası to TEMA in between 1 March 2023- 31 January 2023. 1 tree is planted for every 100 kg of paper waste donated. In this context, receipts of collected paper waste from İş Bankası archives were examined.

• Number of graduates from “81 Students from 81 Cities” Project conducted with Darüşşafaka

Includes the number of graduates during the reporting period from Daruşşafaka within the scope of the scholarship program, 81 Students from 81 Cities, conducted by İş Bankası with Daruşşafaka. An official letter provided by Daruşşafaka was taken into consideration.

• Total amount of cash loans extended to the agricultural sector (billion TL)

The total amount of cash loans provided to the agriculture and livestock sector in 2023 is included, covering both individual and commercial loans falling under the NACE A code. The labeling and classification of loans in the system have been reviewed and tested.

• Number of ATMs

It includes the total number of ATMs owned by İş Bankası in Türkiye and the Turkish Republic of Northern Cyprus (TRNC). The data for December 2023 from the Interbank Card Center has been taken into account for the analysis.

• Number of accessible ATMs

Includes the total number of ATMs belonging to İş Bankası, located in Türkiye and TRNC which are accessible to a wheelchair and/or includes a headphone jack as of the reporting period.

• Total amount of cash loans extended to the women entrepreneurs

In 2023, the total amount of financial support provided in Turkish Lira to female customers among the SMEs (Small and Medium-sized Enterprises) meeting the definition of SME by the Banking Regulation and Supervision Agency (BDDK) has been verified and tested within the loans granted to SMEs.

Independent Assurance Report



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Limited Assurance Report

To the Board of Directors of T. İş Bankası A.Ş.

We were engaged by T. İş Bankası A.Ş. (hereinafter “Bank” or “İş Bankası”), to provide independent limited assurance on the “Selected Information” contained in the Integrated Annual Report of İş Bankası (hereinafter “the Report”) for the year ended 31 December 2023.

The scope of our assurance is limited to the Selected Information listed for İş Bankası below:

- Number of renewable energy projects financed during the year, their installed capacity (MW) and the loan amount provided to these projects (million USD)
- Number of projects financed after undergoing environmental and social risk evaluation, and risk categories
- Number of field visits made as part of environmental and social risk management
- Total amount of cash commercial loans extended to the agricultural sector (billion TL)
- Total amount of loan agreements signed with international financial institutions within the sustainable framework during the year
- Amount of supplied renewable energy
- Total amount of financing provided to women entrepreneurs
- Number of saplings planted during the year under the project with the TEMA Foundation
- Number of Customers
- Net Promoter Score
- Customer satisfaction score
- Number of ATMs
- Number of disabled-friendly ATMs
- Ratio of disabled-friendly ATMs (%)
- Number of digital banking customers
- Number of mobile banking users
- Total paper savings thanks to digitized processes (pages)
- Total number of employees
- Breakdown of employees by gender and type of employment
- Employee turnover rate (%)
- Women employee ratio in senior management (%)
- Unionization rate (%)
- Numbers of employees taking and returning from maternity leave
- Rate of return from maternity leave and retention rate after maternity leave (%)
- Number of employees using paternity leave
- OHS data on the basis of female and male employees
 - Number of incidents
 - Number of fatal incidents
 - Number of occupational diseases
 - Days of absence due to accident
 - Accident frequency rate
 - Lost day rate (LDR)
 - Occupational disease rate (ODR)
 - Absentee rate (AR)
 - Injury rate
 - Number of work-related fatalities
 - Number of employees carrying out tasks with a high risk of occupational diseases
- Number of Occupational Health and Safety Committees (OHS Committees) and the total numbers of members and employee representatives in the committees
- Average training hours per employee, average training hours per female employee, average training hours per male employee

Independent Assurance Report

- Hours of training per newly recruited employee in their first year
- Number of employees receiving "Anti-Bribery and Anti-Corruption", "Ethical Principles / Business Ethics", "Human Rights" and "Sustainability" training and total training hours
- Number of participants of information security trainings and total training hours
- Share of digital trainings within all trainings (%)
- Hours of training per person in the management and leadership development program
- Hours of training per person in Information Technologies (IT) competence development trainings
- Number of graduates from the "81 Students from 81 Cities"
- Greenhouse Gas Emissions;
 - Scope 1 (ton CO₂e)
 - Scope 2 (ton CO₂)
 - Scope 3 (ton CO₂e)
 - Category 1: Purchased Goods and Services (resulting from paper consumption)
 - Category 5: Waste Generated in Operations
 - Category 6: Business Travel
 - Category 7: Employee Commuting
- Electricity consumption (kWh)
- Natural gas consumption (m3)
 - Electricity consumption (kWh)
 - Natural gas consumption (m3)
 - Fuel-oil consumption (lt)
 - Coal consumption (kg)
 - Diesel consumption (lt)
 - Total energy consumption (GJ)
 - Fuel consumption of vehicles (lt) (fuel consumption of company vehicles, fuel consumption of personnel service vehicles, fuel consumption due to business travel with private cars)
- Total water consumption (m3)
 - Total consumption of municipal water - Blue (m3)
 - Total spring water consumption - Green (m3)
 - Total wastewater consumption - Gray (m3)
 - Amount of recovered/re-used water (m3)
- Paper consumption (tons)
- Amount of recycled paper (tons)
- Amount (tons) and type of waste (electronic, domestic, paper, medical, total)
- Amount (tons) and type of recycled hazardous waste (car batteries, batteries, fluorescent lamps, toner cartridges)
- Amount (tons) and type of recycled non-hazardous waste (glass, metal, plastic)
- Amount of electronic waste recycled
- Emission intensities (per employee, per consolidated total assets, and per consolidated net profit)

Management's responsibilities

Management is responsible for the preparation and presentation of the Report for the Selected Information in accordance with the İş Bankası's Reporting Guidance as described in the Report, and the information and assertions contained within it; for determining the İş Bankası's objectives in respect of sustainable development performance and reporting, including the identification of stakeholders and material issues; and for establishing and maintaining appropriate performance management and internal control systems from which the reported performance information is derived.

Management is responsible for preventing and detecting fraud and for identifying and ensuring that İş Bankası complies with laws and regulations applicable to its activities.

Management is also responsible for ensuring that staff involved with the preparation and presentation of the description and the Selected Information are properly trained, information systems are properly updated and that any changes in reporting encompass all significant business units.

Our responsibilities

Our responsibility is to carry out a independent limited assurance engagement and to express a conclusion based on the work performed. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board. That Standard requires that we plan and perform the engagement to obtain limited assurance about whether the Selected Information is free from material misstatement.

Independent Assurance Report

We apply the International Standard on Quality Control 1 (ISQC1) and, in conformity with this Standard, maintain a comprehensive system of quality control including documented policies and procedures regarding the compliance with ethical principles, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Procedures performed

A limited assurance engagement on a Selected Information consists of making inquiries, primarily of persons responsible for the preparation of information presented in the Selected Information, and applying analytical and other evidence gathering procedures, as appropriate. These procedures included:

- ➊ Interviews with relevant staff at the corporate and business unit level responsible for providing the information in the Selected Information,
- ➋ Using the Reporting Guidance of the Report to measure and evaluate the Selected Information,
- ➌ Evaluating the design and implementation of key processes and controls over the Selected Information,
- ➍ Re-performing, on a sample basis, the calculations used to prepare the Selected Information for the reporting period,
- ➎ Evaluating the disclosure and presentation of the Selected Information in the Report to determine whether it is in line with our overall knowledge of, and experience with, the sustainability performance of İş Bankası,
- ➏ Comparing the information presented in the Selected Information to corresponding information in the relevant underlying sources to determine whether all the relevant information contained in such underlying sources has been included in the Selected Information,
- ➐ Reading the information presented in the Selected Information to determine whether it is in line with our overall knowledge of, and experience with, the sustainability performance of İş Bankası.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less wide than a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is lower than that of a reasonable assurance engagement.

Inherent limitations

Due to the inherent limitations of any internal control structure it is possible that errors or irregularities in the information presented in the Selected Information may occur and not be detected. Our engagement is not designed to detect all weaknesses in the internal controls over the preparation and presentation of the Selected Information, as the engagement has not been performed continuously throughout the period and the procedures performed were undertaken on a test basis.

Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report.

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

Based on the procedures performed and the evidence obtained, as described above, nothing has come to our attention that causes us to believe that the Selected Information as defined in the Report of İş Bankası for the year ended 31 December 2023 is not presented, in all material respects, in accordance with the İş Bankası's internally developed reporting criteria as explained in the Reporting Guidance.

In accordance with the terms of our engagement, this independent limited assurance report on the Selected Information has been prepared for İş Bankası in connection with reporting to İş Bankası and for no other purpose or in any other context.

Restriction of use of our report

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than İş Bankası, for any purpose or in any other context. Any party other than İş Bankası who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than İş Bankası for our work, for this independent limited assurance report, or for the conclusions we have reached.

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi



Şirin Soysal,
Partner
İstanbul, 8 March 2024

GRI Content Index



Statement of Use	İşbank has prepared its report covering the period January 1, 2023–December 31, 2023 in accordance with GRI Standards.
Use of GRI 1	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	/

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSIONS		
			Requirement(s) Omitted	Reason	Explanation
General Disclosures					
GRI 2: General Disclosures 2021	2-1 Organizational details	"An Overview Of İşbank, p. 8-9 https://www.isbank.com.tr/bankamizi-taniyin/hakkimizda "	-	-	-
	2-2 Entities included in the organization's sustainability reporting	About the Report, p. 6	-	-	-
	2-3 Reporting period, frequency and contact point	About the Report, p. 6; Contact - Back Cover, p. 470	-	-	-
	2-4 Restatements of information	GRI Content Index: There is no restated information in the report	-	-	-
	2-5 External assurance	Independent Assurance Report, p. 463-466	-	-	-
	2-6 Activities, value chain and other business relationships	"An Overview Of İşbank, p. 8-9 https://www.isbank.com.tr/bankamizi-taniyin/istiraklerimiz "	-	-	-
	2-7 Employees	Human Resources Data, p. 448	-	-	-
	2-8 Workers who are not employees	Responsible Supply Chain Management; p. 113-114	-	-	-
	2-9 Governance structure and composition	Management Structure, p. 135-137	-	-	-
	2-10 Nomination and selection of the highest governance body	Management Structure, p. 135-137	-	-	-
	2-11 Chair of the highest governance body	Management Structure, p. 135-137	-	-	-
	2-12 Role of the highest governance body in overseeing the management of impacts	Management Structure, p. 135-137	-	-	-
	2-13 Delegation of responsibility for managing impacts	Sustainability Management, p. 36-37; Management Structure, p. 135-137	-	-	-
	2-14 Role of the highest governance body in sustainability reporting	Sustainability Management, p. 36-37	-	-	-
	2-15 Conflicts of interest	Management Structure, p. 135-137	-	-	-
	2-16 Communication of critical concerns	Our Stakeholders, p. 38-40; Internal Communication and Employee Engagement; p. 126-127; Internal Audit, p. 159, Business Ethics, p. 164	-	-	-
	2-17 Collective knowledge of the highest governance body	Board Member Matrix, p.136-137	-	-	-
	2-18 Evaluation of the performance of the highest governance body	Management Structure, p. a 135-137	-	-	-
	2-19 Remuneration policies	"Employee Rights, p. 120; Remuneration Policy: https://www.isbank.com.tr/bankamizi-taniyin/Documents/yatirimci-iliskileri/ucretlendirme-politikasi.pdf "	-	-	-
	2-20 Process to determine remuneration	Remuneration Policy: https://www.isbank.com.tr/bankamizi-taniyin/Documents/yatirimci-iliskileri/ucretlendirme-politikasi.pdf	-	-	-
	2-21 Annual total compensation ratio	GRI Content Index: İşbank currently discloses the total amount of benefits provided to key executives, including members of the Board of Directors, in the notes to the financial statements. These executives are the highest paid individuals in the company. The ratio subject to the indicator is not disclosed for confidentiality reasons.	2-21 a; 2-21 b; 2-21 c	Confidentiality constraint	İşbank does not disclose this information due to confidentiality.
	2-22 Statement on sustainable development strategy	Messages from the Executives, p. 16-21; Sustainability Management, p. 36-37	-	-	-
	2-23 Policy commitments	Initiatives Supported in the Field of Sustainability, p. 52-53	-	-	-
	2-24 Embedding policy commitments	Sustainability Management, p. 36-37	-	-	-
	2-25 Processes to remediate negative impacts	Our Stakeholders, p. 38-40, Sustainability Management, p. 36-37	-	-	-
	2-26 Mechanisms for seeking advice and raising concerns	Internal Communication and Employee Engagement; p. 126-127; Internal Audit, p.159, Business Ethics, p. 164	-	-	-
	2-27 Compliance with laws and regulations	Internal Audit, p. 159; Uyum, p. 159-160; Internal Control, p. 160-161	-	-	-
	2-28 Membership associations	Initiatives Supported in the Field of Sustainability, p. 52-53; Corporate Memberships, p. 445	-	-	-
	2-29 Approach to stakeholder engagement	Our Stakeholders, p. 38-40; Prioritization Process at İşbank, p. 41-42	-	-	-
	2-30 Collective bargaining agreements	Key Performance Indicators, p. 117	-	-	-

For the Content Index – Essentials Service, GRI Services reviewed that the GRI content index has been presented in a way consistent with the requirements for reporting in accordance with the GRI Standards, and that the information in the index is clearly presented and accessible to the stakeholders. This service was performed on the Turkish version of the report.

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSIONS		
			Requirement(s) Omitted	Reason	Explanation
Material Topics					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Prioritization Process at İşbank, p. 41-42	-	-	-
	3-2 List of material topics	Material Topics and Reporting Frameworks, p. 49	-	-	-
Employee rights, commitment and satisfaction					
GRI 3: Material Topics 2021	3-3 Management of material topics	Contribution to Sustainable Development Goals, p. 54-56; Employee Loyalty and Satisfaction; p. 119; Employee Rights, p.: 120			
GRI 3: Material Topics 2021	3-3 Management of material topics	Contribution to Sustainable Development Goals, p. 54-56; Employee Loyalty and Satisfaction; p. 119; Employee Rights, p.: 120			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Key Performance Indicators, p. 117			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Rights, p. 114			
	401-3 Parental leave	Human Resources Data, p. 450			
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	GRI Content Index: In case of significant operational changes, legal notice periods are complied with.			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Key Performance Indicators, p. 117			
	404-2 Programs for upgrading employee skills and transition assistance programs	Talent Management, p. 128-129			
	404-3 Percentage of employees receiving regular performance and career development reviews	Talent Management, p. 128-129			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Employee Health and Safety, p. 127			
	403-2 Hazard identification, risk assessment, and incident investigation	Employee Health and Safety, p. 127			
	403-3 Occupational health services	Employee Health and Safety, p. 127			
	403-4 Worker participation, consultation, and communication on occupational health and safety	Employee Health and Safety, p. 127			
	403-5 Worker training on occupational health and safety	Employee Health and Safety, p. 127			
	403-6 Promotion of worker health	Employee Health and Safety, p. 127			
	403-8 Workers covered by an occupational health and safety management system	Employee Health and Safety, p. 127			
	403-9 Work-related injuries	Human Resources Data, p. 452			
	403-10 Work-related ill health	Human Resources Data, p. 452			
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Employee Rights, p. 120			
Digital banking and innovation					
GRI 3: Material Topics 2021	3-3 Management of material topics	Contribution to Sustainable Development Goals, p. 54-56; Digital Banking, p. 93-96			
Equal Opportunity, Diversity, and Gender Equality					
GRI 3: Material Topics 2021	3-3 Management of material topics	Contribution to Sustainable Development Goals, p. 54-56; Equal Opportunity, Diversity, and Gender Equality p. 123-124			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Human Resources Data, p. 449; Equal Opportunity, Diversity, and Gender Equality p. 123-124			
	405-2 Ratio of basic salary and remuneration of women to men	"GRI Content Index: Remuneration is managed through transparent and measurable processes and systems, and there is no gender-based wage differentiation. Since there is no gender-based wage differentiation, this ratio is 1. Equal Opportunity, Diversity, and Gender Equality p. 123-124"			
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	GRI Content Index: İşbank makes all decisions regarding its employees regardless of race, origin, religion, language, sect or any other belief, sexual orientation/preference, gender, mental or physical disability, age, cultural or social class, and opinion/thought; and rejects all forms of discrimination against or among its employees and managers.			

GRI Content Index

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSIONS		
			Requirement(s) Omitted	Reason	Explanation
Financial Inclusion					
GRI 3: Material Topics 2021	3-3 Management of material topics	Contribution to Sustainable Development Goals, p. 54-56; Financial Inclusion, p.: 75-78			
Financial Performance and Profitability					
GRI 3: Material Topics 2021	3-3 Management of material topics	Contribution to Sustainable Development Goals, p. 54-56; Financial Performance and Profitability, p. 61-62			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Value Creation Model p. 32-35 ; Financial Performance and Profitability, p. 61-62			
Climate Action					
GRI 3: Material Topics 2021	3-3 Management of material topics	Contribution to Sustainable Development Goals, p. 54-56; Climate Action p.: 80-81; Reducing Negative Impacts of Operations, p. 108-109; Environmental Impact Management, p. 112; Environmental and Social Impacts Policy: https://www.isbank.com.tr/bankamizi-taniyin/Documents/surdurulebilirlik/cevresel-ve-sosyal-etkiler.pdf			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Key Performance Indicators, p. 109			
	302-2 Energy consumption outside of the organization	Key Performance Indicators, p. 109			
	302-3 Energy intensity	Key Performance Indicators, p. 109			
	302-4 Reduction of energy consumption	Environmental Impact Management, p. 112; Environmentally Friendly Service Points, p. 112			
	302-5 Reductions in energy requirements of products and services	Environmentally Friendly Service Points, p. 112			
GRI 303: Water and Effluents 2018	303-3 Water withdrawal	Key Performance Indicators, p. 109			
	303-5 Water consumption	Key Performance Indicators, p. 109			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Key Performance Indicators, p. 109			
	305-2 Energy indirect (Scope 2) GHG emissions	Key Performance Indicators, p. 109			
	305-3 Other indirect (Scope 3) GHG emissions	Key Performance Indicators, p. 109			
	305-4 GHG emissions intensity	Key Performance Indicators, p. 109			
	305-5 Reduction of GHG emissions	Environmental Impact Management, p. 112; Environmentally Friendly Service Points, p. 112			
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	Environmental Impact Management, p. 112			
	306-3 Waste generated	Key Performance Indicators, p. 109-110			
	306-4 Waste diverted from disposal	Key Performance Indicators, p. 109-110			
Business Ethics, Transparency, Corporate Management					
GRI 3: Material Topics 2021	3-3 Management of material topics	Contribution to Sustainable Development Goals, p. 54-56; Transparent and Ethical Management, p.132-133			
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Business Ethics, p. 164, Anti-Bribery and Anti-Corruption, p. 165; Anti-Bribery and Anti-Corruption Policy: https://www.isbank.com.tr/bankamizi-taniyin/Documents/surdurulebilirlik/rusvet-ve-yolsuzlukla-mucadele.pdf			
	205-2 Communication and training about anti-corruption policies and procedures	Business Ethics, p. 164, Anti-Bribery and Anti-Corruption, p. 165; Anti-Bribery and Anti-Corruption Policy: https://www.isbank.com.tr/bankamizi-taniyin/Documents/surdurulebilirlik/rusvet-ve-yolsuzlukla-mucadele.pdf			
	205-3 Confirmed incidents of corruption and actions taken	Business Ethics, p. 164, Anti-Bribery and Anti-Corruption, p. 165; Anti-Bribery and Anti-Corruption Policy: https://www.isbank.com.tr/bankamizi-taniyin/Documents/surdurulebilirlik/rusvet-ve-yolsuzlukla-mucadele.pdf			
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	"GRI Content Index: The Bank's Personnel Regulation includes 'being over 18 years of age' among the recruitment conditions. Activities Not Financed, p. 86; Responsible Supply Chain Management, p. 112-113; Human Rights and Human Resources Policy: https://www.isbank.com.tr/bankamizi-taniyin/Documents/surdurulebilirlik/insan-haklari-ve-insan-kaynaklari.pdf "			
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	GRI Content Index: The working conditions, economic and social rights of employees at İşbank are determined within the framework of labor legislation and internal regulations of the Bank as well as the provisions of the Collective Bargaining Agreement. In this context, the principle of freedom of labor and contract, which finds expression in the Constitution, is valid at İşbank. Moreover, İşbank is among the organizations with the highest unionized employee ratio in the sector with 97.22%. Therefore, İşbank does not have any operations that carry the risk of forced/forced labor.			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSIONS		
			Requirement(s) Omitted	Reason	Explanation
Contribution to Social Welfare					
GRI 3: Material Topics 2021	3-3 Management of material topics	Contribution to Sustainable Development Goals, p. 54-56; Contribution to Social Welfare, p. 166-167			
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Financial Performance and Profitability, p. 61-62			
	203-2 Significant indirect economic impacts	Financial Performance and Profitability, p. 61-62; Responsible Supply Chain Management p. 113-114-115; Environmental and Social Risk Management in Loans, p. 85-86			
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Environmental and Social Risk Management in Loans, p. 85-86			
Customer Centricity					
GRI 3: Material Topics 2021	3-3 Management of material topics	Contribution to Sustainable Development Goals, p. 54-56; Customer Centricity, p. 70-71			
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Responsible Marketing, p. 72; Financial Literacy, p. 79			
	417-2 Incidents of non-compliance concerning product and service information and labeling	GRI Content Index: During the reporting period, there were no incidents of non-compliance with regulations and rules regarding product and service information and labeling.			
	417-3 Incidents of non-compliance concerning marketing communications	GRI Content Index: During the reporting period, there were no incidents of non-compliance with regulations and rules related to marketing communications.			
Efficient Risk Management					
GRI 3: Material Topics 2021	3-3 Management of material topics	Contribution to Sustainable Development Goals, p. 54-56; Efficient Risk Management, p. 161-162			
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	Climate Action, p. 80; Climate Risks Management, p. 83-84			
Cyber Security and Customer Privacy					
GRI 3: Material Topics 2021	3-3 Management of material topics	Contribution to Sustainable Development Goals, p. 54-56; Information Security, p. 102-103			
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	GRI Content Index: The number of complaints is not shared due to data confidentiality.			
Responsible Purchasing and Supply Chain					
GRI 3: Material Topics 2021	3-3 Management of material topics	Contribution to Sustainable Development Goals, p. 54-56; Responsible Supply Chain Management, p. 113-114-115			
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Highlights in 2023, p. 12; Key Performance Indicators, p. 106, Responsible Supply Chain Management, p. 113-114-115			
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Responsible Supply Chain Management, p. 113-114-115			
	308-2 Negative environmental impacts in the supply chain and actions taken	Responsible Supply Chain Management, p. 113-114-115			
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Responsible Supply Chain Management, p. 113-114-115			
	414-2 Negative social impacts in the supply chain and actions taken	Responsible Supply Chain Management, p. 113-114-115			
Responsible Products and Services					
GRI 3: Material Topics 2021	3-3 Management of material topics	Contribution to Sustainable Development Goals, p. 54-56; Responsible Banking p. 72-73-74			
GRI 304: Biyoçeşitlilik 2016	304-2 Significant impacts of activities, products, and services on biodiversity	Environmental and Social Risk Management in Loans, p. 85-86			
GRI 413: Local Communities 2016	413-2 Operations with significant actual and potential negative impacts on local communities	Environmental and Social Risk Management in Loans, p. 85-86			
İnsan Hakları					
GRI 3: Material Topics 2021	3-3 Management of material topics	Contribution to Sustainable Development Goals, p. 54-56; Human Rights and Social Impact Evaluations in Investment and Loan Activities, p.: 74; Responsible Supply Chain Management, p. 113-114-115			
The Future of Business and New Working Models					
GRI 3: Material Topics 2021	3-3 Management of material topics	Contribution to Sustainable Development Goals, p. 54-56; The Future of Business and New Working Models, p.121-122			

Company Information

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İşbank's financial statements, independent auditor's reports, annual reports, press releases and disclosures of material events are available on the Bank's corporate website under the title of Investor Relations, in both Turkish and English.

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