



INTEGRATED ANNUAL REPORT 2024

Moving Forward into Our Second Century with Pride and Confidence...



“Do not be discouraged by the lack of capital. For institutions like this, the greatest capital is intelligence, diligence, integrity, and the ability to work with technical and methodical precision. Embrace your work with this conviction, and you will undoubtedly succeed...”

If you regard success in this endeavor not merely as a matter of personal pride, but as a matter of national honor and dignity, then in your efforts and pursuit of your goals, you will find in your hearts an abundance of the passion and energy you need to achieve and rise even higher.”

Gazi Mustafa Kemal Atatürk, 1924

We take pride in marking our 100th anniversary as Türkiye’s largest privately-owned bank.





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Introduction

100 year old deep-rooted and dynamic institution

Founded by Mustafa Kemal Atatürk, whose vision reflects the path of the Republic, İşbank is an institution that shapes the future with its corporate values and competencies, growing alongside the Republic.

In order to contribute to the growth of the country's economy and increase welfare, which has been our unwavering principle since the day we were founded, we are realizing many firsts to improve savings awareness, strengthen

investments, facilitate trade, increase the accessibility of banking services, and support the locomotive and transformative areas of the economy.

By leveraging the opportunities provided by digitalization, we reflect the new ways of doing business that come with this transformation into our service model, using our innovation capabilities. We take responsibility with our sustainability activities that are designed with a focus on positive impact.

As a deep-rooted and dynamic institution with a 100 year history, we are advancing with confidence and determination towards our second century, with focus on creating sustainable value for Türkiye.

We continue to make our mark in history with actions that contribute to a sustainable future, in line with our Bank's the reputation, strength, and responsibility of our Bank.

The İşbank 2024 Integrated Report has been prepared to present the performance achieved in line with its strategies and to outline its goals for the future. The report summarizes the value created for the Bank's stakeholders in four main sections.

How Do We Create Value?

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 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

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

Responsible Operations 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

The Good Corporate Citizen section outlines the Bank's corporate structure, its approach to ethical principled banking, the effective risk management processes for both short-and long-term threats and opportunities, as well as its management principles and projects that contribute to social welfare.



To access İşbank's official website, please scan the QR code using your device.



Türkiye's Bank 100th Anniversary



About the Report

Structure and content of the report

The 2024 Integrated Annual Report of İşbank, which addresses both financial and non-financial capital elements , provides up-to-date information about the Bank’s efforts focused on creating sustainable and shareable value. The 2024 Integrated Annual Report includes İşbank’s 2024 performance in line with its strategic priorities, the value created for all its stakeholders through this performance, and the risks and opportunities encountered in the value creation process.

Period and Scope of the report

The İşbank 2024 Integrated Annual Report presents the Bank’s performance for the period between 1 January 2024 and 31 December 2024. 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.

 [İşbank’s Subsidiaries](#)

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 1 January 2024 and 31 December 2024, 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 (www.isbank.com.tr).

 [Responsibility Statement](#)

Compliance and legislation

The 2024 Integrated Annual Report of İşbank, whose shares are traded on Borsa İstanbul, is in compliance with the minimum requirements for reporting set by the Banking Regulation and Supervision Agency (BRSA) and the Capital Markets Board (CMB).

The İşBank Integrated Annual Report has been prepared in accordance with the International Integrated Reporting Council’s (IIRC) Integrated Reporting Framework (<IR> Framework) and the “GRI Standards” published by the Global Reporting Initiative (GRI).

 [GRI 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.

 [Sustainability 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.

 [UN Women’s Empowerment Principles Progress Statement](#)

Audit

The financial statements included in İşbank’s 2024 Integrated Annual Report have been audited by PwC Bağımsız Denetim ve Serbest Muh. Mali Müşavirlik A.Ş.

 [Compliance Opinion](#)

PwC Bağımsız Denetim ve Serbest Muh. Mali Müşavirlik A.Ş. has provided limited assurance on selected non-financial information.

 [Independent Assurance Report](#)

İşbank’s Environmental Management System has been audited within the scope of ISO 14001: 2015 standard under Deutsche Akkreditierungsstelle (DAkKS) accreditation by TÜV SÜD.

REPORT NAVIGATION



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



mark represents the information available on website,



mark represents the data that passed the independent audit,



refers to information provided in another section 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) Corporate Report:

This report summarizes İşbank’s targets, strategies, and annual performance for climate action developed within the framework of CDP climate change indicators, as well as water risks, targets, strategies, and annual performance in the area of water security 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 can be accessed from the sustainability page on www.isbank.com.tr or by contacting surdurulebilirlik@isbank.com.tr.

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



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Corporate Profile

In 2024, İşbank experienced a successful period in terms of performance criteria, once again demonstrating its strength as a service provider with sustainable growth capabilities.

Since its foundation in 1924, İşbank has continued on its path without deviating from its founding principles, maintaining its strong financial performance, extensive branch and ATM network, wide range of products, and reputation that it has preserved and developed under all market conditions.

With a competent and qualified human resources of 20,560 employees, İşbank serves 25 million customers by the end of 2024, offering services in corporate, commercial, SME, retail and private banking segments. As of the end of 2024, the Bank holds the position of the largest private bank in Türkiye, with a total asset size of TL 3,323.8 billion.

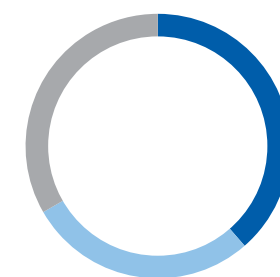
With its extensive service network, including Internet Branch, İşCep (the mobile app), Call Center, 6,496 ATMs (including TRNC and abroad), and nearly 671,000 POS terminals (including online POS), İşbank provides fast and high-quality service.

The Bank's physical service channels provides its services with 49 Regional Directorates and 1,012 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, 15 MaxiOfis, which are located in 11 different provinces within the scope of the regional office design with open office design, provide employees with the opportunity to work independently.

İşbank operates its cross-border banking activities with 2 branches in Iraq, 2 in Kosovo, 2 in England, 1 in Bahrain, and 15 in Turkish Republic of Northern Cyprus (TRNC) as of the end of 2024. 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.

With its subsidiaries operating in various sectors and fields both domestically and internationally, İşbank provides integrated services. As of the end of 2024, İşbank has direct and indirect subsidiaries with 31 companies. The number of companies controlled directly or indirectly by the Bank is 171.

İşbank's Shareholding Structure**



■ **38.59%** Türkiye İş Bankası A.Ş. Members' Supplementary Social Security and Charity Fund Foundation

■ **28.09%** Atatürk's Shares*

■ **33.32%** Free Float

*These shares belonging to Atatürk 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 31.12.2024. (31.12.2023: Foundation 38.2%, Atatürk Shares 28.1%, Public 33.7%).

Our Vision, Values, Strategic Goals and Strategy

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

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.

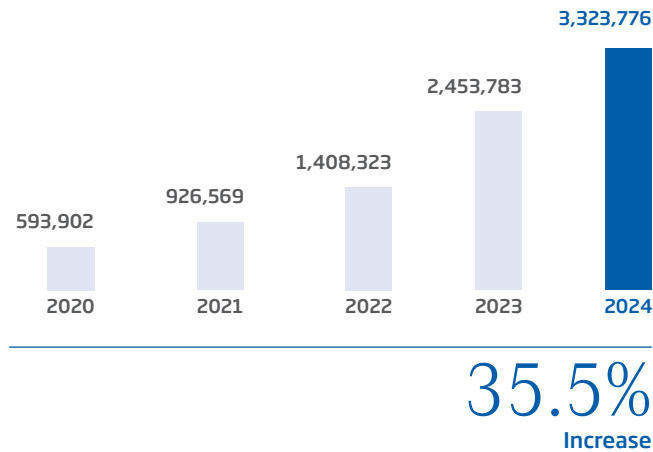


Highlights in 2024

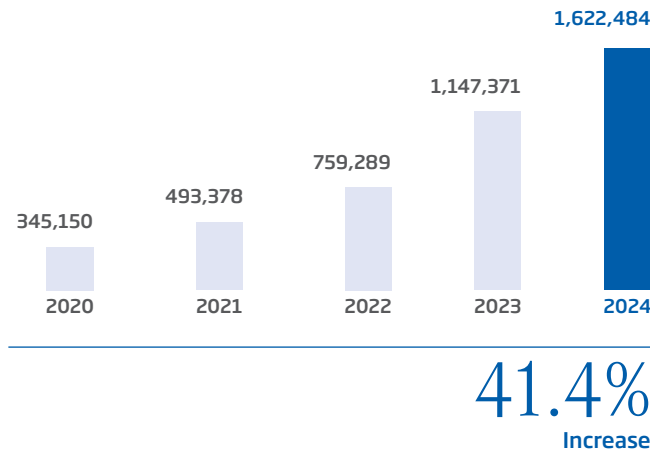
Financial Indicators



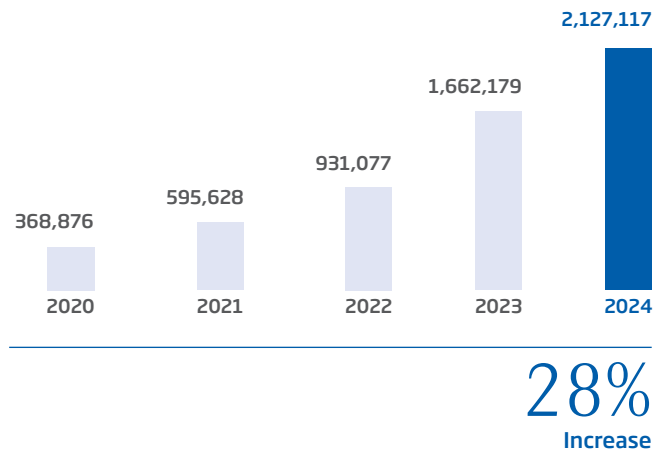
Asset Size
(TL million)



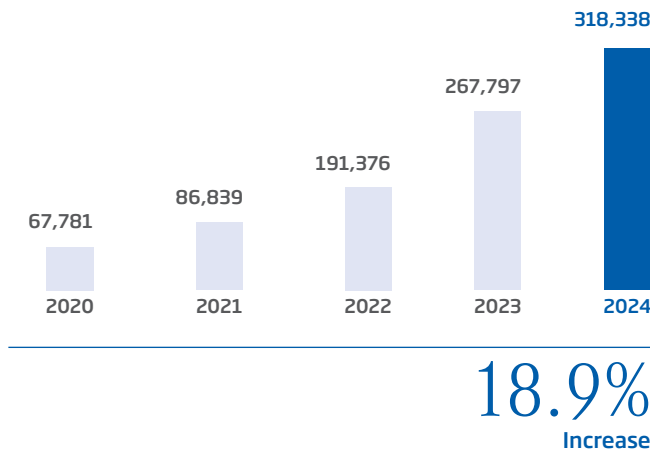
Cash Loans
(TL million)



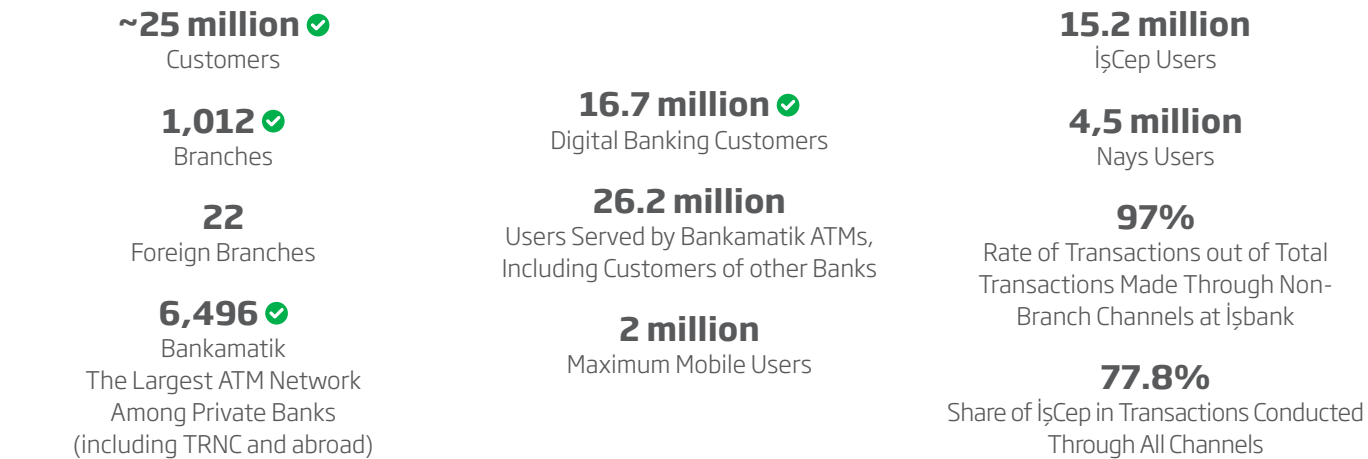
Deposits
(TL million)



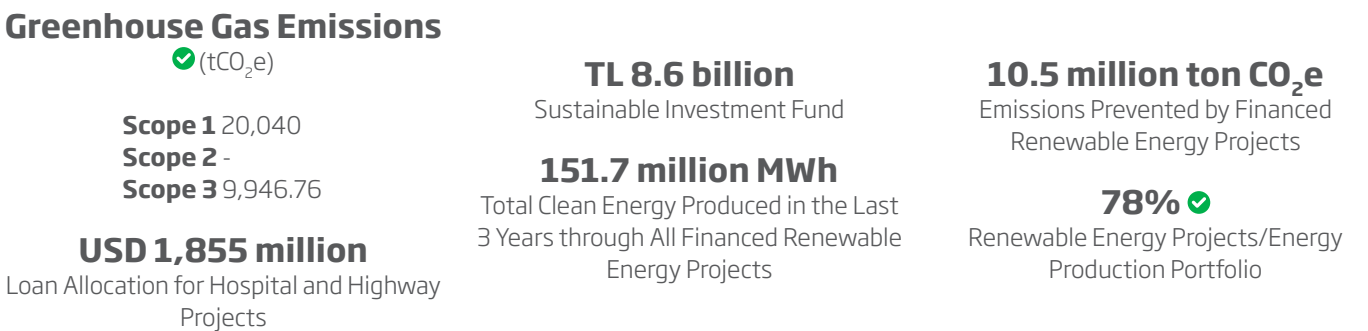
Shareholders' Equity
(TL million)



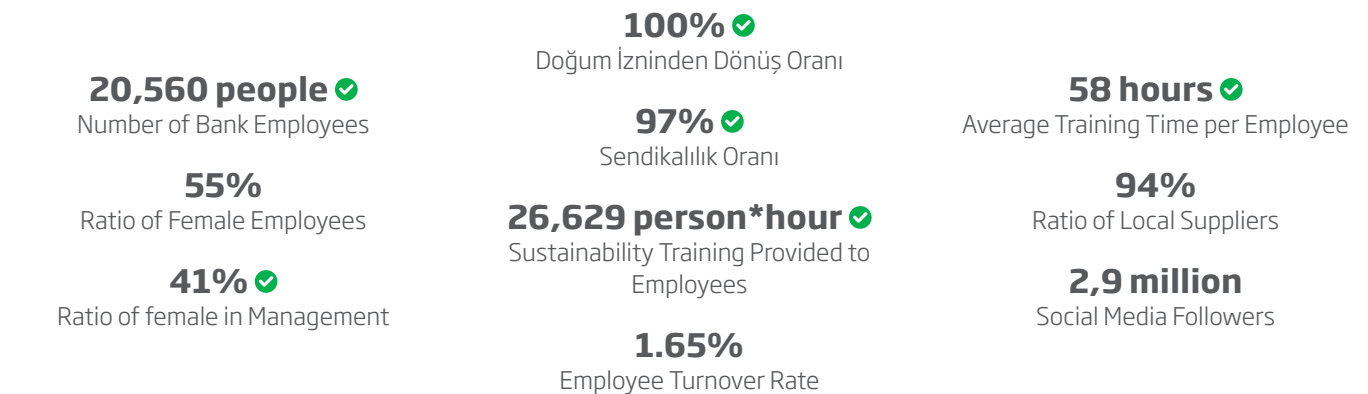
Operational Indicators



Environmental Indicators



Social Indicators



İşbank from 1924 to Today

Founded in 1924 under the directive of Gazi Mustafa Kemal Atatürk, İşbank is the first national bank of Türkiye. It was established with the aim of contributing to the economic development of the Republic and has played a significant role in the financial services sector over the years.

With its innovative practices in the banking sector, extensive branch network, and customer-oriented approach, İşbank continues to operate today as one of Türkiye's largest and most deep-rooted banks.

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 TRNC.
- 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.
- A credit card offering access to the AWS Activate free cloud credits for technology startups, a world-first, has been launched.

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

Expanding 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 particularly in the 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 İstanbul 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 (start-ups) and began to invest in technology-focused start-up 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 has provided its customers with the ability to track account activity from different banks through İşCep.



2020's

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

With its innovative approach that brings together agriculture, technology, and sustainability, the Bank's agriculture-focused efforts have gained momentum, and Agricultural Specialization Branches, positioned as meeting points for farmers, have been established and expanded.

Building on its strengthened leadership in digital banking, İşbank has launched entrepreneurship branches with the first start-start-up-focused branch service model in Türkiye, within the framework of its vision to be the bank for entrepreneurship and entrepreneurs.

Joining the United Nations Net-Zero Banking Alliance, İşbank has become the first bank in Türkiye to announce 2030 emission reduction targets for all carbon-intensive sectors defined by the NZBA.

İşbank has published its Climate Transition Plan, which defines sector-specific targets and actions for all carbon-intensive sectors defined by the Net-Zero Banking Alliance, as part of its commitment to combating climate change.

İşbank at its Centenary

Corporate Social Responsibility Initiatives

Main Sponsorship of the Turkish Chess Federation

The main sponsor of the Turkish Chess Federation, İşbank helps making chess a widely-practiced, mass sport in our country and makes valuable contributions to this field, particularly through education projects targeted at children.



Science Generation Workshops

The Science Generation Workshops project was launched as a collaborative initiative of İşbank and Petrol Ofisi Group. The workshops seek to bring up inquisitive children possessing a scientific perspective and to serve as a facilitator in letting future generations lead science and technology.



Show Your Report Card, Get Your Book

One of the largest book campaigns ever carried out in our country and initiated by İşbank in 2007-2008 academic year, "Show Your Report Card, Get Your Book" is into its 17th year. Within the scope of the campaign organized in 2023-2024 academic year, the students were gifted Çocuklar Soruyor Tarih Dede ve Bilge Öğretmen Anlatıyor (Children Ask; Grandpa History and Teacher the Wise Explain) and Aklıma Bir Soru Geldi (I Have a Question) books on the occasion of the Bank's 100th anniversary.

Cooperation with the School Support Association

Under the distance learning project co-introduced by İşbank and Okul Destek Derneği (School Support Association), 38,368 hours of educational support were provided to 3,720 students over the course of two years. Carried out with a special focus on the provinces affected by the earthquakes of 6 February 2023, the project attracted the highest participation from Hatay province in 2024-2025 term, while girl students accounted for 52.6% of participants.



81 Forests in 81 Cities

Sapling plantings were restarted in 2024 under the project "81 Forests in 81 Cities" project that was re-launched in the 100th year of İşbank in cooperation with the General Directorate of Forestry and TEMA Foundation.

Internet for 100 Villages

İşbank launched the "Internet for 100 Villages" project via its subsidiary İşNet in a bid to contribute to economic and social development of rural areas.

GençBizz Tech - Science and Technology Based Entrepreneurship Project for High Schools

GençBizz Tech program was co-initiated by İşbank and Junior Achievement Educational Foundation to enable students in the 13-18 age group studying at state science high schools to develop start-ups focused on technology and science.



İşbank at its Centenary

Corporate Social Responsibility Initiatives



İstanbul Teknik Üniversitesi Türkiye İş Bankası
Marmara Aktif Fay Tehlike ve Risk Uygulama ve Araştırma Merkezi

Marmara Active Fault Hazard and Risk Application and Research Center (İTU-MATAM)

Marmara Active Fault Hazard and Risk Application and Research Center (MATAM) was set up at İstanbul Technical University (İTU) with the support of İşbank for developing hazard and risk mapping techniques regarding the hazards and risks posed by active faults in our country, particularly in the Marmara Region.



Constructing a Preschool and a High School in Hatay

In an effort to support the students affected by the February 6 earthquake disasters in continuing their education, İşbank signed a protocol with the Governor's Office of Hatay for building "Hatay Defne İşbank High School" and "Hatay Defne İşbank 100th Anniversary Preschool".



Seagrass Meadows

İşbank, in collaboration with the Turkish Marine Research Foundation (TÜDAV), initiated the "Future of the Seas: Seagrass Meadows" project to protect the seas and marine resources and support ecological balance and sustainability.



Explorer of the Seas

İşbank and the Middle East Technical University (METU) carry on with their collaboration aimed at preventing marine pollution and supporting the sustainability of the ecosystem based on the motto "The world is ours, the future is ours". The underwater glider that İşbank provided for use by METU Institute of Marine Sciences, the "Explorer of the Seas" was launched also in the Sea of Marmara when oxygen levels were critically low, following the glider's exploratory missions in the Sea of Marmara and Akdeniz.

İşbank 100th Anniversary Marathon and Half-Marathon

İşbank supercharged the celebrations for the successive 100th anniversaries of the Turkish Republic and the Bank with the support it has lent to İstanbul Marathon and İstanbul Half-Marathon. The Bank assumed title sponsorship for both events, proudly adding its name to the organizations to be held for two years: "İşbank İstanbul Marathon" and "İşbank İstanbul Half-Marathon".



Formula 1 VISA Partnership

Stepping into a new global sponsorship in sports for the first time in over 15 years, İşbank undersigned a new business partnership with VISA, which announced its title sponsorship of VISA Cash App Formula One team formerly named Scuderia Alpha Tauri. İşbank exercised the VISA Cash App RB Formula One team rights in the race held in Italy in cooperation with Visa and has become the first Turkish bank to have its logo on a racing car.



Official Supporter of the Turkish National Olympic Committee

The official supporter of the Turkish National Olympic Committee also in the Paris 2024 Olympics, İşbank continued to keep our athletes company.



İşbank at its Centenary

Culture-Art and History Initiatives

21st International Bodrum Ballet Festival

İşbank was the main sponsor of the International Bodrum Ballet Festival organized by the Ministry of Culture Tourism, Directorate General of State Opera and Ballet, which brought ballet and modern dance troops from our country and the world together with art enthusiasts.



“A 100-Year Gift” Film

Produced by İş Sanat within the scope of İşbank’s 100th anniversary events, the film titled “A 100-Year Gift” hit the theaters on 26 August 2024.



Film: “A Republic Song”

The İşbank-sponsored movie “A Republic Song” about the making of our Republic’s first opera “Özsoy” opened in theaters on 25 October 2024.

Renovated İşbank Museum

Having opened its doors for its visitors in November 2007, İşbank Museum undertook a comprehensive renovation in 2024 and mounted its permanent exhibition titled “100 Years of İş”.



Centenary Gala Concert

In the season-closing concert organized by İş Sanat at Volkswagen Arena in May, Borusan İstanbul Philharmonic Orchestra conducted by Carlo Tenan accompanied the world famous tenor Placido Domingo, tenor Murat Karahan and soprano Elena Stikhina.

İşbank Museum of Economic Independence

İşbank’s historical building in Ulus, Ankara, which served as the Bank’s third Head Office, opened its doors as İşbank Museum of Economic Independence in 2019. The permanent exhibition titled “Warranty of Your Future: A Century with Türkiye’s Bank” was put on display at the Museum to commemorate the 100th year of the Bank.

Atatürk Library

On 26 August 2024 that marked the centennial of the Bank, a specialty library was inaugurated in the name of Ghazi Mustafa Kemal Atatürk, the founder of our country and of İşbank, on the fourth floor of İşbank Museum of Economic Independence. The library’s collection reached more than 4,000 printed resources as of year-end 2024.



Our Centenary Initiatives

100th Anniversary Celebration



Twin Transformation in SMEs

The “Twin Transformation Journey of 100 SMEs” project İşbank co-initiated with MEXT Technology Center on the Bank’s 100th anniversary is designed to holistically tackle the digital and green transformation of the SMEs that make the backbone of the national economy. The project is intended to reduce costs, increase effectiveness, realize green transformation investments and achieve compliance with decarbonization/ ecological production regulations stemming from the rules of new trade through digital transformation of the SMEs.

Conference - Rethinking Atatürk’s Pioneer Vision Towards the Second Century of the Turkish Republic

Its first edition organized by İşbank in 2023 on the occasion of the Republic’s 100th year, the second edition of the international conference titled “Rethinking Atatürk’s Pioneer Vision Towards the Second Century of the Turkish Republic” was held on 26-27 September 2024 on the 100th anniversary of the Bank.



Message from the Chairperson



Adnan Bali
Chairperson

Esteemed Stakeholders,

We are enjoying the much-deserved pride of leaving 100 years behind in our journey shaped by the vision of our founder, the Great Leader Mustafa Kemal Atatürk. We are stepping into our second century as the largest private bank in Türkiye.

Soft-landing in the world economy

In 2024, the global economy preserved its resilient outlook, eliminating a possible global recession, despite the challenges stemming from volatilities and geopolitical developments. In this period of decoupled growth performances between countries and sectors, the US economy kept exhibiting a relatively resilient outlook. Global inflation that escalated in recent years, on the other hand, was largely taken under control in line with the tight monetary policies of leading central banks. This development created an opportune setting for major central banks to lower the rates, and rate cuts were initiated in June in the euro area and in September in the US.

In the January 2025 update of its World Economic Outlook, the IMF projected global growth both for 2025 and 2026 in the order of 3.3%. This forecast indicates that global economic growth in the coming period will remain below the historic average of 3.7%.

Determined fight against inflation

The Turkish economy, which lost momentum particularly from the second quarter of the year when the lagging effects of tightened monetary policy became evident, expanded 3.2% in 2024. Net exports started contributing positively to growth while the contribution of consumer and investment expenditures began decreasing, which pointed at a rebalancing in the composition of growth.

Consumer inflation declined from its peak in May, a trend backed also by the high base effect, and dropped to 44.38% at the end of the year. In parallel with the downturn in inflation, the Central Bank of the Republic of Türkiye (CBRT) lowered the policy rate to 47.5% in its December 2024

meeting, initiating the rate cut cycle which is estimated to be a measured and cautious one. Throughout the year, the CBRT also took new steps to support the monetary transmission mechanism and macro financial stability.

As the risk perception towards Türkiye continues to improve, international rating agencies upgraded Türkiye's credit rating.

The performance of the banking industry was aligned with the tight monetary policy stance.

The ongoing tight monetary policy and macroprudential measures in 2024 played a telling role in the banking industry's performance.

The industry effectively capitalized on the circumstances presented by the markets and continued to support the economy without interruption. While the Turkish lira credit volume expanded 29.2% annually, the rise in FC credit volume in USD terms was 28.3%. Total credit volume as of year-end was TL 14,872 billion.

Forging ahead into the future in our 100th anniversary

As we leave behind the 100th anniversary of our incorporation, we continue to embody our mission as "Türkiye's Bank" with the vision of generating permanent value for the national economy and for all our stakeholders, notably our shareholders.

As we build our second century upon solid foundations, we will keep standing by businesses across all sectors and supporting millions of individuals with our products and services that generate value, drawing on our corporate strategies, physical service network, distribution channels, technological infrastructure, and most importantly, our competent human resources.

Meaningful projects in the 100th year of İşbank

An institution of the Republic, our Bank's contributions to the society remain versatile on the back of its corporate social responsibility initiatives. In our 100th year, we launched a number of projects in the fields of education, science, environment, sport, culture and art to share our enthusiasm and excitement with our nation.

In cooperation with the Directorate General of Forestry and TEMA Foundation, we have re-launched our "81 Forests in 81 Cities" project, which we conducted between 2008 and 2017 and proved to be a major success with a conversion rate of planted areas into forests over 84%. Amid today's challenging task of combating the devastating effects of the climate crisis, we regard this project as an initiative aiming to enhance environmental awareness within the society, with a particular focus on children.

We are carrying out projects intended for the conservation of the marine environment and ecological structure, which take place within our supported initiatives and which we consider significant in terms of their contribution to climate action. "Explorer of the

Seas", the underwater glider İşbank provided for use by METU Institute of Marine Sciences, conducted its first uninterrupted autonomous measurements over a large area in the Sea of Marmara and the Mediterranean Sea and collected important data. On another front, commenced in 2023 and conducted in collaboration with the Turkish Marine Research Foundation (TÜDAV), the "Future of the Seas: Seagrass Meadows" project arrived at buoying phase. Under this project, we are welcoming the discovery of new seagrass meadows as a pleasing development for the Sea of Marmara that is running out of oxygen.

In the 100th anniversary of the incorporation of our Bank, we have organized the second edition of the international conference titled "Rethinking Atatürk's Pioneer Vision Towards the Second Century of the Turkish Republic", the first one of which we had held in the centennial of our Republic. During the conference, national and foreign keynote speakers addressed the 100-year journey of İşbank incorporated with the goal of economic independence and Atatürk's visionary character that survives even after a century over a broad spectrum from history to economy, science to culture and sports.

We announced our 2030 emission reduction targets for carbon-intensive industries.

We are cementing our pioneering position in sustainability and attaining success in environmental, social and governance areas.

İşbank takes on a solid role in our country's decarbonization and transitioning to circular economy. With this understanding, we announced 2030 emission reduction targets for all sectors defined as carbon-intensive by the Net-Zero Banking Alliance to which we belong.

We will make headway in our second century as well.

In the current era we are stepping into our second century, we are witnessing numerous developments in the world and in our country alike, whether them be political, economic, social or technological. The latest developments, the geopolitical issues in our region, shifting global balances keep continually dogging the top ranks on our agenda as has been the case in recent years. On the technology front, the developments especially in relation to Artificial Intelligence lead to radical changes in many sectors. We are at a time when global competition is being reshaped, and companies focus on innovation, speed and experience to devise new business models.

As we did in the past, so too in the future, we will continue to fulfill our responsibilities towards our country, use our resources for the best interests of our country and stand with those who produce. We will blend the values deriving from our roots with the requirements of the digital age and we will progress solidly also in our second century by investing in technologies that shape the future.

On behalf of our Board of Directors and myself, I would like to extend my heartfelt thanks to our stakeholders that kept İşbank alive for a century for their trust, contributions and support.

Yours sincerely,

Adnan Bali
Chairperson

Message from the CEO



Hakan Aran
Chief Executive Officer

Esteemed Stakeholders,

2024 marked the centennial of our Bank incorporated as our country's first national bank under the unequalled vision of our founder the Great Leader Gazi Mustafa Kemal Atatürk, which we celebrated with great pride, enthusiasm and a solid determination regarding the future.

A young institution of the Republic that reached its 100th year

Having started its operations for catering to the young Turkish Republic's need for a "modern and national bank", our Bank played a pioneering role in our country's economic development and societal advancement ever since its first day. Its passion and enthusiasm for its duty are the reasons that kept İşbank young.

Global economic overview in 2024

In 2024 that saw a relatively weak growth performance by the world economy, the priority of developed and developing economies has been restraining the negative effects of their fight against inflation upon economic activity as they sustained this struggle. Although the lead indicators announced pointed at partial convergence upon targets, geopolitical risks that remain in existence on a global scale and protectionist policies that tend to increase in trade might possibly lead to escalation of global inflation and pressure on growth in 2025 and beyond.

Fighting inflation and strengthening financial stability were the top priorities also for the economy administration in Türkiye in 2024. The tight monetary policy pursued supported the attainment of positive wins for the inflation outlook from the second half of the year.

In 2024, the current deficit went down to the order of USD 10 billion owing to the support lent by the positive outlook in the tourism industry as well as the foreign trade deficit that shrank with the downturn in gold imports and the decline in energy prices. As the result of these developments, risk perception towards the Turkish economy improved and international rating agencies upgraded their ratings.

We have added a new chapter to our healthy and sustainable growth story.

Our Bank continued to generate stakeholder value and to contribute to the national economy by posting solid, sustainable financial and operational results. The key drivers of this successful performance included our effective risk management approach and administrative skills.

While our total assets grew by 35.5% to TL 3,323.8 billion year-on-year, cash and non-cash credits disbursed amounted to TL 1,622.5 billion and TL 582.7 billion, respectively, in 2024. Hence our total contribution to the economy added up to TL 2.2 trillion.

Standing for trust, esteem and prestige in the eyes of all its stakeholders, our Bank remained as the preferred choice of deposit holders also this year. Our total deposits reached TL 2,127.1 billion as of year-end 2024. Having reached its targets to a large extent by the end of 2024, our Bank booked TL 45.5 billion in net profit for the period. While our shareholders' equity was recorded as TL 318.3 billion in the same period, at 19.7%, our capital adequacy ratio kept providing the capacity to support progressing without compromising growth strategies.

The new axis for growth: Digital banking and innovation

Boasting a pioneering stance in digital transformation, our Bank continues to employ numerous new technologies from AI-enabled customer services to blockchain solutions. We are personalizing İşCep, which retains the title "The World's Best Mobile Banking Application" for the last two years, for our customers and further enriching its capabilities through collaborations. We do not position İşCep merely as a banking application; instead, we regard it a "super app" adding value to our customers' everyday lives.

All these initiatives allow us to adopt the future technologies and offer our customers an uninterrupted, smooth, personalized and unparalleled experience wherever and whenever they may need it. Aware that being the "Bank of the Future" is a challenge we need to conquer anew every day, we are progressing surefootedly in our second century with a firm foothold in the present and another in the future, drawing our strength from our history.

An important milestone for healthy and sustainable growth

We believe that the banking industry has a key responsibility and a mission to act as a pioneer in Türkiye's decarbonization and transitioning to circular economy. In 2024, our Bank took its sustainability journey to the next level and announced 2030 emission reduction targets for all sectors defined as carbon-intensive by the Net-Zero Banking Alliance (NZBA) to which it belongs.

With our decarbonization targets that author a first in our sector, we are focusing on our country's sectoral dynamics and our customers' needs during green transformation, as well as global climate scenarios. The data-driven decarbonization action plans we have developed are being designed to be compatible with our country's circumstances, overlap with its growth potential and be applicable in our customers' green transformation.

We are intensifying our efforts for the real sector's healthy and fast transitioning to a green economy.

Our Bank continues to assume duties in the real sector's transitioning to a green economy within the context of ensuring and strengthening sustainable growth. Day by day, we are increasing the number and diversity of the products and services we custom-develop for our corporate clients and the SMEs.

We are carrying on with the project "Twin Transformation Journey of 100 SMEs" for a future where SMEs stand on firm ground with their digital and green transformation completed, make a differentiation in global competition and assist in taking Türkiye to a different standing.

We also continued to develop and diversify sustainable financing sources by undersigning new partnerships. In the reporting period, sustainability-themed funds secured from abroad added up to the equivalent of USD 3.6 billion.

The "100th Year Bill", issued to commemorate the Bank's 100th anniversary and the first green finance bond issuance through the public offering method in Türkiye, made another pioneering initiative of İşbank in 2024.

We consider increasing and strengthening women's participation in business life as a prioritized area for us. The initiatives we have developed and the financial resources we have made available in collaboration with our local and international business partners enabled us to reach a greater number of women entrepreneurs, women farmers and women's cooperatives, thereby growing the impact we generated. These efforts have been significant strides towards gender equality and growing participation of women in economic life.

İşbank of the future

We keep striving for our country's progress also in our second century in keeping with our vision of being "the Bank of the Future". As we patiently lay the building blocks of the new era, we are fully confident that we will be authoring achievements that will make the people and stakeholders of İşbank proud. The new steps we will be taking in a bid to become a strong player in global competition as we fulfill our responsibilities towards our country will mold and add momentum to our journey.

I would like to extend my heartfelt thanks to all my colleagues who devote their time to building the future, garnering inspiration and strength from our deep-seated history, and display exemplary performance with their competences, hearts and minds.

Yours sincerely,

Hakan Aran
Chief Executive Officer

Looking into the Future

Operating Environment: General Evaluations

Global Economy

The tight monetary policy stance maintained by central banks around the world, particularly in developed countries, for a substantial part of the year caused global economic activity to stay under pressure in 2024. The weak economic outlook persisted especially in the Euro Area and China. Although the US economy displayed a relatively resilient outlook, its growth performance failed to match the potential.

According to the IMF data, global economic growth, which was 3.3% in 2023, is estimated to have declined to 3.2% in 2024, and projected to be realized as 3.3% in 2025, remaining below the average of the 2000-2019 period.

IMF Forecasts (January 2025)

Growth	2024	2025	2026
Global	3.2	3.3	3.3
Developed Economies	1.7	1.9	1.8
USA	2.8	2.7	2.1
Euro Zone	0.8	1.0	1.4
England	0.9	1.6	1.5
Japan	-0.2	1.1	0.8
Emerging Economies	4.2	4.2	4.3
Türkiye	2.8	2.6	3.2
Russia	3.8	1.4	1.2
Chinese	4.8	4.6	4.5
Brazil	3.7	2.2	2.2
Inflation	5.7	4.2	3.5
Developed Economies	2.6	2.1	2.0
Emerging Economies	7.8	5.6	4.5
Growth in Global Trade Volume	3.4	3.2	3.3

Global inflation, which became the main issue upon the supply chain disruptions and monetary easing during the pandemic period and escalated with rising energy prices due to the Russia-Ukraine war, dropped off the agenda considerably in 2024 as the tight monetary policy implementations of major central banks proved to be successful. The progress made in disinflation programs brought rate cut expectations up for discussion especially in developed countries. The rate cut cycle was initiated in June in the Euro Area and in September in the US. The rate cuts are expected to continue gradually through 2025 as well.

In 2024, monetary policies of central banks, geopolitical developments and the US presidential elections drew the course of global markets. Following his victory in the US presidential elections, Donald Trump applied a variety of protectionist policies, especially in foreign trade, that could leave global economic activity under pressure and drive inflation upwards again. These stand as the main risks that the global economy may face in the coming period and add to the uncertainties concerning the monetary policy decisions of major central banks, particularly the Fed.

Turkish Economy

Turkish economy lost momentum and grew by 3.2% in 2024 due to the lagging effects of the tightened monetary policy that became apparent particularly in the second and third quarters of the year.

In 2024, expenditures due to the earthquake disaster continued to contribute to the central government's budget spending with a lower extent. The budget deficit stood at TL 2.1 trillion in the whole year, parallel with the target projected in the Medium Term Program for 2025-2027.

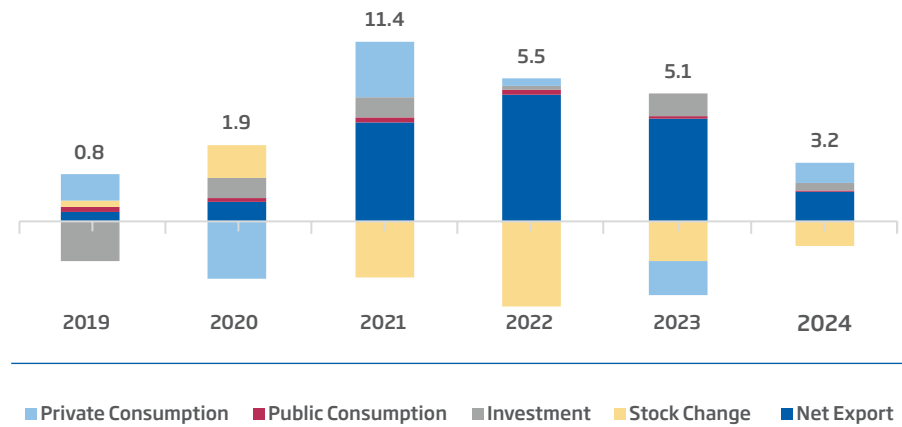
In 2024, the foreign trade deficit narrowed by 22.7% annually, due to the decline in gold imports and energy prices. The positive course in service revenues, especially tourism, also improved the current account balance outlook. Thus, the current account deficit declined from USD 40.4 billion at the end of 2023 to USD 10 billion in 2024.

Annual consumer inflation, which reached its highest level since November 2022 at 75.45% in May 2024, started to decline in the second half of the year due to the high base effect. As of December 2024, annual CPI and D-PPI inflations were realized as 44.38% and 28.52%, respectively.

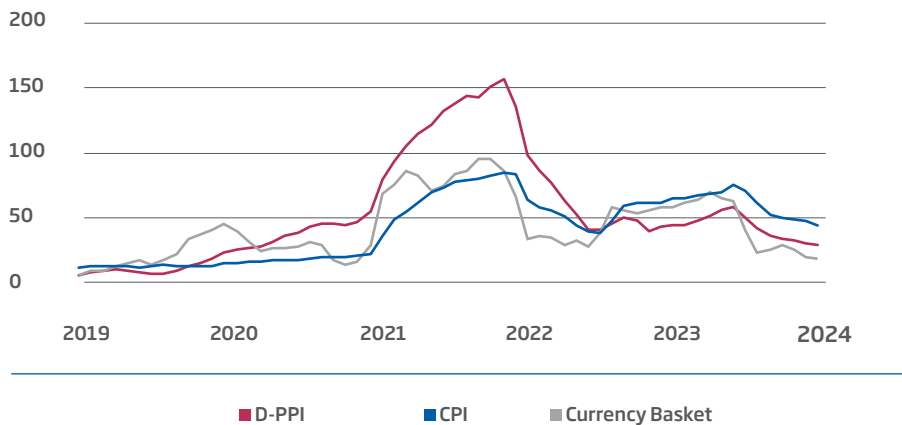
After raising the policy rate to 50% in March, following the gradual hikes from June 2023 in order to fight the high inflation, the CBRT lowered it to 47.5% in the final meeting of the year held on 26 December. The CBRT also took new steps to support the monetary transmission mechanism and macro financial stability.

As the risk perception towards Türkiye continued to improve, international rating agencies upgraded Türkiye's credit rating.

Contributions to GDP by Expenditure Method (%)

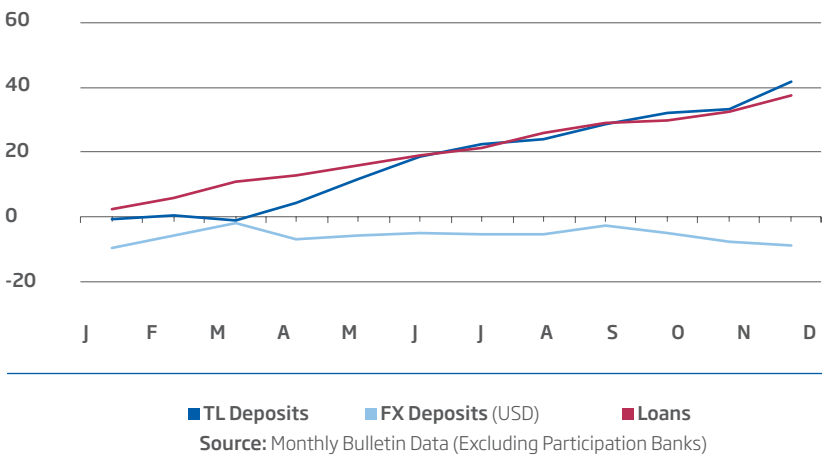


Türkiye Inflation Indicators and Currency Basket (annual % change)



Looking into the Future

Deposits and Loans in 2024 (change compared to year-end, %)



Banking Sector

The tight monetary policy stance maintained throughout 2024 and backed by macroprudential measures were influential on the performance of the banking sector. Still, the sector continued to support the economic activity in 2024. According to the Weekly Bulletin published by the Banking Regulation and Supervision Agency (BRSA), TL loan volume, including the loans extended to the financial sector, increased by 29.2% yoy to TL 9,423 billion as of 27 December 2024. In USD terms, FC loan volume rose by 28.3% yoy to USD 156 billion in the same period. Thus, total loan volume expanded by 36.9% yoy to TL 14,872 billion as of 27 December 2024. According to exchange rate adjusted figures, total loan volume grew by 28.9% yoy in this period.

As of 27 December 2024, TL deposits including banks' deposits increased by 42.5% compared to the same period of 2023 and reached TL 11,836 billion. In USD terms, FC deposit volume decreased by 8.8% yoy to USD 175 billion in the same period. Thus, as of 27 December 2024, total deposit volume increased by 28.8% yoy and

reached TL 17,927 billion. Adjusted for the exchange rate effect, the annual increase in total deposit volume was 21.8%. FX-Protected Deposit volume fell to TL 1.1 trillion as of 27 December 2024.

İşbank

Amid the external factors in global economy as well as the developments in Turkish economy and the banking sector, which are outlined under the preceding headings, İşbank maintained its focus on effective risk management and kept managing its balance sheet with a proactive and dynamic perspective throughout the year.

İşbank increased its asset size by 35.5% to TL 3,323.8 billion as of year-end 2024 and maintained its title as "Türkiye's largest private bank" in terms of total assets.

Continuing to support the Turkish economy in a wide range of areas from financing households, companies and Türkiye's large-scale investments, İşbank increased its cash loans by 41.4% compared to the end of the previous year.

As of the end of 2024, the amount of resources provided by the Bank to the economy amounted to TL 2.2 trillion, of which TL 1,622.5 billion was cash loans and TL 582.7 billion was non-cash loans. With these results, İşbank continued to be the private bank making the largest contribution to the Turkish economy.

İşbank's deposits increased by 28% compared to the end of the previous year, reaching TL 2.1 trillion. The growth in Turkish lira deposits increased by 38.1% 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 2024, İşbank's NPL ratio was flat with the previous year-end's figure of 2.1%.

Maintaining its strong liquidity level, İşbank's total liquidity coverage ratio and foreign currency liquidity coverage ratio were realized at 145% and 280%, respectively.

İşbank maintained its strong position among private banks with its shareholders' equity, which increased by 18.9% in 2024 compared to the previous year and reached TL 318.3 billion. With a capital adequacy ratio of 19.7% in 2024, İşbank became one of the banks with the highest ratio in the sector.

Global Tendencies, Risks, Opportunities and Foresights

World Economic Forum's 2025 Global Risks Report

2025 Global Risks Report by the World Economic Forum (WEF) analyzes the top global threats and long-term tendencies and discusses economic, environmental, geopolitical and technological risks. The major risks gaining the forefront in the 2025 report include climate change, economic instability, technological vulnerabilities and geopolitical tensions. While the report cites global warming, extreme weather events and biodiversity loss among the most critical risks, the governments' and companies' being challenged in reaching their net-zero targets are mentioned among the factors threatening financial and economic systems.

The report underlines that digitalization accelerated, and considers ethical and security risks posed by Artificial Intelligence (AI) as important threats. It particularly stresses that deepfake technology, cyber-attacks and data privacy violations create serious effects on global financial systems and election security. On the other hand, the report emphasizes that while deepening geopolitical tensions weaken international trade and supply chains, regional conflicts and international political uncertainties put energy security at risk.

Climate change, on the other hand, is suggested as one of the greatest threats to global stability in the long term. The 2025 report states that current efforts to reduce carbon emissions fail to be adequate and extreme weather events and water scarcity add to the pressure on food security around the world.

Climate risks compel sustainability-oriented approaches in investment strategies for banks and financial institutions, and green finance projects and policies aligned with ESG (environmental, social and governance) criteria play a critical part in mitigating risks and supporting long-term economic growth.

WEF 2025 Global Risks Report points at economic and technological vulnerabilities besides the long-term effects of climate change, noting that it is extremely important for global strategy that financial systems adapt to these risks and turn towards sustainable growth policies. Accelerating climate policies and adopting new approaches to risk management would be the key to minimize the effects of potential future crises.

COP29

In the United Nations Climate Change Conference (29th Conference of the Parties - COP29) convened in November 2024 in Baku, the key topics included emissions reduction commitments by countries, climate finance, and adaptation strategies. New carbon reduction pledges were raised in line with the target of limiting global temperature rise to 1.5°C (above pre-industrial levels), and countries revisited their 2030 and 2050 targets and agreed on adopting stricter policies.

Discussions were held regarding the creation of stronger mechanisms for the fulfillment of developed countries' commitment to provide USD 100 billion annually in climate finance to emerging countries, and emphasis was placed on the need to increase green investment projects and sustainable finance models. While there were differences of opinion among countries regarding reducing the use of oil, coal and gas, certain major economies declared that they would take new steps to accelerate transitioning to renewable energy.

New funds and policy tools for supporting the most vulnerable countries in the face of climate crisis were dwelled on, and measures for increased resilience against extreme weather events and agricultural sustainability projects came to the forefront. Agreement was reached on new rules for increased transparency and effectiveness of global carbon trade mechanisms, and new recommendations were presented for fairer and more sustainable distribution of carbon credits internationally.

Following several years of preparatory work and two weeks of intensive negotiations, the participants unanimously approved the New Collective Quantified Goal (NCQG), which will triple finance to developing countries to contribute to climate action, from the previous goal of USD 100 billion annually committed by developed countries at COP27, to USD 300 billion annually and bring the total funding to USD 1.3 trillion by 2035.

Global Tendencies, Risks, Opportunities and Foresights

Evaluating and reporting other financial risks associated with climate and sustainability

In the progress report it has published in November 2024, the Financial Stability Board (FSB) underscored the effects of sustainability risks upon the financial system and assessed global efforts for stricter reporting standards. The report noted the growing importance of climate-related financial risks, and emphasized that regulatory authorities must transparently report sustainability data.

Sustainability risks bear the potential to cause financial instability due to several factors including, in particular, extreme weather events, carbon adjustments and energy transition. In this context, the FSB report suggests that clearer and more practicable reporting standards need to be adopted for the global finance system to align with green transitioning. Gaining the foreground in this framework are S1 and S2 reporting standards devised by the International Sustainability Standards Board (ISSB).

The Public Oversight, Accounting and Auditing Standards Authority (in Turkish: KGK) published the S1 and S2 standards under the Turkish Sustainability Reporting Standards (TSRS) to align sustainability reporting in Türkiye with international standards. These standards are compatible with the S1 and S2 standards devised by ISSB and are intended to let businesses present their sustainability data integrated in their financial statements in a transparent and comparable manner.

Türkiye has been taking steps to achieve alignment with global standards in its reporting processes in an effort to increase its competitive advantage in sustainable finance and cement its reliability in international markets.

While the TSRS S1 standard allows companies to report on how they manage risks and opportunities related to sustainability in general, the TSRS S2 standard specifically covers climate-related financial disclosures. These standards are aimed at supporting climate-oriented financial decision-making processes and increasing market reliability.

Having published the TSRS S1 and S2 standards in 2024, KGK plans gradual enforcement of these standards. This process will enable the presentation of sustainability performances of companies in Türkiye in a more transparent and uniform format to investors and other stakeholders.

It is of the utmost importance that TSRS S1 and S2 standards are adopted for Türkiye to acquire increased competitive advantage in sustainable finance and to solidify its reliability in international markets. Along this line, the regulatory role of KGK serves as a critical element in steering the compliance processes of businesses, and supports the long-term resilience of the financial system.

On another front, other significant steps are being taken to achieve alignment with global standards in sustainable finance and reporting processes. The Capital Markets Board of Türkiye (CMB) and the Central Bank of the Republic of Türkiye (CBRT) are making various arrangements for development of sustainability-oriented reporting and green finance instruments.

While Borsa İstanbul encourages companies to do reporting based on environmental, social and governance (ESG) criteria, Banking Regulation and Supervision Authority (BRSA) stepped up its efforts to urge banks to conduct stress testing involving climate risks. In addition, work is ongoing on the Turkish Green Taxonomy Framework, and regulations are being introduced which will support financial institutions' turning towards sustainability-oriented projects.

Regulatory framework focused on climate risks and sustainability in the Turkish banking industry

Significant work is being undertaken by the Turkish banking industry regarding sustainable finance and climate risks management. Along this line, new regulation and guideline drafts prepared by the Banking Regulation and Supervision Authority (BRSA) and the Banks Association of Türkiye (BAT) are targeted at the alignment of the financial system with the green transition and effective management of climate risks.

The draft [Green Asset Ratio Communiqué](#) published by the BRSA is intended to encourage sustainable finance activities by banks. Aiming to accelerate Türkiye's green transition by increasing the share of green loans and sustainable investments in the financial system, the communiqué will contribute to the strengthening of banks' sustainability strategies.

The BRSA's Draft [Guidelines on Effective Management of Climate-Related Financial Risks by Banks](#) provides a comprehensive framework for effective management of climate risks. Covering the principles necessary for banks to measure, assess and manage climate-related risks, the guidelines target to forecast the effects of climate risks on financial stability particularly through stress testing and scenario analyses. The guidelines encourage banks to establish a thorough risk management system entailing elements such as carbon emissions, physical risks, transition risks and so on.

[Guidelines for Establishing Heat Map Methodologies](#) published by the Banks Association of Türkiye (BAT) addresses the heat map methodology that will help banks more effectively analyze climate risks. Enabling banks to evaluate their credit portfolios with respect to climate risks, the heat maps help identify high-risk sectors and predict factors that may potentially threaten financial stability, while it is also targeted to assist the banks in strengthening their finance strategies and improve their risk management processes.

The Turkish green Taxonomy Regulation drafted by the Ministry of Environment, Urbanization and Climate Change and submitted for public opinion in 2024 is intended to support economic activities aligned with sustainable development goals, encourage financing flow to sustainable investments, and preventing greenwashing in the marketplace. Prepared to be in alignment with the EU taxonomy, the national taxonomy will facilitate evaluation of projects conforming to environmental sustainability criteria by financial institutions and investors.

These draft regulations and guidelines speed up Türkiye's harmonization process in the area of sustainable finance and strengthen the integration of the banking industry in green transition. Increasing financial institutions' competencies in managing climate risks will play a critical role in reaching Sustainable Development Goals (SDGs).

The [Annual Presidential Program 2025](#) promulgated in the Official Gazette dated 30 October 2024 names the regulation of sustainable banking, transition plans and management of climate risks for the banking sector as a next step.

How do we manage?

For further details about İşbank's related practices and performances, please see: Climate

 [Climate Action](#)

Global Tendencies, Risks, Opportunities and Foresights

Generative AI

In the dynamic and fast-changing global market, banks are focused on differentiating themselves and devising new competitive advantages. Generative AI (GenAI) plays an important part in the transformation of the banking industry by offering innovative solutions that optimize efficiency and enhance customer satisfaction.

Adoption of advanced AI technologies is critical as the degree of digitalization in the banking industry increases. With its content synthesis and generation capability, GenAI provides unique opportunities for automatizing complex processes and enabling personalized customer experiences. As the market is headed towards cashless banking, GenAI serves as a facilitator for banks to dwell upon new business lines and opportunities.

A research by [McKinsey Global Institute](#) estimates that across the global banking sector, GenAI could add between USD 200 billion to USD 340 billion in value annually to total industry revenues, largely through increased productivity.

How do we manage?

For further details about İşbank's related practices and performances, please see:

[Innovative Bank for 100 Years](#)

Generative AI plays an important part in the transformation of the banking industry by offering innovative solutions that optimize efficiency and enhance customer satisfaction.

EU MiCA regulation

The regulation of the Council of the European Union and the European Parliament setting out the operating framework for crypto asset trading and custody institutions as well as crypto currency and stablecoin issuing activities, the Regulation on the Markets in Crypto Assets (MiCA) came into force on 30 December 2024. It is thought that MiCA, which seeks to protect investors and contribute to financial stability and provides a strong momentum for digitalization, will accelerate innovation and increase the attractiveness of the crypto asset sector.

While some EU-member countries previously issued national legislation on crypto assets, MiCA is a step that is envisaged to provide uniformity and clarity across the European Union.

Developments in the blockchain market

First developed in the 1990s, the blockchain technology sparsely embraced in its initial years. The interest in blockchain technology increased with the globally growing popularity of crypto currencies and the fast digitalization triggered by the pandemic.

According to an industry report published on 30 December 2024 on [Fortune Business Insights](#), the global blockchain technology market size was valued at USD 17.57 billion in 2023 and is projected to grow to USD 825.93 billion by 2032, exhibiting a combined annual growth rate (CAGR) of 52.8% during the forecast period (2024-2032).

Although the application of the blockchain technology is in proof of concept stage, this technology might supposedly play a positive role in industries such as banking, trade, healthcare and insurance, and revolutionize the speed and efficiency of transactions.

The blockchain technology promises more efficiency and transparency to the banking industry. The blockchain technology will make it possible, for instance, to execute cross-border transactions in real-time and money will change hands at the speed information moves in our day.

Having gone down in the literature as the technology underlying the crypto currency Bitcoin, the blockchain technology is now acknowledged to have a potential and strength greater than what was supposed.

Regulation governing crypto assets

"The Law no. 7518 Amending the Capital Market Law" that came into force upon its publication in the Official Gazette dated 2 July 2024 introduced important new rules concerning the description of crypto assets, their custody and the activities of crypto asset service providers.

Under the regulation intended to ensure safekeeping of crypto assets and audit the activities of crypto asset service providers, crypto asset custody service will be offered by those banks that are authorized by the CMB and deemed eligible by the BRSA, or other institutions authorized by the CMB.

Outlook in open banking

Open banking offers customers a more convenient and faster option to view and manage their financial assets as compared to classic banking, and also facilitates the integration of credit access possibilities and payment services at each point of the financial cycle.

Open banking positions consumers and small businesses as decision-makers in the context of where and how their personal and institutional financial data will be used, and offers more options and benefits in relation to credit access and other transactions.

In our country, the regulatory framework for open banking was established by the CBRT; it is in development phase as a new banking service model that allows following up demand TL and FC accounts over the applications and websites of other banks and licensed institutions and to transfer money from related accounts.

Open banking applications are regulated under the Open Banking Standard in the UK and the PSD2 regulation currently being updated in the European Union. On the other hand, regulatory framework preparations are underway for open banking in several countries.

How do we manage?

For further details about İşbank's related practices and performances, please see:

[Risk Management](#)

Status of geopolitical risks

According to the findings from the Global Risks Perception Survey cited in the World Economic Forum's 2025 Global Risks Report, state-based armed conflict was ranked as the no. 1 current risk by 23% of the respondents. As pointed out in the Preface of the Report,

concerns about state-based armed conflict and geoeconomic confrontation have on average remained relatively high in the ranks in each survey conducted in the last 20 years.

Besides the Ukraine-Russia war, the landscape and conflicts in the Middle East, the ongoing tension between the US and China for some time now overshadow the geopolitical environment. The humanitarian crisis that resulted from the armed conflicts in the Middle East and in Ukraine and the migration waves point at another aspect of the said risk.

The Global Stability Report published by the Fed in November underlines that a worsening of global geopolitical tensions could lead to broad adverse spillovers. According to the Report, conflict in the Middle East and Russia's ongoing war against Ukraine pose risks to global economic activity, including the possibility of sustained disruptions to energy and commodity markets and global value chains. Further escalation of geopolitical tensions could reduce economic activity, boost inflation, and heighten volatility in global financial markets.

How do we manage?

For further details about İşbank's related practices and performances, please see:

[Risk Management](#)



Global Tendencies, Risks, Opportunities and Foresights

Reshaped competitive conditions in the banking industry

Fast-evolving customer expectations as well as the market dynamics addressed under previous headings place the banking and finance sector among the highly competitive business lines.

Institutions offering service with the conventional banking concept compete among themselves and also with the fintechs making their debut in the sector and numerous diversifying financial service providers such as payment institutions.

Another factor shaping the competition in banking is the digital banks entering the sector in parallel with the increasing digitalization and the supportive change in legislation. On the other hand, applications such as digital wallets, money transfers from an account to the other, buy-now-pay-later mold customers’ interest in and drift towards alternative payment systems.

As the result of evolving competitive conditions, banks turn towards establishing partnerships with fintechs and other technology companies. The existence of financial service providers that grow in diversity and number also affect the customers’ brand loyalty.

How do we manage?

For further details about İşbank’s related practices and performances, please see:

 [Innovative Bank for 100 Years](#)

The key importance of cybersecurity

Cyber risks are one of the most important threats facing the financial system and the stability of global economy.

The financial system carries out a series of fundamental activities that support the real economy. Accepting deposits, extending credits and payment/custody services can be cited as some of those activities possessing key importance.

Cyber-attacks heavily target the information and communication technology infrastructures of financial service providers and disrupt the said service cycle by affecting the stored data.

Multiple touchpoints financial service providers have with their external environments constitute weak spots in terms of cybersecurity and points of entry for cyber-attacks. The level and probability of cyber threats are prone to become more complicated and to increase due to the continuous digitalization, increasing third party relations and geopolitical tensions.

While the cyber incidents experienced cause greater material and reputational losses by the day, it has become an absolute necessity for all financial service providers and especially for banks to invest more heavily in cybersecurity and information technology, build on their competent HR capacities, and strengthen sectoral cooperation.

How do we manage?

For further details about İşbank’s related practices and performances, please see:

 [Information Security](#)

Importance of sustained access to talents

Amid the dynamic and competitive market conditions in our day, access to talented employees is vital for all economic actors, irrespective of the sector they belong to. In this sense, talent retention is another key goal.

The banking industry has a progressively growing need for Generation Z. Members of this new generation will be able to equip the companies with the technology and data skills they intensively need in their human resources in our day when banks are undergoing a rapid digital transformation.

In order to be able to cater to the diversity and inclusion norms of Generation Z, banks will have to do more and rethink their HR policies, processes, and career and development value propositions they offer to their employees.

How do we manage?

For further details about İşbank’s related practices and performances, please see:

 [Decent Work](#)

Management Discussion & Analysis

As the lagged effects of the monetary tightening became more evident, particularly from the second quarter onwards, the Turkish economy lost momentum and grew by 3.2% in 2024. The tight monetary policy stance maintained throughout 2024 and backed by macroprudential measures affected the performance of the banking industry.

In keeping with its vision of “becoming the bank of the future, creating sustainable value with an inclusive and participatory approach”, İşbank continued to create value for all its stakeholders including its customers, employees and shareholders in 2024; and, the Bank’s strategy remained unchanged, which is spelled out as “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 in synergy with our group companies and all our business partners in the period of technological transformation”.

As of year-end 2024, the Bank retained its title as “Türkiye’s largest private bank” in terms of total assets, loans and deposits.

Loans accounted for 48.8% of İşbank’s total assets of TL 3.3 trillion as of year-end 2024. The Bank’s total cash loans increased by 41.4% in 2024. Compared to the end of the previous year, retail loans and TL commercial loans increased by 48.5% and 32.7%, respectively, with total growth in TL loans reaching 39.9% by the end of 2024. FC loan growth on a year-on-year basis was recorded as 21.2% in USD terms.

Deposits continue to be the main source of funding with a 64.0% share in total liabilities. In 2024, the Bank’s total deposit volume expanded by 28.0%. While TL deposits enlarged by 38.1%, FC deposits contracted by 1.9% in USD terms.

In 2024, a year in which we largely achieved our targets, our shareholders’ equity and capital adequacy ratio remained strong, supported by our net profit. In 2025, we will continue to prioritize the management of our balance sheet with a proactive and prudent approach by considering the risk-return balance in order to ensure that our solid financial structure and capital adequacy are maintained under any circumstance.

İşbank made a strong start to its second century on the back of its robust balance sheet structure. While our financial performance reinforces our financial structure, our key priorities include building a strong bond with our customers, increasing contextual interaction and offering personalized and innovative services that generate social value with the aim of creating the customer experience of the future.

Guided by “Banking Everywhere” vision, we aim to enhance our financial inclusion, become the leading bank for entrepreneurship and startups, and develop innovative solutions in open banking and banking-as-a-service models. Going forward, all initiatives under our technology roadmap will be implemented in alignment with our strategic goals, with a strong emphasis on digital immunity, operational efficiency, artificial intelligence, effective data management, modernization, security, and building the banking platform of the future.

Message from the Sustainability Leader

**İzlem Erdem**

Deputy Chief Executive
Sustainability Leader

Esteemed stakeholders,

An institution of the Republic, İşbank ended 2024 that marked its 100th anniversary by authoring remarkable achievements in sustainability.

The world is undergoing a triple transition spanning green, digital and social dimensions. As climate change continues to act as one of the top long-term threats for our planet, green transition takes place in the top ranks of the global agenda. While digitalization evolves into being one of the key determinants of the future, global inequalities and geopolitical developments accelerate social transition. Addressing triple transition with a holistic perspective is critical for building an economy that supports sustainable development. As the banking sector, we must allocate the

resources under our management to high value-added areas that make a solid impact and actively utilize our digitalization competencies to increase efficiency in other sectors.

To be able to pass on a livable world to the future generations, we need to tackle green transition together with social and digital transition, and to plan an all-inclusive green economy transition and sustainable development by increasing the positive results deriving from our activities. To reach that goal, it is of the utmost importance that the banking industry acts with a shared vision and deploys its resources strategically. In the process, focusing on high added-value areas with a strong impact, increasing efficiency in disadvantaged sectors, and prioritizing social benefit are critical to building a sustainable future.

As İşbank, we act with the awareness of our multi-faceted responsibilities and commitments in relation to contributing to sustainable development and triple transition processes. We are taking significant steps to produce forward-looking solutions and generate social benefit through our global and local partnerships and the sustainability initiatives we are party to.

Our decarbonization efforts

Having joined among the signatories of the United Nations Net-Zero Banking Alliance (NZBA) in 2022, İşbank publicly disclosed its commitment to align its credit portfolio with the science-based net-zero emissions targets by 2050 and has become the first Turkish bank to set emission reduction targets for all sectors defined as carbon-intensive.

In addition to cement, iron&steel and power generation industries for which we have set emission reduction targets in the previous year, we are targeting to reduce emissions intensity by 7% in aluminum, 36% in real estate, 20% in road freight transport, and 15% in the oil and gas industry by 2030 in line with the new targets we have announced in 2024. We have also set a precedent in the agricultural sector that we prioritize in view of its role in ensuring food security and driving sustainable development, and set specific emission reduction targets for the agricultural portfolio that optimally reflects the agricultural production in the arable lands of Türkiye and the agricultural portfolio of the Bank. Accordingly, we have made differentiations among various crops and set emission reduction targets for wheat, maize and rice production at 14%, 15% and 16%, respectively.

Furthermore, we are adopting a broad perspective on climate change, and in line with our commitment to provide sustainable finance for TL 300 billion by 2026, which we announced in 2023, we are standing by our customers with the sustainability-themed finance packages besides the green products and solutions we have developed and we position ourselves as our customers' solution partner in their green transition processes.

We are generating versatile value being a responsible corporate citizen.

We are carrying on with our efforts and initiatives in a number of areas including driving gender equality, increasing women's effectiveness and power in business life, offering affordable financial products to disadvantaged groups, supporting SME's in their green transition, supporting the start-up ecosystem, and making the necessary funds available to the strategically important agricultural sector.

Being a signatory to the United Nations (UN) Women's Empowerment Principles (WEPs), we have underscored once more that ensuring women's sustained economic independence and their active participation in business life are among the Bank's strategic priorities with the "Declaration on the Women's Empowerment" we have published in 2023. Taking pride in the fact that 88% of its commitment to providing TL 100 billion financing to women-owned businesses within five years from 2023 has already been reached in 2024, our Bank continues to actively make available financing packages customized for women entrepreneurs designed according to the scale of the business.

Continuing unabated with its activities to access sustainability-themed funding, our Bank secured funds worth USD 3.6 billion from abroad and supported the sustainable transition of the national economy in 2024.

We are working to generate permanent value.

The global sustainability agenda is shaped by long-lived efforts, resource allocation and challenges requiring a high level of dedication. Succeeding in these respects compel intensive toil and strong cooperation.

İşbank aims to contribute to sustainable development, allocate internal savings to high added-value areas paying regard also to the country's transitioning needs, capitalize on the external opportunities, manage risks and duly fulfill its responsibilities towards the future, while remaining adhered to its founding values in its second century as well. To this end, we are calling on our stakeholders to collaborate with us within the frame of the Sustainable Development Goals that set out the global development targets.

We would like to thank all our stakeholders who have contributed to our performance.

Yours sincerely,

İzlem Erdem

Deputy Chief Executive
Sustainability Leader



İşbank Sustainability Milestones

2012

- The UN Global Compact (UNGC) was signed.
- The first Sustainability Report was published.
- The “Environmental and Social Risk Evaluation Model” was developed for determining environmental and social risks in loan processes.

2014

- The Board of Directors approved and enacted the Sustainability, Environmental and Social Impact, Human Rights and Human Resources, Anti-Bribery and Anti-Corruption, Gift and Hospitality Policies, which set out İşbank’s sustainability approach.

2015

- The Sustainable Management System was established.
- İşbank was included in the BIST Sustainability Index.
- The İşbank Head Office building received the international BREEAM In-Use Excellent certificate.

2016

- İşbank was included in the FTSE4Good Emerging Markets Indices.

2017

- The Global Compact Türkiye Declaration on Sustainable Finance was signed.
- Tuzla Technology and Operations Center received the LEED Gold green building certificate.

2018

- Tuzla Data Center was certified with LEED v4 Gold for Data Centers certification.
- The first Green Project Financing Loan was provided.

2019

- Turkish banks issued the first 100% Green Eurobond transaction.
- The first Integrated Report was published.
- An Environmental Management System (ISO 14001) was formed with international standards.
- CDP Climate Change Reporting was started.

2020

- İşbank included loans for financing greenfield investments of coal- and natural gas-fired thermal power plants to be established for electricity generation into its Exclusion List.
- A Sustainability Committee operating under the Board of Directors was established.
- The Sustainable Bonds Framework has been established.
- Medium and long term quantitative targets have been set for carbon-neutral operations, covering operational emissions (Scope 1 and 2).
- International ESG risk rating was obtained from Sustainalytics.
- The UN Women’s Empowerment Principles (WEPs) were signed.
- Became a member of United Nations Environment Program Finance Initiative (UNEP FI) and Principles of Responsible Banking were signed.

2021

- Gold mining operations using cyanide were added to the Exclusion List.
- The first sustainability-linked syndicated loan agreement was signed.
- The Sustainable Finance Framework was developed.
- Renewable energy procurement for electricity consumption has been initiated.
- Environmental and Social Impact Evaluation Model was developed.
- The Gender Equality Policy came into effect.
- The Climate Change Risk Policy was developed.
- The CDP Water Security Reporting started.

2022

- The first Integrated Annual Report was published.
- The Bank committed to the Net-Zero Banking Alliance (NZBA).
- The Bank became a member of the 30% Club.
- The Diversity Policy of the Board of Directors has been implemented.
- The Bank was included in the BIST Sustainability 25 Index and Bloomberg Gender Equality Index.

2023

- The Bank committed to TL 300 billion of sustainable financing by 2026 and TL 100 billion of financing for women operators by 2028.
- A commitment to phase out coal by 2040 was announced.
- The first domestic TL green bond in the sector was issued.
- “Women’s Empowerment Declaration” was published, taking into account all stakeholders in the value chain.
- As part of Net-Zero Banking commitments, emission reduction targets for 2030 have been announced in energy production, cement, and iron-steel sectors.

2024

- » In collaboration with MEXT, İşbank launched the “Journey of the Twin Transformation for 100 SMEs” project.
- » An exclusive “100th Anniversary Bond”, the first Green Financing Bond issued through a public offering in Türkiye, was issued to mark the Bank’s 100th year.
- » A sustainable Eurobond issuance of USD 500 million with a 5-year maturity was successfully carried out in international markets.
- » The “Sustainable Supplier Financing System”, which will contribute to customers’ transition to a low-carbon supply chain, was implemented for the first time in Türkiye.

- » As part of Net-Zero Banking commitments, emission reduction targets for 2030 were announced in aluminum, real estate, road-freight transportation, oil and gas, and agriculture sectors. Thus, İşbank became the first Turkish bank to announce emission reduction targets in all carbon-intensive sectors defined by the Net-Zero Banking Alliance.
- » In the agriculture sector, which is strategically important due to its critical role in food security and sustainable development, pioneering step has been taken. Emission targets were differentiated for three main products -wheat, maize, and rice- depending on product specific targets.
- » A solar power plant for self-consumption was constructed to meet the energy needs of the Head Office building and operation centers from renewable sources.



Value Creation Model

Inputs Outputs



Financial Capital

- Broad customer base - **~ 25 million** ✓
- Strong capital structure
- **TL 3,323.8 billion** asset size



Human Capital

- Employee number - **20,560** ✓
- Practices that support employee satisfaction and development
- Strong rights policies that reinforce gender equality and labor peace



Social-Relational Capital

- Strong brand value
- Effective stakeholder communication
- New generation banking practices
- Initiatives involved in sustainability - **15**



Intellectual Capital

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



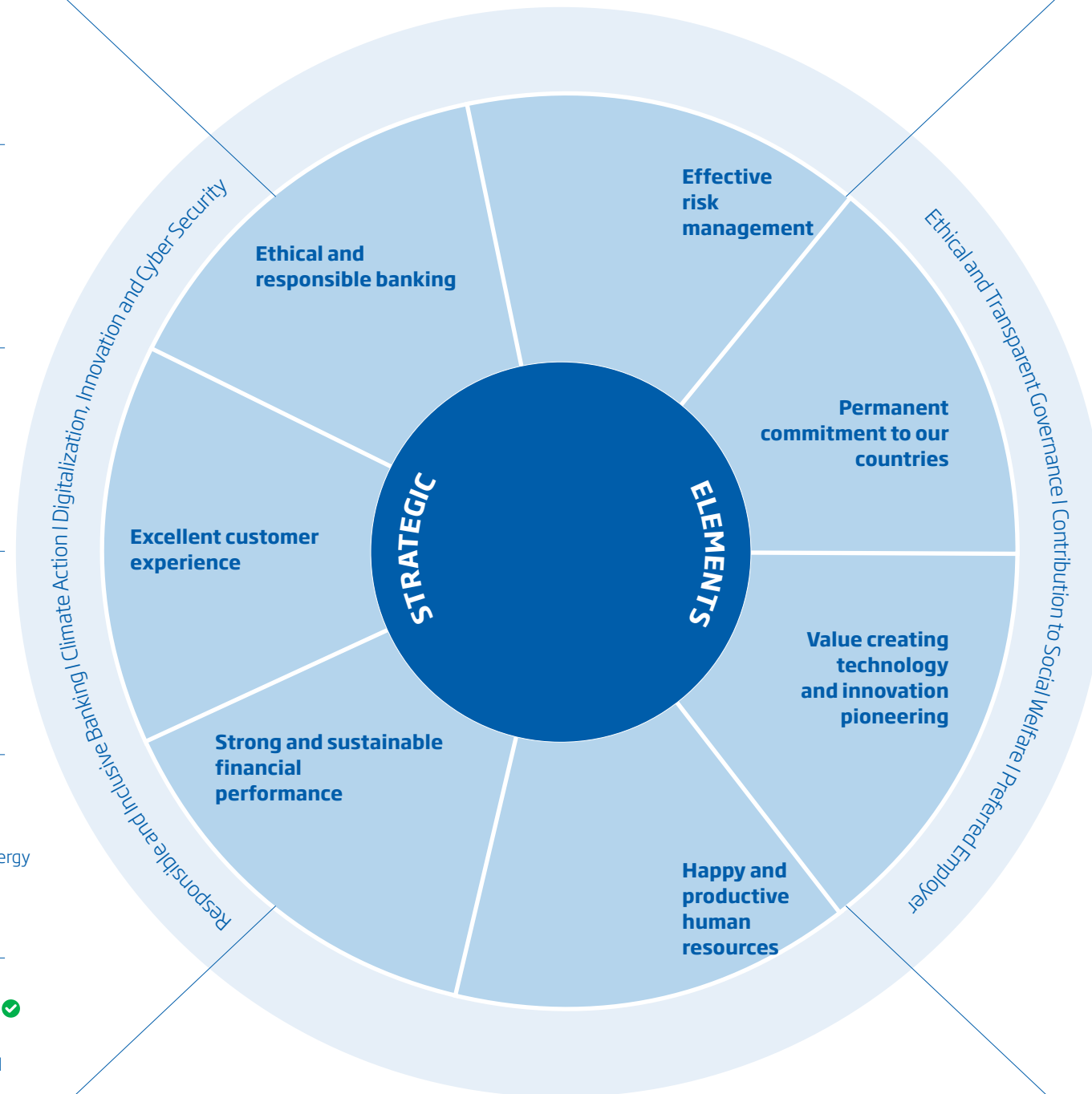
Natural Capital

- Digitalized banking processes
- Financing **1,020 MW** ✓ installed capacity renewable energy
- Energy and water used in operations



Produced Capital

- Extensive branch network - **1,012 domestic branches** ✓
- The largest ATM network in Türkiye - **6,490** ✓
- A personal assistant powered by artificial intelligence and natural language processing (NLP) Technologies - **Maxi**
- Strong information systems infrastructure



- Total cash loan growth - **41.4%**
- Total deposits - **TL 2,127.1 billion**
- Net profit - **TL 45.5 billion**
- Average profit on shareholders' equity - **15.8%**

- Percentage of female employees - **55%**
- Percentage of female employees in management - **41%** ✓
- Employee turnover rate - **1.65%**
- Unionization rate - **97%** ✓

- Commercial Net Promoter Score Ranking 1. (among private banks)
- Individual Net Promoter Score Ranking 2. (among private banks)
- Number of graduates from the "81 Students from 81 Cities" - **497** ✓
- Number of users reached through Maxi - **11.5 million**
- Number of İşÇep users - **15.2 million**

- Number of SMEs supported within the scope of the "Twin Transformation Journey" Project - **100**
- **~2,000 employees** and **250 Agile Team** working with the agile working model
- Number of farmers reached through "Farmer Meetings" - **4,700 farmers**

- The amount of energy generated from renewable energy sources of the total energy consumption - **100%** ✓
- Share of renewable energy projects in İşbank's total energy generation projects portfolio - **78%** ✓
- Paper savings with digitalization - **750 million** ✓ pages
- Renewable energy supply for **100%** of electricity demand

- Number of Bankamatik ATMs - **6,490** ✓
- Number of questions answered with Maxi - **103.1 million**
- **BREEAM In-use Excellent** certified Head Office building
- **LEED v4 Gold for Data Centers** certified Tuzla Data Center (Atlas) building



Value Creation Model

Positive Results		Risks / Challenges	Related Report Section
Financial Capital	- High profitability - Market share aligned with goals	- The negative impact of the purchasing power declining due to high inflation on financial capital - The negative impact of uncertainties caused by turbulent operating environment on financial capital	Reliable Financial Actor
Human Capital	- High employee commitment - Increasing digital competencies	- The negative impact of decreasing workforce due to increasing digitalization on human capital - The negative impact of global trends such as great resignation on human capital and intellectual capital	Decent Work
Social-Relational Capital	- The positive impact of a large supply pool on financial capital - The positive impact of high customer satisfaction on financial capital	The negative impact of increasing digitalization on social-relationship capital	Looking into the Future Reliable Financial Actor
Intellectual Capital	- The positive impact of low ESG risks with practices regarding problematic lending on financial and natural capital - Alignment with current banking through supported fintechs	- The negative impact of uncreditable activities on financial capital - Difficulty of transforming large corporate structures during the transformation of banks into technology companies	Climate Action Decent Work
Natural Capital	- The positive impact of decreasing resource consumption on natural and financial capital - Contribution to transformational economy with efficient management of climate risks	- The negative impact of increasing “green” regulations on financial and produced capital - The budget set aside to decrease the environment impact of operations has a negative impact on financial capital, but a positive impact on human capital	Responsible Operations Climate Action
Produced Capital	- The positive impact of continuous operations through superior technological competencies on financial and social-relationship capital - Decreasing personal needs have a positive impact on financial capital but a negative impact on human capital - The positive impact of going paperless on financial and natural capital	The negative impact of increasing digitalization on produced capital	Corporate Profile Climate Action

Value Created for Key Stakeholders

Inclusive financing and innovative products and services **for customers**

Training and development programs **for employees**

Reliable and profitable shareholding **for shareholders**



Sustainability at İşbank

İşbank creates shareable and lasting value for its stakeholders and the Turkish economy.

İşbank creates shareable and lasting value for its stakeholders and the Turkish economy. With its skilled human resources, corporate culture built over a century, healthy financial structure, and well-designed service delivery model, İşbank transforms market changes and external challenges into new and productive business opportunities and creates value.

Value creation at İşbank is realized based on a business model summarized by the expression “İşbank Banking”, which is designed under the guidance of sustainability principles

What is İşbank Banking?

İşbank is the most reputable and leading institutions not only in Türkiye but also in the global financial sector with its business approach based on ethical principles and trust.

“İşbank Banking” is a unique model that reflects the Bank’s corporate culture. It integrates all functions and processes of the Bank, evaluates both financial and non-financial capital elements together, takes corporate values into account, and proactively manages risks emerging in the external environment.

Focused on “creating shareable and sustainable value” for stakeholders and the Turkish economy, İşbank Banking enables the Bank to create value in the short, medium, and long term.

İşbank is one of the most reputable and leading institutions in both Türkiye and the global financial sector, with its business approach based on ethical principles and trust.

“İşbank Banking”, which enables the integration of İşbank’s sustainability priorities into all decision-making processes, plays a key role in positioning sustainability as one of the core pillars of the Bank’s corporate strategy.

At İşbank, sustainability-related initiatives are carried out under the ownership of the Board of Directors and senior management, with a prioritization analysis conducted considering the views of both internal and external stakeholders.

While considering the needs and expectations of all stakeholders, İşbank prioritizes social benefit. By linking the value creation process to the United Nations Sustainable Development Goals, the Bank adopts a sustainable and responsible banking approach and continues to contribute to worldwide goals.

 [The Principles of İşbank’s Banking](#)

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 relevant 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 assumes the role of İşbank’s Sustainability Leader. The Sustainability Leader is in charge of representing the Bank in sustainability communications and guiding sustainability initiatives.

The head of Investor Relations and Sustainability Division, who serves as the Sustainability Coordinator, ensures that sustainability and climate-related issues are placed on the agenda of the Bank’s senior management. The Investor Relations and Sustainability Division 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 aligned with these goals, and coordinating these efforts across the Bank.

The Sustainability Working Group, consisting of representatives from key business units of the Bank, facilitates the flow of information between business units and carries out activities to ensure that sustainability and climate-related issues are included in decision-making processes.

Sustainability performance at İşbank is evaluated based on the Bank’s strategic priorities and specific indicators for division heads, all employees, and branches, and is reflected in the

The Sustainability Policy of İşbank and other complementary policies form the basis for the operation of the Sustainability Management System.

compensation system within an incentive-based mechanism. Specific indicators include sustainability-themed loans, green loans, the share of renewable energy projects in the portfolio, and the rate of green procurement, which are all part of the sustainability performance goals.

İşbank Sustainability Management System

The Sustainability Management System, established in 2015, is a management system that structures İşbank’s activities in the environmental, social, and governance areas within the context of its sustainability perspective and is continuously updated.

İşbank’s Sustainability Policy and other supplemental policies approved by the Board of Directors form the basis for the operation of the Sustainability Management System.

Control activities related to the operations carried out under the Sustainability Policy within the framework of the Sustainability Management System are conducted under internal audit.

The annual audits of Sustainability Management System assess the Bank’s sustainability commitments, targets, and progress toward these targets and share findings and recommendations. These 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.

 [İşbank Sustainability Policy](#)

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

 [Environmental and Social Impact 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](#)



Our Stakeholders

	Employees	Customers	Shareholders	Business Partners	Subsidiaries	Public Institutions	Financial Institutions and Rating Agencies	Analysts	Suppliers	Initiatives Supported	NGOs and Media	University Students
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.	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.	Long-term supplier relationships provide the Bank with operational and cost advantages.	İşbank contributes to its corporate knowledge and reputation through the initiatives of which it is a member and supports.	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.
Basic 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	Transparent reporting on financial and non-financial performance	Transparent non-financial reporting	Fair selection and evaluation processes, fast and easy communication, corporate capacity enhancement	Increasing joint projects	Quick response to information requests; Opportunities for joint project development	Mentoring activities; Internship and career opportunities
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 Division 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.	İşbank reports its financial and non-financial performance on various platforms.	İşbank reports its sustainability performance in compliance with numerous international frameworks.	İşbank manages a competent and extensive supplier pool through its 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	Working Life Evaluation Survey, employee help desk, training programs, performance evaluation, internal communication platforms, regular executive meetings	Branches, Bankamatik ATMs, Online banking, call center and mobile banking channels, customer relations representatives, meetings, customer satisfaction surveys, IPSOS research, social media support team	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	Evaluation and information meetings, Corporate Reports, replying to written inquiries	Analyst days, investor meetings, investor presentations, teleconferences, communications of the Investor Relations and Sustainability Division, Annual Report, Integrated Report, Reputation Research	Daily communication with goods and service suppliers, efforts to raise sustainability awareness among suppliers	Conferences, seminars, congresses, workshops, replying to written queries	Information and press meetings, private meetings, replying to written inquiries, online training, mentorship activities and other joint projects	Career days, campus events, sponsorship activities
Related capital element	Human capital	Financial capital, Human Capital, Social-relational capital, Intellectual capital, Produced capital	Financial capital	Social-relational capital, Financial capital	Financial capital, Intellectual capital, Produced capital	Financial capital, Social-relational capital, Intellectual capital	Financial capital, Social-relational capital	Financial capital	Social-relational capital, Financial Capital	Social-Relational capital, Intellectual capital	Social-Relational capital, Intellectual capital	Human capital, Intellectual capital, Social-relational capital



Our Stakeholders

Stakeholder Communication

İşbank develops effective stakeholder communication practices across various platforms to accurately understand stakeholder expectations and align its activities accordingly.

The Bank conducts regular and needs-based communication through written, visual, and digital media to inform the public about its activities, targeting the appropriate audience. As part of its communication management, in addition to digital media channels, press conferences, press releases, bulletin services, and special meetings are also utilized.

İşbank keeps its customers informed about products and services through digital channels, email, Bankamatik ATMs, and SMS channels, with the corporate website being the primary platform.

The Bank collaborates with non-governmental organizations that align with its corporate values on strategically prioritized issues, creating a difference by working on joint projects with these organizations.

İşbank, a supporter and member of numerous local and global initiatives, thus positions itself as a key actor in producing solutions for social and environmental issues.

 [Corporate Memberships](#)

İşbank conducts regular and needs-based communication through written, visual, and digital media to inform the public about its activities, targeting the appropriate audience.

İşbank also actively uses social media to provide up-to-date information about the Bank and analyze stakeholder feedback communicated through these platforms. In 2024, İşbank and its brands had around 2.9 million followers across LinkedIn, YouTube, Twitter, Facebook, and Instagram.

 [Number of Social Media Followers](#)

İşbank's Key Stakeholders

Customers, Employees, Shareholders, and Investors.

How Do We Respond to Stakeholder Expectations?

According to most recent stakeholder expectations survey, one of the key expectation communicated to the Bank by employees was the widespread implementation 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. In addition to different work models based on the nature of the job, employees also have been offered seasonal flexibility, such as the option to work from a different city during the summer period.

 [The Future of Business and New Working Models](#)

Materiality Analysis at İşbank

İşbank's Material Topics

İşbank determines its priorities through materiality analyses, which are carried out with the participation of multiple stakeholders and periodically reviewed. In these dynamic materiality analyses, changing regulations and standards, corporate strategies, and key global agenda topics are taken into account. The process considers performance indicators related to strategic issues, risks and opportunities associated with priorities, and stakeholder expectations.

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 GRI to determine material topics.

İşbank's corporate priorities are identified through a dynamic approach and stakeholder engagement, and are internalized and managed accordingly.

The "Double Materiality" approach

In addition to investors and capital providers, reporting frameworks and regulations require companies to simultaneously focus on environmental, social, and governance (ESG) factors alongside their financial performance in strategic planning. In this context, companies conduct systematic and comprehensive two-way materiality analyses to achieve sustainability goals and effectively meet stakeholder expectations.

In 2023, İşbank conducted a comprehensive assessment using the "double materiality" approach, evaluating the impact of its activities both on financial performance and on ESG matters.

In line with the double materiality methodology, İşbank adopts a holistic approach when identifying its material topics, considering both the potential impact of each issue on its business strategies and its financial and non-financial effects. During the materiality analyses process, each topic is evaluated based on the risks it poses to the Bank, the level of impact it may have on relevant stakeholders, and the Bank's potential to influence the issue.

While creating the impact matrix, the topic's financial impacts on İşbank were examined on the "X" axis. The data used here 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 of the matrix 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 complied. 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 reviewed material issues have been categorized into three groups:

- Very High Priority
- High Priority
- Priority

As a result of the review conducted in 2024, there has been no change in the materiality issues.

Materiality Analysis at İşbank

STEPS OF THE DOUBLE MATERIALITY PROCESS

CREATION OF THE TOPIC LIST

A list of topics that may affect İşbank has been created, taking into account corporate strategies, changing regulations and standards, sectoral practices, corporate engagements, global trends, and stakeholder expectations.



EVALUATION OF THE TOPICS

Stakeholder expectation evaluation:

Approximately 2,500 participants took part in the stakeholder survey. The results of the expectation and satisfaction surveys conducted for various stakeholder groups, along with media research, were analyzed, and the key expectations of stakeholders regarding sustainability from İşbank were identified.

Financial impact:

By evaluating comprehensive executive interviews, the requirements of corporate strategies and engagements, benchmarking studies, and global trends, the degree of financial impact of the issues listed in the topic list on the Bank has been determined.

İşbank's impact on the Topic:

All issues were evaluated in terms of the positive and negative social, economic, and environmental impacts of the Bank on each topic. The risks and opportunities created by the issue for the Bank and its stakeholders were explored.



SELECTION OF MATERIAL TOPICS

The evaluated issues were placed in the impact matrix in light of the numerical results obtained.

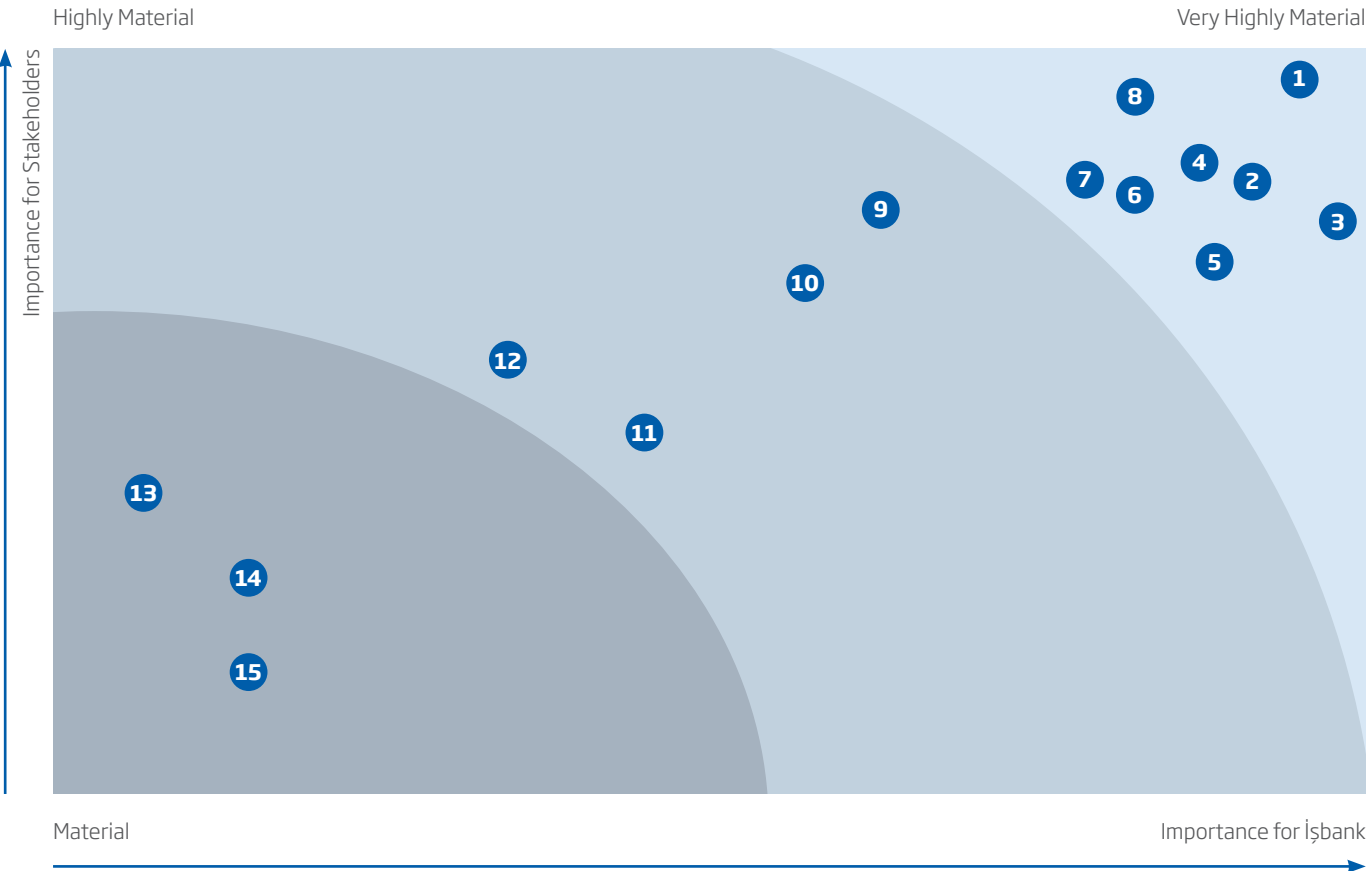


VALIDATION MEETINGS

The prepared matrix was reviewed and approved by İşbank executives.

İşbank performs risk and opportunity analyses for all the topics listed in the impact matrix presented in this report, evaluating and managing financial, operational, environmental, and reputational risks together.

Impact Matrix



1 Digital Banking and Innovation

2 Efficient Risk Management

3 Financial Performance and Profitability

4 Customer Centricity

5 Business Ethics, Transparency, Corporate Management and Sustainable Reporting

6 Climate Action

7 The Future of Business and New Working Models

8 Cyber Security, Customer Data Privacy

9 Employee Rights, Commitment and Satisfaction

10 Responsible Banking

11 Financial Inclusion

12 Equal Opportunity, Diversity and Gender Equality

13 Responsible purchasing and Supply Chain Management

14 Contribution to Social Welfare

15 Human Rights



Materiality Analysis at İşbank

Sustainability Focus Areas

İşbank addresses 15 sustainability priorities under 8 focus areas and internalizes them in its operational cycle. The performance and future goals/strategies produced in this context are discussed in the report under 3 main headings: Reliable Financial Actor, Responsible Operations, and Good Corporate Citizenship.

Reliable Financial Actor examines İşbank's activities as a financial institution under its brand, which is synonymous with trust and reputation.

Responsible Operations covers the impacts considered by İşbank while managing its extensive operational network. In this section, the Bank reports on the practices it has implemented to be a responsible employer and business partner, and to manage the environmental impact of its operations.

Good Corporate Citizen encompasses the Bank's corporate governance practices and corporate social responsibility activities.

The impact framework of the materiality issues and their reflections in the report are summarized in the following table.

The Report Sections, Focus Areas, and Relevant Priorities

RELIABLE FINANCIAL ACTOR				
FOCUS Digitalization, Innovation, and Cybersecurity				
Digital Banking and Innovation		Cybersecurity, Customer and Data Privacy		
FOCUS Responsible and Inclusive Banking				
Financial Performance and Profitability	Customer-Centricity	Responsible Banking	Financial Inclusion	Human Rights
FOCUS Climate Action				
Climate Action				
RESPONSIBLE OPERATIONS				
FOCUS Preferred Employer				
The Future of Work and New Working Models	Employee Rights, Engagement and Satisfaction	Equal Opportunities, Diversity, and Gender Equality		Human Rights
FOCUS Operational Impact Management				
Responsible Purchasing and Supply Chain Management			Human Rights	
GOOD CORPORATE CITIZEN				
FOCUS Ethical and Transparent Governance				
Business Ethics, Transparency, Corporate Governance, and Sustainable Reporting			Human Rights	
FOCUS Effective Risk Management				
Effective Risk Management				
FOCUS Contribution to Social Welfare				
Contribution to Social Welfare				

Impact Framework of Priorities and Their Reflections in the Report

Material Topics	Environmental and Social Impacts	Financial Impacts	Relevant Stakeholders	Related Corporate Policy/ Document	SDGs	How do We Manage?
Digital Banking and Innovation	Increasing digitalization in the financial sector increases the accessibility of financial products, but also brings cyber security issues.	The banking and finance sectors are among the most affected by increasing digitalization and changing customer habits. Institutions that fail to adapt to this change are left behind in the competition.	Customers Financial Institutions and Rating Agencies	Personal Data Protection Policy, Privacy Policy, Customer Satisfaction Policy	 	Please visit the “Innovative Bank for 100 Years” section for our performance in this arena.
Efficient Risk Management	It’s crucial importance for organizations to consider their environmental and social impacts and integrate them into their financial processes, as this plays a critical role in addressing a range of global challenges, with climate action being at the front.	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.	Shareholders Public Institutions Financial Institutions and Rating Agencies	Consolidated Risk Policies, Climate Change Risk Policy, Reputational Risk Policy, 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 “Risk Management” section for our management approach, performance, and goals in this area.
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, present risks for companies that do not have a stable financial performance.	Employees Shareholders Subsidiaries	Sustainability Policy, Environmental and Social Impacts Policy, Ethical Principles and Operational Rules, Customer Satisfaction Policy, Climate Change Risk Policy	 	Please visit the “Financial Performance and Profitability” section for our management approach, performance, and goals in this area.



Materiality Analysis at İşbank

Material Topics	Environmental and Social Impacts	Financial Impacts	Relevant Stakeholders	Related Corporate Policy/ Document	SDGs	How do We Manage?
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.	Customers	Customer Satisfaction Policy, Disclosure Policy	 	Please visit the “Customer Centricity” section for our management approach, performance, and goals in this area.
Business Ethics, Transparency, Corporate Governance, and Sustainable Reporting	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.	Shareholders Public Institutions	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.
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.	Customers Financial Institutions and Rating Agencies	Climate Change Risk Policy, Sustainability Policy, Environmental and Social Impacts Policy	 	Please visit the “Climate Action”, “Environmental Impact”, “Social and Environmental Risk Management in Loans” section for our management approach, performance, and goals in this area.

Material Topics	Environmental and Social Impacts	Financial Impacts	Relevant Stakeholders	Related Corporate Policy/ Document	SDGs	How do We Manage?
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.	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.
Cybersecurity 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.	Customers Public Institutions	Personal Data Protection Policy, Privacy Policy, Disclosure Policy		Please visit the “Information Security” section for our management approach, performance, and goals in this area.
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.	Employees	Human Rights and Human Resources Policy, Ethical Principles and Operational Rules, Remuneration Policy, Gender Equality Policy, Occupational Health and Safety Policy	   	Please visit the “Decent Work” section for our management approach, performance, and goals in this area.



Materiality Analysis at İşbank

Material Topics	Environmental and Social Impacts	Financial Impacts	Relevant Stakeholders	Related Corporate Policy/ Document	SDGs	How do We Manage?
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	Customers Shareholders Public Institutions	Disclosure Policy, Customer Satisfaction Policy, ISO 9001 Quality Policy	  	Please visit the “Responsible Banking” section for our management approach, performance, and goals in this area.
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.	Customers	Sustainability Policy		Please visit the “Financial Inclusion” section for our management approach, performance, and goals in this area.
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.	Customers Employees NGOs and Media	Human Rights and Human Resources Policy, Ethical Principles, and Operational Rules Remuneration Policy Gender Equality Policy Occupational Health and Safety Policy	 	Please visit the “Decent Work” section for our management approach, performance, and goals in this area.

Material Topics	Environmental and Social Impacts	Financial Impacts	Relevant Stakeholders	Related Corporate Policy/ Document	SDGs	How do We Manage?
Responsible Purchasing and Supply Chain	Supply chain disruptions and incidents of noncompliance 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.	Business Partners Suppliers	Supplier Management Principles		Please visit the “Responsible Purchasing and Supply Chain” section for our management approach, performance, and goals in this area.
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	Supported Initiatives NGOs and Media	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.
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.	Employees Customers Business Partners Suppliers	Ethical Principles and Operational Rules, Human Rights and Human Resources Policy		Please visit the “Transparent and Ethical Management” section for our management approach, performance, and goals in this area.



Materiality Analysis at İşbank

Priorities by Stakeholder Groups

Priorities	Stakeholders						Stakeholders					
	Employees	Customers	Shareholders	Business Partners	Subsidiaries	Public Institutions	Financial Institutions and Rating Agencies	Analysts	Suppliers	Initiatives Supported	NGOs and Media	University Students
Digital banking and innovation		✓			✓	✓		✓	✓			✓
Effective risk management								✓				
Financial performance and profitability						✓		✓				
Customer centricity		✓	✓						✓			
Business ethics, transparency, corporate management			✓	✓	✓		✓	✓	✓			✓
Climate action				✓			✓	✓			✓	✓
The future of business and new working models	✓		✓		✓	✓						✓
Cybersecurity and customer privacy		✓	✓			✓		✓	✓		✓	
Employee rights, commitment and satisfaction	✓				✓	✓		✓			✓	✓
Responsible banking		✓	✓									
Financial inclusion							✓					✓
Equal opportunity, diversity, and gender equality	✓			✓	✓	✓	✓	✓	✓			✓
Responsible purchasing and supply chain management			✓						✓			
Contribution to social welfare			✓							✓		
Human rights			✓			✓	✓					



Materiality Analysis at İşbank

Material Topics and Reporting Frameworks

Topic	Reporting Framework						Financial Impact	The Bank's Impact on the Topic
	GRI	SASB	TCFD	SDG	UN WEPs	UNGC		
Digital banking and innovation	3-3	✓		 	✓		High	High
Efficient risk management	3-3, 201-2						High	High
Financial performance and profitability	3-3, 201-2			 			High	High
Customer centricity	3-3, 417-1, 417-2, 417-3			 			High	Medium
Business ethics, transparency, corporate management	3-3, 205-1, 205-2, 205-3, 408-1		✓		✓	✓	Medium	High
Climate Action	3-3, 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, 306-4	✓	✓	 		✓	High	High
The future of business and new working models	3-3				✓		High	High
Cyber security and customer privacy	3-3, 418-1						High	High
Employee rights, commitment and satisfaction	3-3, 202-1, 401-1, 401-2, 401-3, 402-1, 402-1, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-8, 403-9, 403-10, 404-1, 404-2, 404-3, 407-1			   	✓	✓	Medium	High
Responsible banking	3-3, 304-2, 413-2	✓		  			Medium	Medium
Financial inclusion	3-3	✓					Medium	Medium
Equal opportunity, diversity, and gender equality	3-3, 405-1, 405-2, 406-1			 			Medium	High
Responsible purchasing and supply chain management	3-3, 204-1, 308-1, 308-2, 414-1, 414-2					✓	Low	Low
Contribution to social welfare	3-3, 203-1, 203-2, 413-1			  			Low	Medium
Human rights	3-3					✓	Low	Low

Contribution to Sustainable Development Goals

İşbank considers the United Nations Sustainable Development Goals (SDGs) as an important component of its sustainability strategy.

Sustainable development requires an approach that takes into account environmental and social responsibilities as well as economic growth. The finance sector plays a key role in supporting sustainable development through the financing it provides and the innovative solutions it offers, positioning itself at the center of transformation. With this awareness, İşbank shapes its activities in alignment with the United Nations Sustainable Development Goals (SDGs) and carries out its services in a way that contributes to a more sustainable future.

In its operations, İşbank integrates the SDGs into its business processes to identify and manage potential risks and opportunities, as well as to create efficient business models that include innovative products and services. The performance it demonstrates in this regard is tracked and reported. This approach enables İşbank to contribute directly or indirectly to the Sustainable Development Goals.

With a responsible and sustainable banking approach, İşbank promotes sustainable growth by correctly directing its financial resources and supports Türkiye's achievement of the Sustainable Development Goals by providing financial solutions that create benefits for all segments of society.

In this context, İşbank provides the financing required to address the issues indicated by the 17 SDGs, which define the universal criteria for sustainability, and supports all of them. The Bank makes a direct contribution to 8 SDGs, which are in its primary area of impact.

SDGs to which the Bank Contributes	İşbank's Approach	Targets to which the Bank Contributes	Material Topic	Strategic Area
	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	Employee Rights, Commitment, and Satisfaction, Contribution to Social Welfare	Decent Work, Contribution to Social Welfare
		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		



Contribution to Sustainable Development Goals

SDGs to which the Bank Contributes	İşbank's Approach	Targets to which the Bank Contributes	Material Topic	Strategic Area
	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	Equal Opportunity and Diversity, Responsible Banking, Financial Inclusion	Decent Work, Responsible Banking
		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		
	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.	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	Climate Action	Climate Action, Operational Impact Management
		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		
		7.2 Increasing investments in renewable energy	Climate Action	Climate Action, Operational Impact Management
		7.3 Increasing energy efficiency		

SDGs to which the Bank Contributes	İşbank's Approach	Targets to which the Bank Contributes	Material Topic	Strategic Area
	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	Responsible Banking, Climate Action, Employee Rights, Commitment and Satisfaction	Inclusive and Robust Economy, Decent Work
		8.3 Creating more decent jobs		
		8.4 Decoupling economic growth from environmental degradation		
	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.	8.5 Achieving full employment and decent work for all women and men	Responsible Banking, Climate Action	Inclusive and Robust Economy, Next-Generation Banking
		8.6 Increasing youth employment		
		8.7 Eradicating forced labor and ending modern slavery		
	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.	8.8 Protecting labor rights	Responsible Banking, Employee Rights, Commitment and Satisfaction	Inclusive and Robust Economy, Decent Work
		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 Banking, Employee Rights, Commitment and Satisfaction	Inclusive and Robust Economy, Decent Work
		10.2 Promoting inclusive economic growth for all		
		10.3 Eliminating discrimination		
		10.4 Adopting policies that can prevent inequality	Responsible Banking, Employee Rights, Commitment and Satisfaction	Inclusive and Robust Economy, Decent Work

Contribution to Sustainable Development Goals

SDGs to which the Bank Contributes	İşbank's Approach	Targets to which the Bank Contributes	Material Topic	Strategic Area
	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 Management
	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 Banking, Business Ethics, Transparency, Corporate Governance and Sustainable Reporting	Good Corporate Citizen

Environmental, Social and Governance (ESG) Indices that İşbank is Part of

İşbank is securing green/sustainable funds from international markets and aims to be a key actor in sustainable and inclusive economic growth.

LSEG

London Stock Exchange Group

London Stock Exchange Group (formerly Refinitiv) known as LSEG is an international financial data and infrastructure provider that also rates the environmental, social and governance performance of organizations.

As of the end of 2024, İşbank ranked 10th among 1,138 global banks with a score of 89 out of 100 in Refinitiv's assessment.



FTSE4Good

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 that value responsible investing take as a source.

İşbank has been included in the "FTSE4Good Emerging Markets Index" since 2016.



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 and ranked at the "low risk" level in the year-end 2024 rating.



BIST Sustainability and BIST Sustainability 25 Indices

The BIST Sustainability Index lists companies traded on Borsa Istanbul that demonstrate high levels of corporate sustainability performance, while the BIST Sustainability 25 Index comprises the top-performing companies in ESG criteria that are also large and highly liquid.

İşbank has been included in both indices in 2024.



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 in line with their sustainability and social responsibilities to spread a sustainable, common global development culture worldwide.

İşbank is committed to complying with the principles of the Global Compact in all its activities. İşbank is a member of the Global Compact Türkiye Sustainable Finance Working Group. The Group aims to spread sustainability awareness in the real sector, particularly in the Turkish finance sector, and to mobilize the private sector in creating the financial resources needed to achieve the Sustainable Development Goals.

Since 2012, İşbank has been a signatory of the United Nations Global Compact and is also one of the first signatories of the Global Compact Türkiye Sustainable Finance Declaration, prepared by the Sustainable Banking and Finance Working Group of Global Compact Türkiye. With the Declaration, signatory banks have declared that they will include environmental and social risks in their assessment processes for investments of USD 10 million or more. İşbank's signature on the declaration confirms its leadership in promoting the development and implementation of all banking products based on lending and sustainability, as well as advancing the growth of this market.



United Nations Sustainable Development Goals

The Sustainable Development Goals are a call for action that includes the goals to be achieved by the end of 2030 by the United Nations member states. The objectives focus on solving social, cultural and ecological issues under 17 main headings. İşbank supports the United Nations Sustainable Development Goals and reports its direct and indirect contributions to the goals.



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 Agreement. These principles define the role of banking in the new economy and aim to maximize the impact of the banking sector in achieving an equitable and prosperous future. As a signatory of the UNEP FI Principles for Responsible Banking and a member of UNEP FI, discloses its compliance with the principles annually in its Responsible Banking Principles reports.



Net-Zero Banking Alliance (NZBA)

In 2022, İşbank joined the Net-Zero Banking Alliance, a group of banks working to align their portfolios with net-zero emission targets by 2050, in line with the Paris Agreement. This alliance, established by the United Nations, aims to support banks that are committed to the transition to a carbon-free economy internationally.

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, and to report and publish its progress in its emission targets on an annual basis through its Climate Transition Plan.

In the creation of decarbonization pathways, emissions reduction targets and climate transition plans will be evaluated annually within carbon-intensive sectors based on global climate scenarios, as well as the country's sectoral dynamics and the needs of customers in their green transformation process. These plans will be data-driven, aligned with national conditions, and based on potential, including actionable strategies.



The UN Women's Empowerment Principles (WEPs)

The WEPs consist of guiding principles to strengthen the place of women in business and society. These principles aim to ensure women's participation and empowerment at every stage of working life by emphasizing the importance companies attach to equal opportunities and their practices that observe gender equality. Since 2020, İşbank underlines the importance it attaches to gender equality by taking its place among the WEPs signatories.



Carbon Disclosure Project (CDP)

CDP is a platform that enables İş Bankası to report on its climate action and water security goals and strategies, as well as provide annual performance summaries in these areas. The reporting allows companies, institutions, factories, businesses, and cities to measure their greenhouse gas emissions and report transparently to their investors in order to achieve the targets set by the Paris Climate Agreement.

In 2024, CDP consolidated the three existing question sets on climate change, water security, and forests into a single set, adopting a new and integrated environmental reporting concept under a corporate question set. With the transition to this integrated question set structure, reporting now evaluates the environmental impacts of operational activities, value chains, and financial decisions through a holistic management approach.

Since 2019, İşbank has been transparently sharing its environmental goals and performance with its stakeholders as part of the CDP Climate Change Program. Similarly, in 2021, the Bank started reporting under the CDP Water Security Program to announce its actions regarding the management of water usage and its impact on water resources.



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 was included in the GEI in 2022. The Bank continues to transparently report its efforts in the field of gender equality internationally.



30% Club

The 30% Club is a collaboration of chairperson and CEOs aiming to improve gender balance at all levels of their organizations. In 2022, İşbank became a member of the 30% Club with the mission of achieving and maintaining at least 30% female representation on boards of directors.



GRI

GRI Standards are standards that 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 carries out its activities with the aim of raising national awareness on integrated reporting and integrated thinking, building the capacity of organizations and sharing 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 under the leadership of 13 private sector representatives and accepts only corporate membership. BCSD Türkiye works to ensure that the basic elements and principles of sustainable development are better understood, adopted and realized by the business world. İşbank became a member of BCSD Türkiye in 2023.



Reliable Financial Actor

- 70 Inclusive and Resilient Economy
- 102 Climate Action
- 120 Innovative Bank for 100 Years



Inclusive and Resilient Economy

RELATED STAKEHOLDERS

- Customers
- Shareholders
- Public Institutions
- Financial Institutions and Rating Agencies

MATERIAL TOPICS

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

CONTRIBUTED SDGs



RELATED CAPITALS

- Financial Capital
- Intellectual Capital
- Social-Relational Capital

Representing one of the largest economic powers in Türkiye, İşbank assumed the important mission of contributing to the economic development of our country since its founding. The Bank generates permanent value for our country with its extensive reach, the employment it creates, and the economy model that includes all segments of the society and offers equal opportunities.

Risks

- » Volatility caused by high inflation, declined purchasing power and potential job losses
- » Worsening 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 resulting from failure to accurately analyze evolving customer expectations
- » Penalties and sanctions that may be incurred due to non-compliance with the rapidly changing regulatory framework
- » Uncertainties that may result from the rapid development in Artificial Intelligence (AI) technology
- » Human and economic losses caused by a potential İstanbul earthquake
- » Diminished trust in the sector due to complex and non-transparent financial transactions and processes
- » Financial impacts of global and national actions expected to be taken to combat climate change
- » Potential extreme weather events and biodiversity losses resulting from failed climate action
- » Inadequate risk mitigation actions taken against the risks posed by new services including crypto asset custody, service banking etc.

Opportunities

- » İşbank's capability to quickly capitalize on emerging opportunities thanks to its robust financial structure and dynamic and proactive business strategy
- » Access to new business opportunities enabled by the synergy created with subsidiaries
- » Increased penetration of the Bank through products developed for disadvantaged segments
- » Contribute to global climate action by offering products and services driving customers' transition to a carbon-neutral economy
- » Expand the customer base by developing products and services that address all segments of the society
- » Enhance customer satisfaction and increase compliance by providing customers with accurate and timely information about products and services
- » Enhance customer satisfaction through product and service developments catering to their expectations and needs thanks to regular customer communication by experienced İşbank personnel serving customers in addition to digital channels
- » Making decision-making processes efficient and easy by expanding the use of AI applications

Key Performance Indicators

	2022	2023	2024
Total Cash Loan Growth (%)	53.9	51.1	41.4
Non-Performing Loans (%)	3.0	2.1	2.1
Net Interest Margin (NIM) adjusted for swap cost (%)	6.85	3.50	-0.59
Net Fees and Commissions Growth (%)	111.9	162.8	115.4
OPEX Growth (%)	113.9	112.3	62.2
Cost/Income Ratio (%)*	25.8	38.2	65.3
Return on Average Equity (%)	46.8	33.3	15.8
Return on Average Assets (%)	5.32	3.82	1.6
Capital Adequacy Ratio (%)	24.36 (21.49**)	21.60 (18.41**)	19.65 (16.82**)
Tier 1 Ratio (%)	20.51 (17.91**)	18.04 (15.18**)	16.60 (13.94**)
Leverage (%)	9.19	7.11	5.76
Number of Customers (million)	22.8	24.3	25 ✓
Retail Banking Net Promoter Score (NPS)	37	50	51.3 ✓
Retail Banking NPS Ranking (among private banks)	1	1	2
Commercial Banking NPS	36	46	47 ✓
Commercial Banking NPS Ranking (among private banks)	4	1	1
Number of People Reached Through Farmer Meetings	7,000	3,676	4,700
Number of Disabled-Friendly Bankamatik ATMs	5,731	6,270	6,490*** ✓
Number of Disabled-Friendly Branches	Visually Impaired: 511 Orthopedically Disabled: 791	Visually Impaired & Orthopedically Disabled: 1,066	1,012 ✓
Number of women entrepreneurs who participated in events for empowering women entrepreneurs	2,328***	3,304	3,863****
Satisfaction Score of Startups Participating in Entrepreneurship Programs	-	87,5	91
Improving financial literacy and savings awareness	11,910 students participated in the workshops held at İşbank Museums	8,683 students participated in the workshops held at İşbank Museums	9,469 students participated in the workshops held at İşbank Museums
Number of feedback provided to the Customer Relations Program	693,162	746,291	769,644

*Adjusted ratios from investor presentations.

**Excluding the impact of BRSA measures.

***The number of disabled-friendly Bankamatik ATMs is calculated for the devices in Türkiye and TRNC.

****Includes the WeLead Entrepreneurship (Leading Women Entrepreneurship for Accelerating Development) Project initiatives, Women's Power for the Agriculture of Future campaign and Arya Retreat event.

Target Headings	2024 Targets	2024 Realizations	2025 Targets
TL Loan Growth	~50%	40%	~35%
Net Interest Margin (NIM) adjusted for swap cost	~2%*	-0.6%	450 bps increase
Net Fees and Commission Income Growth	>100%	115.4%	~50%
OPEX Growth	~Average Inflation	62.2%	Average Inflation
NPL Ratio	~2%	2.1%	~3%
Net Cost of Risk	~100 bps*	110 bps	~200 bps
Capital Adequacy Ratio (excluding the impact of BRSA measures)	>15%	16.8%	>15%
Return on Average Equity	~30%*	15.8%	~30%

* Revised forecasts on 7 August 2024.



Financial Performance and Profitability

In 2024, İşbank sustained its uninterrupted support to the Turkish economy and real sector with its robust financial structure, its products and services that make a distinction with their diversity and richness, and operational excellence standards.

The Largest Private Bank in Türkiye

İşbank increased its total assets to TL 3,323.8 billion and retained its title as the “largest private bank in Türkiye” once again in 2024. Achieving results that outperformed its targets, İşbank remained the leading private bank in terms of total loans and deposits as well.

Being the private bank making the greatest contribution to the national economy, İşbank’s cash loans reached TL 1,622.5 billion by year-end 2024. While TL Loans grew by 39.9 % as compared to year-end 2023, FC loans increased by 21.2% in USD terms.

The funds provided to the economy in the form of non-cash loans, on the other hand, reached TL 582.7 billion at the end of 2024. While loans accounted for 48.8% of the Bank’s total assets, securities portfolio made up 19.7%

of total assets as of year-end 2024. Remaining adhered to its policy of effective risk management and smooth growth in loan allocation processes, İşbank achieved an NPL ratio of 2.1%

Broad Customer and Shareholder Base

İşbank has a broad shareholder base of nearly 587 thousand individual and institutional investors. The İşbank Members’ Supplementary Pension Fund, with a membership base of approximately 51 thousand employees and retirees, holds 38.6% of the capital of the Bank. İşbank was serving approximately 25 million customers as of year-end 2024.

Wide Deposits Base

İşbank remained savers’ first choice thanks to its extensive service network, customer satisfaction, and diverse digital channels. In addition to the ongoing efforts since 2022 to use savings in exchange rate-protected TL time deposit products to promote 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 options in terms of returns.

İşbank once again remained the bank with the largest deposits base among private banks as of year-end 2024. İşbank’s total deposits grew by 28% in 2024, reaching TL 2,127.1 billion. In 2024, compared to the end of 2023, total TL deposits grew by 38.1% whereas total FC deposits shrank by 1.9% in USD terms.

Diversified Funding Base

Deposits continued to make up İşbank’s main source of funding and accounted for 64% of total liabilities by the end of 2024. To diversify its funding sources and extend the maturity structure of its liabilities, İşbank kept 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, constituted 19.6% of its total liabilities at the end of 2024.

Solid and Resilient Financial Structure

İşbank’s shareholders’ equity increased by 18.9% year-on-year and reached TL 318.3 billion as of year-end 2024. İşbank’s capital adequacy ratio stood at 19.7% as of year-end.

The Bank booked a net profit of TL 45.5 billion in 2024 with a return on average equity of 15.8% and a return on average assets of 1.6%.

According to the weekly data released by the BRSA on 27 December 2024, İşbank’s deposit market share decreased to 10.49% from 10.63% in 2023. Total savings deposit market share went up from 12.09% to 12.19% in the same

period. The balance of FX-protected deposit (FXPD) products, which was TL 280.7 billion at the end of 2023, decreased to TL 145.5 billion at the end of 2024. In 2024, it was anticipated that the CBRT would support the transition from FC deposits and FX-protected deposits to standard TL deposits under its Liraization strategy. The Monetary Policy Report for 2025 released by the CBRT stated that simplification steps would continue regarding the FX-protected deposit products, with plans to terminate the FXPD implementation within the year.

Despite the regulatory frameworks and competition, İşbank’s retail loan balance expanded by 48.6% during 2024.

Growth rates by products as compared to year-end 2023 are shown in the table below:

Consumer Loans	21.7%
Additional Accounts	127.1%
Housing Loans	58.3%
Vehicle Loans	-19.9%
Credit Card Balance	58.3%

ISCTR: The share price of ISCTR, İşbank’s stock traded on Borsa İstanbul, increased by 48.6% end-to-end in 2024 based on the year-end 2024 closing price. Within this framework, the Bank’s Group C share price outperformed the BIST 100 Index by 13% in the same period.

Composition of Assets (%)	2023	2024
Cash Values and Banks	23.1	20.5
Securities	19.3	19.7
Loans	46.8	48.8
Subsidiaries and Affiliates	5.9	6.1
Other	5.0	4.8
Total	100	100

Composition of Liabilities (%)	2023	2024
Deposits	67.7	64.0
Funds Borrowed and Money Markets ⁽¹⁾	14.4	19.6
Other Liabilities	7.0	6.8
Shareholders’ Equity	10.9	9.6
Total	100	100

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

Key Financial Items (TL million)	2023	2024	Change	Ranking Among Private Banks
Total Assets	2,453,783	3,323,776	35.5%	1
Loans	1,147,371	1,622,484	41.4%	1
Deposits	1,662,179	2,127,117	28.0%	1
Shareholders’ Equity	267,797	318,337	18.9%	2

Key Financial Ratios (%)	2023	2024
Interest-Earning Assets ⁽¹⁾ /Total Assets	87.7	87.8
Loans/Total Assets	46.8	48.8
Loans /Deposits	69.0	76.3
NPL Loans/Total Loans	2.1	2.1
NPL Coverage Ratio	75.6	72.5
Demand Deposits/Total Deposits	38.5	39.4
Shareholders’ Equity/Total Liabilities	10.9	9.6
Capital Adequacy Ratio	21.6	19.7
Return on Average Equity ⁽²⁾	33.3	15.8

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

⁽²⁾ Averages calculated based on quarterly balances.

İşbank and its Activities in 2024

SME Banking

Offering rational and sustainable solutions designed to drive the development, growth and digitalization of the SMEs assuming an ever-growing role in the economy, İşbank also taps overseas funding facilities for increasing the efficiency and international competitiveness of the SMEs.

The Bank facilitates the management of commercial life for SMEs and supports their digitalization processes through open banking applications, as well as SME-specific loan facilities offering favorable payment options, financing products, credit card and POS services.

Products & Services

- Installment Loan
- Overdraft Account
- Car Loan
- Single Limit
- Instant Commercial Loan (in Turkish: ATK)
- Export Credit
- Commercial Overdraft Account (in Turkish: KTMH)
- Direct Debit System (DDS)
- POS
- Letter of Guarantee
- Commercial Credit Cards
- Cheque Transactions
- Cash Management Transactions (Money Transfers, EFT, FAST, SWIFT, Foreign Trade Payments)
- Dijikolay
- Bill Payment Order
- Salary Agreement
- Current and Time Deposit Accounts
- Investment Account

İşbank assists the SMEs in realizing digital and green transition in their business processes, while facilitating trade through its services such as SME-specific financing solutions, credit cards and POS devices.

Developments in 2024

- İş'te KOBİ, an insurance policy package for SMEs, was developed and started to be sold, which is designed to provide comprehensive coverage to business-owner customers under a single policy against various risks including fire, natural disasters, theft, employer's liability, third party liability and personal accident.
- Digital and sustainability analysis and advisory support was offered to 100 companies under the "Twin Transformation Journey of 100 SMEs" project intended to analyze the digital and sustainability maturity of SMEs and to create tailored pathway for them.
- 5,547 customers applied for 12,158 solutions using Dijikolay under the headings e-transition, e-commerce, governance, foreign trade and sustainability.
- Financing support at advantageous interest rates maintained to be made available to companies holding internationally valid environmental certificates.
- Water Efficiency Package was introduced to SME customers under the partnership established for water efficiency solution with Blueit company, which entailed efficient water consumption and effective water management at commercial buildings and industrial facilities, collection of real-time water consumption data, and provision of remote control and technical support services.
- The Bank continued to offer women entrepreneur loans specific for women-owned micro, small or other businesses, EBRD Tur-WiB Program for Financing and Consultancy Support to Women-Led Businesses, and İGE (Export Development Inc.) Supporting Women in Export package.
- In 2024, the number of customers that utilized environment-themed loans increased by 4.5 folds as compared to 2023.
- Location-based push notifications were used, sharing current location-specific offers to customers and stressing the benefits provided such as bonus point redemption/installments for their transactions.

Agricultural Banking

Since its establishment in 1924, İşbank has been contributing to the agricultural ecosystem with its products and services that address to all financial needs of farmers in a bid to support agricultural production.

In addition to the financial products offered, the Bank intermediates the provision of financial, agricultural, ecological and digital training programs on crop and animal production with the scope of sustainable farming and in particular, financial literacy training to farmers in general, and to young farmers, women farmers and women's cooperatives engaged in agricultural production. İşbank also organizes special events to raise increased awareness of farming among children.

Products & Services

- Agricultural and Livestock Breeding Loans
- Instant Agricultural Loan
- İmeceMobil App
- İmece Card
- Instant İmece Card
- İmece POS
- Agriculture/Farmer Overdraft Account (in Turkish: KTMH)
- Workup Agri
- TARŞİM Agricultural Insurance
- Life Insurance for Farmers
- Pension Plan for Farmers

Developments in 2024

- The number of Specialized Agricultural Branches rose to 56.
- As of year-end 2024, total agricultural loan balance reached TL 99.4 million including the Specialized Agricultural Branches, whereas the number of customers exceeded half a million. Agricultural Business Loans with Flexible Repayment Terms that are aligned with the harvest periods of farmers occupied an important place in agricultural finance.
- To promptly meet the financing needs of farmer customers, enhancements were made to the Instant Agricultural Loan, Instant İmece Card, and İmece Card Limit Increase processes available on digital channels, improving the end-to-end digital experience.
- Under the "Women's Power for the Agriculture of Future" campaign co-organized with Pazarama marketplace to support "Women's Cooperatives Engaged in Agricultural Production" and "Producer Women Farmers", product sales were realized by 56 producers.
- Internet connection was established in 144 villages under the "Internet for 100 Villages" project coordinated by the Agricultural Banking Marketing Division.
- "İmece Card Making Farmers Smile Campaign" was organized in the area of agriculture which is among the Bank's strategic priorities on the 100th anniversary of İşbank. In a ceremony held at the conclusion of the campaign, four tractors and 30 smart farming technology products were delivered to farmer customers chosen by lot.
- In line with the efforts for assigning experienced agricultural engineers at branches, three agricultural engineers employed for İmeceMobil were matched with 16 pilot branches, and technological support in the nature of crop-specific recommendations started to be offered to farmers.
- Twenty-two young agricultural engineers worked half-time at Specialized Agricultural branches in 2024 summertime.
- Face-to-Face Agricultural Banking training covering all branch employees started to be given, and the training content was prepared in view of agricultural dynamics that show regional variations.
- "The Curious Seed" project launched to instill in children an awareness of, and love for, agriculture from early ages reached more than 400 children; these events were held in various venues and principally in Specialized Agricultural Branches.
- Under the "Academy in the Field Project" launched in conjunction with the WeFarm initiative in Bayramiç, Çanakkale, the youth having an interest in agriculture were given both theoretical and practical agricultural training and were brought together with sector leaders and academics.
- The Bank extended support to the "Regenerative Transformation in Agricultural Production Project" carried out in Hatay by the Buğday Association for Supporting Ecological Living. Under the project, local producers from Hatay who were affected by the earthquake were given theoretical and practical training on regenerative agriculture.
- As part of the Workup Agri program aimed at supporting agricultural technology startups, selected agri-tech start-ups were provided with training and mentorship. Additionally, they were brought together with industry leaders and supported in establishing collaborations with the Bank and its subsidiaries.



İşbank and its Activities in 2024

Cash commercial loans İşbank allocated to the tourism industry accounted for 11% of the loans by the overall sector as of year-end 2024.

Tourism Banking

İşbank carries out initiatives that support the financing need of the tourism sector with the optimum methods and helps grow its impact on the national economy.

İşbank establishes partnerships with the target of improving the value proposition offered to tourism professionals and to help with their digitalization needs through sustainable solutions. The Bank visits regional representatives to act as a bridge between the private sector, public sector, entrepreneurs and academia, and creates collaboration opportunities both for its stakeholders and entrepreneurs.

Products & Services

- Tourism Investment Loans
- Maximum Business Tourism Card

Developments in 2024

Below are the highlights of İşbank’s activities in 2024 in relation to the tourism industry that it ascribes strategic importance to:

- The Bank launched a dedicated tourism banking structure, a first in the industry, with the establishment of the Tourism Banking Unit under the Agricultural Banking Marketing Division, followed by the opening of its first Tourism Specialized Branch in Antalya.
- Akdeniz Corporate Branch was reorganized and started to serve as the Bank’s first Specialized Tourism Branch as part of the efforts to expand specialized tourism branches in markets in Türkiye where tourism activities are intensified. The branch carries on with its operations with its employees possessing sector-specific quality knowledge, as well as physical properties including its interactive screen, specific design befitting the tourism industry, the meeting point available for use by the market professionals.
- Training was planned to build on the technical competencies about sector-specific products of employees, especially of those working at the Specialized Tourism Branch, and the first training session was given to the employees of the Akdeniz Specialized Tourism Branch. In addition, informative meetings were held that addressed regional office employees and branches.
- Pilot installations of the Tourism Platform started, which was developed with the aims of enabling the stakeholders in the tourism ecosystem to conduct their financial and operational processes end-to-end digitally and to provide financial solutions to the supply chain.
- Campaigns tailored to various stakeholders in the sector were launched to support access to financing and raise awareness of tourism banking solutions.
- In line with its regional focus, the Bank organized visits and introductory meetings with tourism ecosystem stakeholders in high-tourism areas. These engagements laid the groundwork for digital collaborations and new product bundles.
- Customers who benefited from the Tourism Loan Campaign, which served to sustainable finance, were provided with advantageous interest rates throughout 2024.
- The Bank participated in domestic and international fairs, events and organizations to deepen in activities oriented towards the tourism industry and to assess the direction the industry is taking.
- Communication activities targeting the tourism industry were carried out at events actively participated by market representatives, including sponsorships at the İstanbul Tourism Fair, Antalya Tourism Fair, TYBA Yacht Charter Show@D-Marin Göcek and Mediterranean Touristic Hoteliers and Investors Association. Participations in panels and events under the slogan “My Bank is also Tourism’s Bank” were intended to strengthen the Bank’s position as a stakeholder in the industry and to monitor the industry in parallel with pioneering strategies.

Corporate and Commercial Banking

İşbank constructed its corporate and commercial banking strategy upon establishing long-lasting and multi-faceted collaborations with its customers and further deepening its existing relationships.

The Bank fulfills customer needs that differ by sectors with tailored solutions developed in terms of diversity and quality based on rational analyses, and realizes numerous projects that contribute to the development of the national economy with the funds allocated to the real sector.

Taking sustainability criteria into consideration in lending processes, İşbank prioritizes those loans that are utilized for purposes that benefit the Sustainable Development Goals (SDGs).

Products & Services

- Installment Loan
- Overdraft Account
- Export Credits
- Environmental Loans
- Overdraft Commercial Account (in Turkish: KTMH)
- Direct Debit System (DDS)
- POS
- Commercial Credit Cards
- Cheque Transactions
- Cash Management Transactions (Intrabank Money Transfers, EFT, FAST, SWIFT, Foreign Trade Payments)
- Bill Payment Orders
- Salary Agreement
- Term and Demand Deposit Accounts
- Maximiles Business Card
- Maximiles TİM (Turkish Exporters’ Assembly) Exporter Card
- Investment Account
- Project Finance
- Risk Management Solutions (Hedging)
- Digital Solutions
- Foreign Trade Transactions
- Letter of Guarantee
- Letter of Credit/Bill of Guarantee/ Acceptance/Endorsement

İşbank fulfills customer needs that differ by sectors with tailored solutions developed in terms of diversity and quality based on rational analyses.

Developments in 2024

- Non-cash lending by the Corporate and Commercial business unit, which was TL 350.7 billion at year-end 2023, reached TL 467.1 billion at end-2024, up by 33.2%.
- Disbursements under digital Trade Finance System loans exceeded TL 12 billion within the frame of supplier finance integrations provided over third party platforms.
- Sustainable Supplier Finance System (SSFS), a first in Türkiye, was launched. When extending loans using funds secured from abroad to be on-lent to green transition projects, the price is set more advantageously and competitively as compared to other products.
- In the Net Promoter Score (NPS) survey conducted with 255 companies with a 50-50 active-inactive distribution, the Corporate and Commercial Banking NPS was measured at 65.93, which is considered “very good.”
- Approximately USD 645 million was allocated in loans for electricity and gas distribution, port and airport projects.
- The share of the financing provided to renewable energy loans within power generation loans exposure was calculated to be 78% as of year-end 2024.



İşbank and its Activities in 2024

Retail Banking

İşbank meets the full range of its retail customers' banking needs in the most accurate and efficient manner through its extensive physical service network, digitally enhanced channels equipped with the latest technologies, and highly skilled human resources.

The Bank carries on with its activities in line with digital transformation strategies that will improve and enhance customer experience, and develops its service channels, financial products and service models with the projects it implements.

Aiming to contribute to the growth of the national economy, employment and increased welfare ever since its founding, İşbank guides its customers in their digital and green transition journeys with the financially inclusive products it has introduced in 2024.

Products & Services

- Instant Loan
- General Purpose Loan
- Overdraft Account
- Vehicle Loan
- Housing Loan
- Education Loan
- Maximum and Maximiles Credit Cards
- Bankamatik ATM Debit Cards
- MaxiPara Cards
- Deposit and Investment Products
- Payments and Money Transfers
- Bancassurance

İşbank aims to contribute to the growth of the national economy, employment and increased welfare ever since its founding.

Developments in 2024

- To diversify payment and financing solutions for individual consumers, the Instalment Overdraft Account product was launched under the “İş’le Öde” platform and made available to users on Pazarama, Trendyol, and Hepsipay platforms.
- Diyalog application launched under the name İşCep Live Chat upgraded customer experience. Made available for use by all customers in March 2024, İşCep Diyalog app has been instrumental in 5.5 million interactions with 1.3 million customers in total within one year.
- PPS Guaranteed General Purpose Loan started to be offered from out of İşbank branches to all PPS savers wishing to cover their urgent cash needs without using their funds accumulated in the private pension system. Under this loan product launched in June, over TL 73 million in financing was provided to 333 customers as of year-end 2024.
- Personalized video content provided by Ommasign company enabled promoting the products and services offered within İşCep to customers, to navigate them through the related menus easily, and to present the offers in a more intelligible manner.
- The Bank's generative AI solution MİHRİ is planned to be utilized by the marketing communication competency team in visual content creation processes for marketing purposes.
- During 2024, 40% of the consumer loans balance and 65% of the number of consumer loans extended were disbursed via digital channels.
- Kredim POS'ta application made it possible for customers to initiate a shopping loan application via their POS devices and obtain a loan using the İş’le Öde application.
- Instant Car Loan application allows retail customers wishing to buy a brand new vehicle to obtain a car loan via İşCep end-to-end without making a trip to the branch.
- Overdraft Account Life Insurance started to be sold via branches and İşCep application, and Commercial Life Insurance via İşCep application.
- “Life Insurance for My Card” product, a first in the sector that provides protection for the credit card limit, was offered to customers concurrently at branches and on İşCep application.
- The ratio of consumer loans with whole life insurance coverage went up from 75% at year-end 2023 to 88% at year-end 2024.

Digital Banking

In addition to providing banking products and services, İşbank continues its innovation and personal development efforts with a technology-oriented approach, aiming to offer customers a seamless experience in all areas of life, including education, healthcare, and transportation.

Receiving 20 million visits from six million people on a daily basis, İşCep's customers reached 15.2 million in number by the end of 2024. With over 750 functional capabilities, İşCep's comparable channel share was 77.8%. The number of customers interacting with My Life with İşCep areas of life exceeded five million thanks to the collaborations established.

Efforts for a seamless customer experience continue at İşCep. Customers are assisted in completing their transactions through the live assistance support provided in the form of a written chat at the time of transacting within the frame of selected scenarios, which ensures customer satisfaction.

Products & Services

- İşCep
- Online Banking
- Maximum Mobile and Maximum İşyerim applications
- Nays
- Open Banking
- Service Banking
- Digital Loan
- Digitalization of Branch Operations

İşbank uninterruptedly carries on with its technology-driven innovation and personal development initiatives to offer the products and services customers need.

Developments in 2024

- İşCep was recognized as the “World's Best Mobile Banking Application” for the second year in a row by Global Finance.
- İşCep's 10.0 version dedicated to the Bank's centenary was launched to provide both retail and commercial customers with a front-end experience differentiated according to their own product usage habits and profiles with the aim of offering need-based insights and offers.
- In addition to the mobile contactless payment capability İşCep offers, payment and money withdrawal with smart phones are now available.
- Under the collaboration with Greenzy, customers can purchase green energy certificate from İşCep for the energy consumption of their electronic devices.
- Face ID and/or Touch ID functions are introduced as additional security factors to the PIN for logging in to İşCep.
- For enriched digital business partnerships covering mini apps of ecosystem collaborations, new services aligned with the Bank's super application were added to İşCep, such as Where is my Towed Car? Bring me a Car Battery, İspark Debt Query and Payment, Mr. Handyman. The number of vehicles that the users of My Car and My Home menus in My Life with İşCep area follow up via İşCep reached 824 thousand, that of home reached 128 thousand and the number of vehicle appraisal transactions reached 368 thousand.
- AI-enabled personal assistant possessing natural language processing capability, Maxi is introduced on İşCep Commercial for use by corporate customers.
- AI-enabled My Cash Flow function forecasts balance for SME customers, helping them manage their cash flow.



İşbank and its Activities in 2024

Start-up Banking

Since 2021, İşbank has been extending support via its Start-up Branches to ecosystem stakeholders such as venture capital funds, angel investor networks, start-up programs, co-working spaces and technoparks with a particular focus on technology start-ups with rapid scale-up potential through innovative product and service development with the purpose of offering need-oriented products and services.

Products & Services

- İşCep Start-up Theme
- İşCep Start-up Become a Customer
- Maximiles Business Start-up Credit Card
- Technology Start-up Package
- Tax-Inclusive Service Export Loan
- Ecosystem Collaborations
- Ecosystem Events

Since 2021, İşbank has been extending support via its Start-up Branches to ecosystem stakeholders to offer them need-oriented products and services.

Developments in 2024

- With the “İşCep Start-up Become a Customer” service, technology start-ups across the country can now become customers of the specialized Entrepreneurship Branches located in İstanbul, Ankara, and İzmir remotely.
- Customers of İstanbul, Ankara or İzmir Start-up Branches opting to use the Start-up theme are able to follow-up and apply for collaborations in the Bank’s start-up ecosystem thanks to the customized profile offered within İşCep.
- 24 start-ups using the Maximiles Business Start-up Credit Card, which started growing in prevalence, were given access to AWS Activate free Cloud credit in the amount of USD 210 thousand.
- Global products such as Google, Google Workspace, Salesforce, Slack and Tableau have been integrated in Maximiles Business Start-up Credit Card to provide cost advantage and offered to start-ups.
- Technology Start-up Packages that make banking services available at advantageous prices were assigned to 760 technology start-ups.

Private Banking

Under Private Banking activities, İşbank closely monitors its customers’ risk profiles and return expectations to assist them in planning and making their investments optimally to offer them customized and privileged financial solutions. The Bank conducts these activities within the framework of a business model structured in cooperation with its strong financial subsidiaries İş Asset Management, İş Investment, Anadolu Hayat Emeklilik (life insurance) and Anadolu Sigorta (insurance).

Designing all Private Banking products and services so as to ensure maximum customer privacy and convenience, İşbank set up points of service at 13 Specialized Commercial Branches for its customers to be offered Private Banking services under its Co-Private project. With this project, the number of branches offering Private Banking service reached 28 in 2024, including 13 Specialized Private Banking, 13 Specialized Commercial and two mixed corner branches. The Bank also provided effective reach to Private Banking services via digital channels.

Products & Services

- Demand & Time Deposit Products
- Derivatives
- Privia Consumer Loans
- Privia Mutual Fund
- Privia Black Credit Card
- Privia Bancassurance Products
- Financial Status Report
- Privia Line

 [Privia Private Banking](#)

İşbank conducts its Private Banking activities within the framework of a business model structured in cooperation with its strong financial subsidiaries İş Asset Management, İş Investment, Anadolu Hayat Emeklilik (life insurance) and Anadolu Sigorta (insurance).

Developments in 2024

- Privia Black Metal Card was offered to a limited number of customers.
- Under the ongoing cooperation with Anadolu Hayat Emeklilik, Privia Artı BEH (Privia Plus Private Pension Account) was developed in addition to Privia BEH (Privia Private Pension Account).
- To increase and measure the depth of Private Banking customer relations, priority banking products were identified, and usage criteria and scores were assigned to them.
- Privileges associated with the concierge services offered to Private Banking customers started to be communicated to clients with the monthly Concierge E-bulletin.
- Net Promoter Score (NPS) measurements were made for Private Banking clients, and customer feedback was used as input for product and service development/improvement. Having improved by +0.9% as compared to the previous year, the NPS was 71.7 - “Excellent”, while satisfaction with Privia Black Credit Card was 91% (2023: 94%) and with Privia Black Metal Credit Card it was 89%.
- The amount of İş Asset Management’s water-themed funds, which contribute to the water value chain by investing in companies engaged in areas such as water conservation, sustainability management and infrastructure improvements, held by Private Bank customers exceeded TL 346 million.
- As the result of efforts to set up a “Private Equity Fund” in cooperation with İş Asset Management, Private Banking private hedge funds improved by 54% year-on-year in 2024.
- Discussing current economic developments, Privia Gündem videos were prepared and aired.
- FDR, the Financial Status Report that makes it possible for Private Banking clients to review their current wealth in comparison to other periods was integrated in İşCep and made available for use by the clients.

İşbank and its Activities in 2024

Payment Systems

İşbank offers specific solutions to customers having diverse expectations associated with payment systems entailing advanced technology. The Bank continually enriches its service array in this respect by adding new capabilities.

Products & Services

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

İşbank continually enriches its service array in payment systems entailing advanced technology by adding new capabilities.

Developments in 2024

- As of the end of 2024, İşbank had 10.5 million credit card users, corresponding to a market share of 12.6%.
- Customers were provided with another contactless payment method with the “Pay With SmartWatch” project, a result of an all-round innovative approach.
- Agreements were made with three new municipalities that did not previously have agreements with the Bank in order to increase the number of provinces accepting İşbank cards under the Transportation Project.
- In line with our sustainability and paperless banking targets, the ratio of our customers requesting digital credit card statements increased from 75% to 95% during 2024, saving paper approximately equivalent to 7,000 trees.

International Banking

Bank fulfils its customers’ demands and expectations concerning foreign trade finance and use of foreign trade products with its high-quality product and service array. The Bank offers these services through its strong correspondent network, as well as experienced, specialized teams, advanced service infrastructure, innovative approach and broad product range.

During 2024, İşbank ensured safe and effective transacting for its customers engaged in foreign trade on the back of its correspondent relationships established with approximately 1,000 banks residing in 119 countries. In line with its goal of facilitating its customers’ access to affordable financing and products, the Bank maintains its existing efficient and win-win collaborations with export insurance and credit agencies and other financial institutions besides correspondent banks.

İşbank furnishes its International Banking services through its solid correspondent network established with approximately 1,000 banks residing in 119 countries.

Developments in 2024

In 2024, İşbank kept securing sustainability-themed funding under the collaborations it has developed with international financial institutions.

• Syndicated Loans

İşbank secured a sustainability-linked syndicated loan for USD 442 million and EUR 562.7 million with a 367 day-maturity in June 2024. The key performance indicators of the facility are the amount of cash loans on-lent to women-owned/women-led small and medium enterprises (SMEs) and the amount of cash loans allocated to small-scale farmers.

In November 2024, İşbank obtained a sustainable syndicated loan for USD 584.5 million and EUR 494.9 million with a 371 day-maturity. This fund will be utilized in line with the terms set out in the agreement and the Bank’s Sustainable Finance Framework.

• DPR Transactions

Under the Diversified Payment Rights (DPR) Program, İşbank realized two deals for the total amount of USD 80 million with a final maturity of six years, in which the investor is the German Investment Corporation (DEG), in February and May 2024.

The said funds will be allocated for financing the SMEs, green projects and women entrepreneurs in our country.

Another facility with a final maturity of five years for the amount of USD 106.9 million secured from the European Bank for Development and Reconstruction (EBRD) in May 2024 within the scope of DPR transactions will be on-lent for the digital transformation of SMEs, climate finance, renewable energy and energy efficiency.

In addition to the two institutions mentioned above, İşbank raised a facility for USD 625 million and EUR 100 million with a final maturity of 5 to 10 years from seven different investors in 2024.





İşbank and its Activities in 2024

• Eurobond Transactions

In 2024, İşbank also made use of Eurobond issues for obtaining sustainable funds. In this context, the Bank's issue in June 2024 for the amount of USD 500 million with a five year maturity marks the Bank's first public sustainable offering in the markets.

The proceeds from the issuance will be directed towards financing activities falling under the green and social categories outlined in the Bank's Sustainable Finance Framework such as financing of SMEs, climate finance, renewable energy and energy efficiency.

Moreover, İşbank carried out two Eurobond issues, each worth USD 20 million, in which Finance In Motion acted as asset manager and The European Fund for Southeast Europe (EFSE) and Green for Growth Fund (GGF) were investors. The Bank will allocate the funds raised from these assets issued as sustainable bonds and green bonds, respectively, towards the financing of SMEs, climate finance, renewable energy and energy efficiency.

In addition to those mentioned above, İşbank issued 11 sustainable Eurobonds equivalent to USD 430 million during 2024. These funds will be placed in line with the Bank's Sustainable Finance Framework.

• Others

In 2024, İşbank secured its first sustainability-themed foreign trade finance loan for approximately USD 20 million with a maturity of six months. In this facility, 5 bps margin discount was granted in the credit cost due to the reporting of foreign trade transactions compliant with food security and financial inclusion targets.

Treasury Management

In treasury management, İşbank mainly targets to make effective capital utilization in credit and investment portfolios, dynamically manage FC and liquidity positions, maintain an optimum risk vs. return balance through focusing on cost control, and further strengthen its balance sheet composition through sustainable profitable growth strategy.

Developments in 2024

In 2024, the downturn secured in global inflation allowed central banks of developed countries to enter into a policy rate cut cycle, as geopolitical risks were watched closely.

Within Türkiye, where inflation remained as the top agenda item, the CBRT carried on with the rate hikes that were initiated in June 2023 in line with price stability and anti-inflationary struggle goals, and raised the policy rate to 50% in the first quarter of the year, maintaining its solid tight monetary policy stance throughout the year. While arrangements prioritizing Turkish lira deposits continued, the practice of setting up marketable securities was terminated, and the process was backed by practices entailing the creation of required reserves. Arrangements for growth on the basis of credit type and currency, on the other hand, continued to be telling upon the composition of credit portfolios.

Besides the monetary policy decisions, credit and liquidity policy steps for stronger effectiveness of the transmission mechanism kept affecting the decisions banks took for the management of their balance sheet funding compositions and total interest-earning assets. While the priority for the banking industry was to manage the balance sheets shaped by macroprudential policies by paying regard to liquidity, interest rate and exchange rate risks, also important were effective management of customer preferences, as well as achieving compliance with the modified regulatory framework.

Capital Market Transactions

İşbank carries out brokerage activities for capital market instruments such as equity, precious metals, debt instruments, derivatives, and mutual funds through its subsidiaries engaged in this field, and offers custody and fund valuation services.

Developments in 2024

During 2024, İşbank continued to issue debt instruments of different types and maturities to eliminate the maturity mismatch between asset-liability items on the balance sheet, and to prevent interest rate risk due to short maturity.

Realizing a first in the country's capital markets with the green bill offering on the occasion of the 100th anniversary of its incorporation, the Bank added another important milestone to its sustainability journey. Set to mature on 26 August 2024, the Bank's 100th anniversary, "100th Anniversary Bond" attracted high demand from investors from around the country with its structure contributing to the financing of environment-friendly projects. Having attracted demand from approximately 50 thousand individual and institutional investors, the issue size was TL 4.5 billion.

İşbank remained the brokerage sector's leader with the trading volume worth TL 18.8 trillion it has reached as of year-end 2024 in the Borsa İstanbul Debt Securities Market.

İşbank, together with its subsidiary İş Investment, generated 10.3% of the trading volume on Borsa İstanbul Equity Market as of year-end 2024, where it is among the leading institutions.

The Bank's gold balance market share, which was 12.7% at year-end 2023, remained flat throughout 2024 and was recorded as 12.8% at the end of the year.

Investor interest in the equity market and mutual funds persisted amid the low real-return environment created by high inflation in the first half of 2024. The highly liquid money market funds, in particular, which generate returns close to the policy rate, gained the foreground as the customers' most preferred investment product in 2024. Investors opting for assets in a foreign currency and seeking a return in excess of FC deposits for their savings, on the other hand, turned towards FC hedge funds. In 2024, İşbank's market share in retail funds was 13.02%.

With stronger anticipations that the targeted decline in inflation would be achieved by the end of 2024, investors showed an increased interest in Turkish lira government debt securities to benefit from rate cuts in the medium-long term. TL government debt securities balance started increasing particularly from the second quarter of the year.

İşbank, together with its subsidiary İş Investment, generated 10.3% of the trading volume on Borsa İstanbul Equity Market as of year-end 2024, where it is among the leading institutions.

While investors' pursuits for real returns continued due to the inflationist environment that persisted throughout the first three quarters of 2024, relative rise in interest rates coupled with conjunctural developments led to a highly volatile and low performance by Borsa İstanbul, which brought along shrank trading volume in the equity market and diminished interest in IPOs.

The mutual funds balance, which was TL 104 billion at year-end 2023, reached TL 332 billion corresponding to an enlargement by 219% at year-end 2024, a result of intensive demand generated in connection with customers' pursuit for returns. The investor interest is expected to continue also in 2025.

The total balance of investment accounts held with İşbank expanded by 75% in the twelve months to December 2024 owing to the appreciation effect of investment products coupled with increased interest from investors.

İşbank and its Activities in 2024

Cross-Border Banking

İşbank carries out its cross-border banking operations through its branches, subsidiary banks, and representation offices in 11 different countries.

Out of 33 branches in total, Frankfurt-based (Germany) İşbank AG has eight branches, whereas Amsterdam-based (the Netherlands) İşbank AG, Moscow-based (Russia) JSC İşbank and Tbilisi-based (Georgia) JSC İşbank Georgia has one branch each. In addition, there are two representative offices in Kazan and St. Petersburg, which are affiliated with JSC İşbank. Furthermore, İşbank has two branches in Iraq, two in Kosovo, two in the UK, one in Bahrain and 15 in the Turkish Republic of Northern Cyprus (TRNC). The Bank has two representative offices, one in Shanghai (China) and the other in Cairo (Egypt).

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. Dynamically revising the products and services offered in line with changing needs, the Bank furnishes service to foreign branch customers through digital channels via its Online Banking and mobile banking applications.

İşbank carries out its cross-border banking operations through its branches, subsidiary banks, and representation offices in 11 different countries.

Developments in 2024

İşbank added new features to the mobile banking application it launched in the UK, Kosovo, and Iraq.

In Iraq, the Bank intermediates a significant portion of the trade between Türkiye and Iraq through its Baghdad and Erbil branches and provides resources through loans to projects that create added value for the region. In 2024, when letter of guarantee transactions addressed to institutions and organizations that are party to a given transaction in the country maintained their importance, cash credit volume increased by 24%, while customer deposits expanded by 32% and net profit boosted by 85%.

The positive relations established with the Gulf 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 member merchant transaction volumes. Through online deposit platforms, funding diversity was supported and applications contributing to customer experience were added to the product array.

Batumi branch of JSC İşbank Georgia was closed down on 12 July 2024.

As of year-end 2024, total assets of İşbank's overseas organizations was at the order of USD 6.2 billion. The Bank's foreign subsidiaries and foreign branches had 49% and 51% share in this figure, respectively.

İşbank's Subsidiaries

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 across a broad array, from start-up level to scaled-up 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.

Directly or indirectly holding stake in 171 companies as of year-end 2024, İşbank has management control over 123 of them. The Bank directly holds shares in 31 companies.

As of the same period, the value of the Bank's subsidiaries on İşbank's balance sheet stood at TRY 214.5 billion, accounting for 6.4% of total assets. Direct participations of the Bank, Türkiye Sınai Kalkınma Bankası A.Ş. (TSKB), 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.

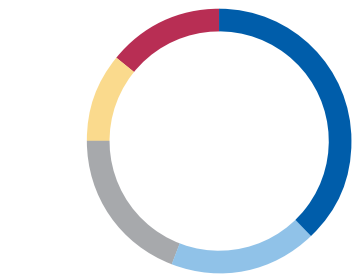
Anadolu Anonim Türk Sigorta Şirketi, İş Girişim Sermayesi Yatırım Ortaklığı A.Ş., TSKB Gayrimenkul Yatırım Ortaklığı A.Ş., and İş Yatırım Ortaklığı A.Ş. are the other publicly-held Group companies controlled by İşbank through indirect shareholding.

İşbank, an integrated conglomerate, has numerous subsidiaries engaged in diverse areas in keeping with its mission of supporting our country's industrial and economic development.

İşbank's subsidiaries operate in the USA, Germany, United Arab Emirates, Bosnia and Herzegovina, Bulgaria, China, Georgia, India, Netherlands, UK, Spain, Italy, Hungary, Egypt, Romania, Russia, Slovakia, Ukraine, Singapore and TRNC.

Targeting to derive competitive and successful results from its existing portfolio investments also in the future, the Bank intends to keep capitalizing on new business venture opportunities in and outside the country and to carry on with its pursuit for organic and inorganic growth.

Sectoral Distribution (%)

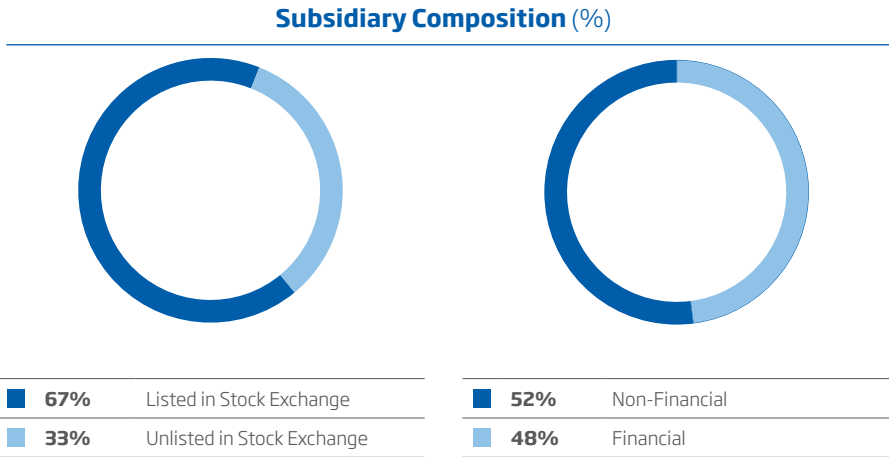


■ 38%	Glass
■ 18%	Bank
■ 19%	Financial Institutions
■ 11%	Insurance
■ 14%	Others

İşbank’s Subsidiaries

Significant developments in subsidiaries in 2024:

- One of İşbank’s subsidiaries in the banking industry, TSKB secured funding approximately worth USD 1.7 billion in 2024 from development finance agencies, financial institutions and the international capital market. Thanks to its sound asset quality, robust liquidity and capital adequacy ratios above the sector’s average, TSKB achieved a credit expansion of 11.5% adjusted for exchange rate differences, in keeping with its year-end targets.
- Engaged in the insurance industry, Anadolu Hayat Emeklilik, with over 1.5 million voluntary PPS participants and auto-enrollment funds under its management in excess of TL 12 billion, reached leadership position among companies backed with private capital once again in both categories.
- Under Şişecam’s natural soda investment in the USA, Ciner Group’s 20.4% stake in Şişecam Wyoming LLC company and 40% stake in Pacific Soda LLC company were entirely taken over for USD 285 million including business development cost in December 2024. Following the completion of the natural soda facility investment, Şişecam is anticipated to be the world leader with a total soda ash production capacity of over 10 million tons, including 7.5 million tons of natural soda ash.
- Şişecam decided to make three new coated glass line investments, one each in the Tarsus flat glass facility in Türkiye currently in construction phase and in its existing flat glass facilities located in Northern Italy and Bulgaria.
- Upon the commissioning of the new furnace investment in Eskişehir Glass Packaging plant, which was announced in 2021, Şişecam’s Eskişehir plant became the world’s largest glass packaging production



facility with five furnaces and 24 lines on a single campus. Moreover, with the cold repair at the Eskişehir Glassware Plant completed, Şişecam reached a consolidated gross capacity of 1 million tons/year in glass packaging and glassware business lines, which makes it the world’s largest integrated glass production site.

- In 2024, İş Enerji Yatırımları A.Ş. wholly acquired Metafor Yenilenebilir Enerji ve Elektrik Üretim A.Ş. (Metafor Wind Farm) having a capacity of 49.5 MW and Knot Enerji Elektrik Üretim A.Ş. (Yakaağzı Wind Farm) having a capacity of 33.6 MW from Göktekin Enerji A.Ş., and Şua Elektrik Üretim A.Ş. having a capacity of 36.4 MW from Polat Enerji Yatırımları A.Ş. Within the scope of the Company’s overseas investments, the portion of 86 MW of the power plants in Hungary planned to have a total installed capacity of approximately 110 MW became operational.
- Furthermore, in December 2024, İş Energy commissioned the power plant for self-consumption, which will be able to supply the energy need of the Bank’s Head Office Building, Tuzla Technology and Operations Center, and Ankara Technology and Operations Center campuses.

- In April 2024, TIBAS Ventures BV was incorporated to take place in the start-up ecosystem in Europe. Investments in 15 start-ups totaled USD 6.9 million as of year-end 2024.
- Established in İstanbul in September 2022 with the purpose of becoming a reliable marketplace for commodity trade and leading the digitalization of commodity sectors, Maksmarket, through its digital marketplace platform Proemtia, reached approximately 22.5 thousand buyer member firms and around 611 vendors as of December 2024.
- İşbank took one more stride towards realizing its vision in digital banking, and reached an agreement with IS United Payment Systems operating in the UK market for the acquisition of a payment institution initially with a payment institution license. Regulatory authority approval is awaited for the official consummation of the deal.
- In addition, a self-consumption power plant capable of meeting the energy needs of the Bank’s Head Office building, Tuzla Technology and Operations Center, and Ankara Technology and Operations Center campuses was commissioned by İş Enerji as of December 2024.

Customer Centricity

In line with its goal of being the most preferred financial solution partner of its customers through every stage of their lives, İşbank formulates its business processes to determine and cater to customer expectations and needs. Developing banking packages covering the products and services aligned with diverse needs and demands in each operating period, the Bank also carries out various initiatives to deepen in relationships with new customers.

Customer Satisfaction

Based on its vision of becoming the bank of the future creating sustainable value with an inclusive and participative approach, İşbank places the “Perfect Customer Experience” principle that it regards as a strategic goal at the heart of all its business processes, and targets to establish lifelong relationships with its customers.

The Bank took its customer satisfaction measurement efforts further in 2024, and started e-mailing satisfaction surveys after completion of customer transactions at branches. Thus, the Bank reached more customers and feedback. Measured at 77% in 2023, satisfaction with branches went up to 82.2% in 2024.

Satisfaction level for the Bankamatik ATM channel was 81% cumulatively in 2024. According to the results of the competition survey by IPSOS Research Company, İşbank preserved its number 1 spot with respect to satisfaction with Bankamatik ATM channel among banks of a similar size, as it did last year.

In keeping with its sustainable profitable growth strategy based on the motto of being the bank closest to customers, İşbank targets to establish lifelong relationships with its customers.

İşbank collected approximately 10 thousand feedback via more than 50 end-of-transaction/effort questionnaires throughout the year in a bid to monitor user satisfaction with İşCep, the Bank’s mobile banking application that acts as the primary touchpoint, and to keep the application current and at a highly satisfactory level at all times by delivering a design and content that will fulfill customer expectations.

Net Promoter Score that users assigned to İşCep using the application improved in 2024 as compared to the previous year and materialized as 59.5 for retail customers and 60 for commercial users. In 2023, Personal NPS and Commercial NPS achieved by İşCep was 55.43 and 56.13 respectively, indicating at an approximately 4 point improvement in both customer groups on a year-on-year basis.

Competitive Customer Experience Measurement

İşbank measures and monitors its brand’s NPS and the satisfaction levels with its products and service delivery channels in comparison with the private and public banks in the industry through the competitive customer experience survey conducted by IPSOS, an independent research company.

The Bank evaluates and interprets the outputs from this research that covers the entire sector against its internal measurement results and takes action on the basis of experience improvements on its product and service channels and marketing initiatives aimed at unconditional customer satisfaction.

According to IPSOS banking industry NPS measurement, İşbank was once again the most-recommended bank with its Retail Banking and SME Banking activities, and sustained its leadership among all public and private banks.

When compared with the previous year measurements, public and private banks of a similar scale attained 3-5 points lower NPSs, whereas İşbank improved its score by 1 point to 51 in parallel with the increase in overall banking industry NPS.



Customer Centricity

Based on the internal survey conducted with Private Banking customers, NPS was 71.7 corresponding to “Excellent” level.

In Agricultural Banking area that it regards as its strategic priority, the Bank continued to expand its presence across the country with Specialized Agricultural Branches within the frame of its efforts to contribute to sustainable production in our country by bringing agriculture, technology and finance together. İşbank ranked first among private banks with its Agricultural Banking activities as well with an NPS of 83.

Customer Feedback

The Bank established effective mechanisms for following up, recording and resolving customer feedback, demands and complaints received at all touchpoints and via social networks. Spending its best efforts to ensure first point of contact resolution, the Bank executes a dedicated process at predefined quality standards through the Customer Relations Platform for demands and complaints that could not be resolved at first point of contact. Customer demands and complaints are finalized within two days maximum from the date they are received by the Bank. In the event of a delay in exceptional cases, customers are provided with interim updates, exhibiting the healthy, transparent communication approach espoused.

In 2024, customer demands and complaints started to be handled using the AI classification model and RPA solutions. As of the end of the year, two AI models and 15 active robots are deployed in customer request and complaint handling process. Complaint handling time was visibly reduced through the improvements made. In 2024, the number of entries declined by 9% and time for getting back to customers improved by 36% as compared to 2023.

Individual complaints directly conveyed to the banks are monitored by the Banks Association of Türkiye in terms of their number, topic and resolution times, and reported together with banks’ performances. Having went down from the 3rd spot to 6th spot in the number of complaints rankings since 2020, İşbank achieved a significant positive improvement.

Recognizing that enhancing customer satisfaction and decreasing complaints can be achieved only by improving the experience resulting from the delivered service, the Bank set up teams focused on different customer groups and needs in 2024, and concentrated on increasing its speed of getting back to customers on the one hand, and drawing improvement actions from the feedback for making improvements on the other hand.

Customer requests and complaints can be conveyed through the Bank’s digital channels, branches, or directly to the Head Office or the Board of Inspectors via telephone, e-mail or mail. Each customer request and complaint is entered into record on the Customer Relations Platform and undergoes a thorough and objective scrutiny, responded to, and is followed up with respect to the effectiveness of the responses given.

From out of the complaints followed up through MİP, those that need to be handled by the Board of Inspectors are referred to the Board by the relevant Head Office divisions. If the Bank receives a customer complaint alleging violation of privacy due to loss of customer data or disclosure to third parties, the issue is addressed meticulously and thoroughly by the Board of Inspectors, and audit findings are reported. Customer complaints received by the Board of Inspectors

are reported to the Audit Committee weekly/monthly. In 2024, 33 complaints were reported to the Committee. The Board of Inspectors presents statistical data about the complaints and requests reported to the Bank and actions taken for resolving the issues in monthly reports to the Board of Directors.

Customer Requests and Complaints Report 2024, which was prepared pursuant to “Article 5 (2/m) - Responsibilities of the Board of Directors” of the Regulation on the Internal Systems of Banks and Assessment of Internal Capital Adequacy and as per the Customer Requests and Complaints Handling Policy, was presented to Board of Directors with the letter dated 6 February 2025. The number of submissions received through the Customer Relations Platform reached 192,594.

In 2024, the Bank received 406 complaints concerning violation of customer data privacy and loss of data. 48 of them were not responded to as they were duplicates. In 2024, there were no penalties imposed on the Bank on account of non-compliance with customer information regulations.

İşbank Call Center

In a bid to maximize customer satisfaction, İşbank continually upgrades its call center services offered uninterruptedly around the clock keeping abreast of advancing technology and customer expectations. In 2024, 45 million incoming calls were placed to İşbank Call Center, 23 million of which were finalized on the self-serve channel. The remaining 22 million voice, video and written customer calls were responded to by Call Center agents. According to end-of-call evaluation questionnaires, customer satisfaction score was 96.02 on a scale of 100.

İşbank Call Center agents are continually supported with regularly updated training programs to build on their competencies for optimum fulfillment of customer needs. The training programs and updates improve the quality of the manner and content of information given to customers and provide more effective information flow during the contact.

In 2024, İşbank’s Call Center service level ratios were 83.10% for the Call Center Service Level and 93.62% for Lost/Stolen and Suspicious Transaction Reporting Service Level, exceeding the regulatory thresholds.

New Generation Living Space: İş Mekan

İşbank designed the “İş Mekan” concept to upgrade customer experience, and to create a physical extension of its digital-based contact with its customers. The first one opened in Nişantaşı Branch building on 17 January 2023, İş Mekan focuses on catering to customer needs in a more holistic manner together with İşbank Group companies without limiting them to banking processes and on offering multiple value proposals on the basis of a collective experience.

Nişantaşı/İstanbul Branch continues to offer service during regular business hours on the upper floor of İş Mekan, which is open for visitors between 08:00 and 20:00 hours six days a week from Monday through Saturday, and between 12:00 and 19:00 hours on Sundays. The Bankamatik ATM located in Mekan allows money withdrawal up to TL 80 thousand and money depositing up to TL 500 thousand, enabling customers coming in for these transactions to complete their transactions without going to the branch upstairs.

Furnishing service to an average of 24 thousand visitors monthly, Nişantaşı İş Mekan features meeting rooms and event areas managed by İŞMER, a member of the İşbank Group that is offers facility management services, as well as T. İş Bankası Kültür Yayınları offering its rich selection of books, and Coffee Department, the first physical sales point of trendy and technology products of the e-commerce brand Pazarama and the well-known new generation coffee shop in the Nişantaşı area.

İş Mekan also houses 10 of İşbank’s direct or indirect subsidiaries, which offer the Bank’s customers various discounts and advantages exclusive to İş Mekan. With İş Mekan, the Bank targeted to create a space for visitors where they find experiences such as banking, shopping, eating and drinking, and where they can also fulfill their social and cultural needs. In this context, 61 events were held that attracted more than 1,600 participants in total during 2024.

2024 Developments to Existing Products and Services Based on Customer Feedback

- During 2024, in-depth Funnel Analysis was conducted for 42 transactions. Feedback was collected in end-of-transaction questionnaires through which 130 improvement areas were identified.
- Root causes of certain errors occurring in Super POS, Instant Loan, Overdraft Account Debt Payment, PPA Contribution Payment, Account Statement Date Change steps and they were fixed.
- It was established that Crypto Currency Transfer transaction got hindered by the intrabank money transfer limit and transaction volume was increased through limit update redirection. Menu headings that are misunderstood were established based on feedback and they are included in the list for upcoming corrections.

(*) As stated in Article 8 of the Regulation on the Determination of Service Level and Quality of Bank Call Centers, a monthly minimum of 80% of incoming calls must be responded to within 30 seconds, and in the case of lost/stolen and suspicious transaction notifications, a monthly minimum of 90% must be responded to within 20 seconds.



Customer Centricity

- The Credit Card Support Insurance transaction available in the insurance area was also added to the Cards menu, thus making it easier to find. In line with customer feedback, Life Insurance for My Card product was developed, which covers employees in any sector.
- Revamped with radical changes, İşCep was received with a high satisfaction level of 85.7%, transcending the 80% satisfaction threshold despite disturbed user habits. The satisfaction level with the Cards menu was measured as 70% as a reaction to the disturbed habits. Comments provided in the questionnaires were studied and critical improvement actions were included in the fast action plans of product and channel managers.
- İşCep Stories infrastructure was completely revamped, switching to a more flexible one. The added features enable sharing different stories with different groups (e.g. Retail, Commercial, English and Turkish), preparing the contents on the platform, conducting a survey through the story, and getting customer feedback.

Forward-looking New Practices and Solutions

Below are the medium-long term solutions İşbank plans for integrating customer feedback faster and more effectively in business processes in the future, and for improving customer satisfaction and Net Promoter Scores:

Personalized Customer Experience

İşbank targets to offer custom-tailored products, services and campaigns using advanced AI and data analytics technologies.

Customer's Voice Platform

İşbank aims to make use of AI-enabled solutions that will enhance satisfaction and loyalty, by listening to communication with customers at all touchpoints, which will be used as insight for product and channel designs, marketing activities and sales activities. Accordingly, the Bank plans to introduce the customer's voice platform in 2025, which it will use to analyze customer desires and needs together with the sentiment aspect, serve to establish the hitches arising in the customer experience, and allow taking and monitoring reactive and proactive actions for improvement areas.

Innovating the Digital Channels

Continuing with technology investments that will enhance user experience on digital channels, particularly İşCep, İşbank works on offering user-friendly interfaces and innovative products and service. As part of these efforts, digital channels will feature smart, personal and innovative financial and living section solutions backed by new technologies.

Visualization and Data Integration

All feedback data will be transformed into an easy-to-track format using visualization tools and data integration platforms, thus, enabling faster decision-making by executives.

Emotion Maps and Journey Analysis

İşbank plans to map emotions at customer touchpoints and make arrangements to upgrade customer satisfaction at the most critical moments. Journey analyses will cover the entire experience of the customer from the initial interaction through to the completion of the transactions.

Predictive Analytics

Data drawn from feedback are analyzed with machine learning algorithms to predict the change in aspects affecting the NPS, which will allow development of proactive solutions for pre-identified possible dissatisfaction.

Automated Feedback Analysis Systems

Using AI and machine learning technologies, feedback will be automatically classified and prioritized. For instance, topics in which complaints or suggestions are intensified will be analyzed in real-time and swiftly referred to related units.

Experience Indicator Panels

Custom-designed digital panels will be created for collecting, analyzing and reporting feedback. These panels will present instant data to administrators, and thus accelerate feedback-based strategic decision-making.

Personalized Notifications

Sending its customers personal notifications aligned with their needs based on the analysis of their transaction history, preferences and habits, İşbank targets to use personalized notification and communication methods in medium-long term with the purpose of improving its information provision activities. In this context, the Bank intends to deliver real-time, personalized notifications and suggestions depending on customers' actions and preferences on İşCep and other digital channels.

Responsible Banking

In line with its responsible banking approach, İşbank offers products and services that are easy to understand and promote an awareness of saving up, taking into consideration its customers' different life stages, economic needs and sector requirements.

The Bank targets total regulatory compliance in all kinds of product and service development activities and meticulously pays regard to sustainability at the same time. Aiming to enrich and expand its sustainability portfolio, İşbank works to expand technical knowledge and awareness regarding sustainability-themed products.

Responsible Marketing

As a prerequisite of its responsible banking and customer-centricity approach, İşbank informs its customers about the explanations they need about products and service, notably regulatory requirements, and the briefings facilitating their decision-making processes so as to cover all the details.

The Bank uses a wide variety of media to present the correct and up-to-date information to its customers in a clear, intelligible and transparent manner, and excludes misleading, complicated and/or contradicting statements and recurrent data.

For more information, see:

 [Customer Centricity](#)

 [Ethical Principles and Code of Conduct](#)

İşbank offers products and services that are easy to understand and promote an awareness of saving up, taking into consideration its customers' different life stages, economic needs and sector requirements.

Products and Services for Promoting Society's Awareness of Saving Up

İş Asset Moneybox Account Mixed Special Fund

The first of its kind in Türkiye, Moneybox Account Mixed Special Fund is a fund for "saving up" that enables investing in the future from today for those under the age of 18.

At the end of 2024, the number of investors in the fund reached 122,225 people, and total fund size reached TL 1.4 billion.

Gold Banking

İşbank offers its customers Time or Demand Gold Deposit Account options to win the under-the-mattress gold for the banking system and secure them against risk of loss or theft.

İşbank customers' holdings in gold deposit accounts, which were 59,202,439 grams at year-end 2023, increased by 9.9% since the onset of the year and reached 65,088,281 grams as of 31 December 2024. The number of account holder customers was also up by 3.4% and increased from 2,502,281 people to 2,588,230 people.

In 2023, 560,897 grams of gold was collected in Gold Meetings and 1,484,013 grams within the scope of KAD-SİS, the Jewelry Gold Valuation System. In 2024, on the other hand, the quantity of gold collected was 149,279 grams within the scope of Gold Meetings and 551,387 grams within the scope of KAD-SİS implementation.

Regular gold purchasing order that used to be issued exclusively through Online Banking was made available on İşCep as well in 2024.

Responsible Banking

İşbank Robofon Advisor

Through the İşbank Robofon Advisor menu accessible on İşCep or Online Banking, customers wishing to save up, including small amounts, can get fund advisory. Customers completing the behavioral finance-based “Risk Profile Test” within Robofon Advisor application can view their risk profile, profile description, and İş Asset Management Robofon recommendation fitting the risk profile.

Risk level of more than half of 38,143 customers who took part in 2024 in the “Risk Profile Test”, that can be taken once a year, was found to be in the medium-risk group. İş Asset Robofon Cautious Variable Fund that is recommended within this framework generated 53.5% yield in 2024, whereas İş Asset Robofon Balanced Variable Fund and İş Asset Robofon Attack Variable Fund generated 34.8% and 45.13% yield, respectively.

Daily Earning Account

The Daily Earning Account, which can be opened via İşCep or Online Banking, offers customers the opportunity to invest their savings on a daily basis rather than in long-term deposits. The total balance of Daily Earning Accounts reached TL 37.4 billion at the end of 2024.

Exchange Rate-Protected TL Deposit Accounts

Under the “Communiqué on Encouraging Conversion of FX Deposits to TL Time Deposit and Participation Accounts” published in the Official Gazette by the end of 2021, two 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.

By early 2024, the FX-Protected TL Time Deposit Account product was terminated under an arrangement by the CBRT and it was decided not to open any new FX-Protected TL Time Deposit Accounts. Accordingly, İşbank encouraged its customers to convert their FX-Protected TL Time Deposit Account for Customers Converting from FX into regular TL term deposit accounts with attractive rates offered for the latter. The Bank continues to work towards making offers that will incite its customers to turn towards TL deposits in the future and to enable taking orders to that effect through digital channels, particularly at maturities of FX-Protected TL Time Deposit Accounts.

The balance in İşbank’s FX-Protected TL Time Deposit Accounts declined to TL 145.5 billion as at year-end 2024.

Regular Fund Buying Order

In 2024, the Bank introduced regular fund buying instruction capability on İşCep. With this feature, one can issue a regular purchasing order for a mutual fund traded on TEFAS, the Türkiye Electronic Fund Trading Platform, for own or another’s account using his/her TL demand deposit account or credit card. Hence, this facility in investment services builds on customers’ financial habits, and creates awareness of saving up both for self and loved ones. As of the end of the year, there were 23 thousand active orders worth TL 59 million issued by 11 thousand customers.

Human Rights and Social Impact Considerations in Investments and Lending

In its investment and lending activities, İşbank takes into consideration human rights and social impact, as well as environmental impact. The risk assessment model the Bank employs for human rights and social impact addresses several variables including child and forced labor, occupational health and safety (OHS), working conditions, employment conditions, OHS management systems, forced resettlement, loss of livelihoods, stakeholder communication, gender equality, sexual harassment and discrimination.

İşbank evaluates the investments to be financed upon completion of the sector-specific question sets the relevant investment belongs to following the initial assessment conducted by question sets prepared by type. In this assessment, the Bank uses ÇESMOD, the Environmental and Social Risk Assessment Model which determines an investment’s environmental and social risk score.

Based on the answers provided to question sets prepared in line with the matters outlined in the legislation, laws and regulations, the project is classified in one of the following risk categories: high risk (A), medium-high risk (B+), medium-low risk (B-), and low-risk (C).

Investments financed by the Bank and assigned a risk score of (A) - high-risk as the result of the Environmental and Social Risk Assessment undergo impact assessment, including human rights impact assessment, for compliance with international norms.

All projects assessed under ÇESMOD, the Environmental and Social Risk Assessment Model, will be questioned with respect to whether:

- a social impact assessment was carried out for the project (including gender equality, sexual harassment, discrimination, child labor, human rights risk assessment)
- the project will trigger a lawsuit (pending or adjudged) or strong community opposition,
- the loan to be extended will be used towards areas that will mitigate the company’s environmental and social impact,
- an active occupational safety, environmental and social management system is in place and whether there are associated guidelines in the project facility,
- the project will lead to physical or economic displacement.

Furthermore, it is demanded that complaint mechanisms be set up and monitored for violations of the local people’s rights in projects that are subjected to ÇESMOD assessment.

Financing Infrastructure Investments

Social impact assessments undertaken for big-ticket infrastructure projects financed by İşbank, taking the community’s social benefits into consideration, and necessary actions are planned to ensure that potential negative impacts of the investment are manageable.

In addition to limiting negative impacts by allocating corporate social responsibility budgets that also cover the construction and operation periods of large-scale infrastructure investments financed by the Bank,

positive impacts are increased by developing processes for the benefit of stakeholders in the sphere of influence of the projects.

Within the scope of highway, hotel, electricity distribution and similar projects, İşbank developed social responsibility projects under which education will be supported on the basis of annually determined budgets, as well as road, school and water line renovations on the project routes. In 2024, a total of approximately USD 1 billion was allocated for highway, electricity distribution, hotel, shopping mall and airport projects.

Infrastructure - Public-Private Partnership/Highway Projects	
Investment Size	USD 28 billion
Total Commitment	USD 2.2 billion
Total Risk	USD 1.3 billion
Total Infrastructure Capacity Reached	1,890 km

Infrastructure - Public-Private Partnership/City Hospital Projects	
Investment Size	USD 3.5 billion
Commitment Balance	USD 6.8 million
Total Risk	USD 0.5 billion
Total Infrastructure Capacity Reached	9,978 people

Financial Inclusion

İşbank produces differentiated products and solutions tailored to customer needs and carries out comprehensive studies to increase financial inclusion in the banking sector.

Seeking to strengthen access to the financial system in society, İşbank develops inclusive financial products and services based on the developments in the world economy and customer feedback, while customizing these services in accordance with the needs and preferences of the target audience.

The Bank organizes training for its employees to establish the mechanisms to prevent over-indebtedness in order to secure financial sustainability and supports especially those customers considered in the disadvantaged group in making informed financial decisions. Encouraging its employees to act in accordance with ethical norms within the frame of a transparent, fair and responsible service understanding, İşbank adheres to its approach that prioritizes customer experience through easily accessible complaint mechanisms.

In keeping with its financial inclusion approach, İşbank gives the foreground to certain segments of the society such as the SMEs and small enterprises, farmers, women entrepreneurs and disadvantaged groups.

The Bank contributed to increasing community welfare by developing products and services that will cover all segments of the society and carries out information and consultancy activities, besides the financial support extended within the frame of openness and transparency principles.

In line with its financial inclusion approach, İşbank prioritizes segments of society such as the SMEs and small enterprises, farmers, women entrepreneurs and disadvantaged groups.

Twin Transformation Journey of 100 SMEs Project

In February 2024, İşbank initiated the “Twin Transformation Journey of 100 SMEs” project for SMEs that prioritize digitalization- and sustainability-oriented development. with the project, carried out in cooperation with MEXT Technology Center, addresses digital and green transition approaches of companies with a holistic approach. The purpose of the project is to reduce costs and increase productivity through digital transformation; realization of green transition investments and compliance with decarbonization/environment-friendly production regulations stemming from the new trade rules.

The SMEs included in the Twin Transformation Journey of 100 SMEs project are determined as operating in manufacturing industries, needing twin transformation in their business processes as a matter of priority, are either engaged in exports or taking place in the supply chain of exporter corporate companies.

Initiated in 2024 at different maturity levels specific to each company, analysis processes for 90 project companies from across 25 sectors in 22 provinces are ongoing. The analyses are conducted in accordance with SIRI, the only internationally-valid digital maturity analysis, and COSIRI, the green transition maturity analysis, methodologies.

Twin Transformation Financing Package was created to finance the twin transformation investments that the companies might need during the course of the project.

Under the protocol signed with OSBÜK, the Organized Industrial Zone Supreme Council, Twin Transformation Finance Package is also made available to companies pursuing operations in the Organized Industrial Zones, where SMEs engaged in manufacturing and exportation are located, which also have a high cash transaction volume due to their use of a high number of banking products because of their activities.

In the medium-long term, İşbank is planning to document the stages undergone during the project on the basis of analyses to be performed following the realization of the investments within the scope of the Twin Transformation of 100 SMEs project in a report and to set an example for the sector by sharing the project outputs with the Turkish industry.

DijiKolay

Launched by İşbank in 2021 to address the digitalization needs of SME and business segment customers with a holistic approach, the DijiKolay embodies five different categories: e-transition solutions, e-commerce solutions, foreign trade solutions, sustainability solutions and governance solutions. In line with the Bank's digital channel strategy, DijiKolay was added to İşCep in the last quarter of 2024.

Collaboration with KOSGEB

Within the scope of the KOSGEB SME Digital Transformation Support Program launched in 2024, İşbank extended TL 32 million in loans to its customers engaged in the manufacturing sector, registered as small or medium-sized enterprise in the database of KOSGEB (Small and Medium Enterprises Development Organization).

In line with feedback from its customers included in its Twin Transformation Journey of 100 SMEs project, the Bank successfully negotiated with KOSGEB and EBRT for the incorporation of MEXT SIRI analyses in KOSGEB Program acceptance criteria. Thus, 100 SME customers in the project became direct candidates for the KOSGEB SME Digital Transformation Support Program.

Increased Customer Depth Goals

İşbank carries out work with a focus on micro-segmentation of its customers to offer tailored products and services personalized according to the specific needs of companies in the future. Giving the forefront to company satisfaction, needs and wishes, the Bank aims to involve the customer in its new product and service design and development to enhance customer satisfaction, and in turn, increase customer depth through pinpointed products.



Financial Inclusion

Support to the Agricultural Sector and Farmers

İşbank increases the support it extends for the progress of the agricultural sector that is vital for the country's economy by the year. Adopting a responsible and inclusive approach in all its Agricultural Banking activities, the Bank aims to bring agriculture and technology together with innovative methods and to meet the financing needs arising at this point through the most appropriate channels.

Financial Support Facilities Provided in Agricultural Banking

- Smart Farming Technology Loan Campaign
- Pressurized Irrigation Systems Loan Campaign
- Good and Organic Agriculture Campaign
- Women Farmers Loan Campaign
- EBRD TurSEFF Renewable Energy and Energy Efficiency Loan Campaign
- Tractor Loan Campaign
- Agricultural Equipment Loan Campaign
- Loan for EWR (Electronic Warehouse Receipt) Campaign
- Suggest to a Friend Maxipoints Campaign
- Contracted Farming Loan Campaign

Digital Agriculture Solution (DTÇ)

The “Digital Agriculture Solution” (in Turkish: DTÇ) project, which was launched under the five-year agreement signed in May 2019 by and between İşbank and Vodafone A.Ş. and expired in May 2024, was intended to achieve more effective utilization of resources in agricultural production through advanced technological

equipment and software, increased quality and productivity, and to support nationwide sustainable and value-added production.

During 2024, part of the digital agriculture stations covered in the project were relocated to regions that are considered to be more productive under the advisory of Metos A.Ş., and with support from Chambers of Agriculture.

The economic benefit generated in 2024 thanks to Digital Agriculture Solution Stations donated by İşbank under the project amounted to TL 692.5 million.

Agricultural Banking Events

In 2024, Farmer Meetings events were planned to cover all 81 provinces, and the Bank got together with the farmers in all of them. In 2024, approximately five thousand farmers attended the Farmer Meetings, bringing the total number to 33 thousand farmers since the event's debut.

Agricultural Banking awareness seminars held at 12 universities in 2024 have been instrumental in getting together with over two thousand students and academics in total.

During 2024, information was offered to more than 1,500 farmers in events concerning dairy farming, vegetative production, new generation agricultural technology, agricultural economics, water use in agriculture, renewable energy and energy efficiency loans etc. organized at Specialized Agricultural Branches.

Support to Women Business Owners

İşbank firmly believes that eradicating gender inequality, increasing women's participation in economic activity and growing the women workforce are essential for sustainable economy.

To this end, the Bank financially supports women entrepreneurs with the foreign funds secured, as well as its internal resources, and contributes to their projects with training and mentoring programs.

İşbank's total lending to its women entrepreneur customers amounted to TL 53 billion in 2024; thus, the Bank already reached in 2024 88% of its target to extend TL 100 billion over a five-year period.

In 2024, the Bank extended TL 363 million in financing under the EBRD TurWiB, Financing and Advisory Support Program for Women in Business. Majority of women entrepreneur customers who borrowed funds under the program were mostly engaged in retailing and wholesaling sectors.

Women Farmers Meetings

In 2024, İşbank organized the “New Generation Women Farmers Meeting” in Düzce, Hatay, İzmir and Çanakkale, providing approximately 200 female farmers with financial, agricultural, ecological and digital literacy training.

In addition, on the occasion of the UN-declared International Day of Rural Women celebrated on October 15th each year, the Bank organized the event titled “Women's Power for the Agriculture of Future” which was participated by 36 women farmers from 23 provinces who contribute to agricultural production. Furthermore, more than 300 people in total participated in the online training programs that covered five headings and spanned 10 days, which addressed women farmers and women's cooperatives engaged in agricultural production.

- “Women's Power for the Agriculture of Future” training series in 2024 addressed the following topics:
- Agricultural & Food Product Marketing
 - Cooperatives
 - Financial Literacy
 - Basic Computer and Internet Skills
 - Food Security

Following these events, participants who wished to benefit from the financing support provided under the “Women's Power for the Agriculture of Future” were included in the process.



WeLead Project

İşbank organizes financial literacy training and mentorship programs under the “WeLead” project co-executed with the Turkish Business Confederation (TÜRKONFED) to extend also non-financial support to women-owned/led businesses. Besides the Bank's customers, non-customer women entrepreneurs also attended a total of 15 training/inspiration events, 12 of them online and the remaining three face-to-face. The number of participants was 3,621 in 2024.

In the events held, opportunities for women entrepreneurs to develop global collaborations in technology and innovation were discussed, and podcast shootings were completed where five women entrepreneurs shared their success stories. The podcast is slated for being broadcast in 2025.

Three women entrepreneurs who have succeeded in the WeLead Project mentoring program were entitled to the Silicon Valley prize, and the visit took place in 2024.

Women in Workforce Equity Fund

İş Asset Management's Women in Workforce Equity (TL) Fund (Equity Intensive Fund) continually invests minimum 80% of the fund's total value in the stocks of domestic companies which support women's employment and promote women's presence in executive roles to have more say in management, thereby enabling the investors to support this area.

In 2024, the number of customers investing in Women in Workforce Equity Fund via their İşbank accounts increased by 114% while the total number of investors in the fund grew by 246% year-on-year at the end of 2024.



Financial Inclusion

Women in Workforce Equity Fund in the Bank's investment accounts expanded by 297% to reach TL 2.3 billion in the twelve months to 31 December 2024.

Arya Venture Capital Fund

In keeping with its vision of accompanying women entrepreneurs in all departments of their lives in addition to acting as a financial solution business partner for their businesses, İşbank has been cooperating with Arya, Türkiye's first women's investment platform.

In 2024, the Bank continued to invest in start-ups founded/co-founded by women, and put the emphasis on start-ups engaged in technology, AI, logistics and sustainability areas. During the reporting period, the Bank invested a total of USD 3.6 million in nine start-ups, which were Getmobil, Denebunu, Feedback4e, Cellestetix, Text2Test, Finedine, Navlungo, Kiralarsin and Teleporter.

Enabled Banking

For İşbank, it is of the utmost importance that its products and services are easily accessible by all individuals in the society. In this framework, the Bank is working intensively to make all its areas of service delivery accessible by users with disabilities.

As of year-end 2024, all İşbank branches were vested in a structure that is accessible by orthopedically-handicapped and visually-impaired customers. The branches feature audible prompts and illuminated signage, tactile walking surface, disabled ramp and accessible ATM applications for visually- and hearing-impaired individuals. All customers with disabilities can securely and easily perform such transactions as contract signing, account opening, borrowing and card application.

While a 2% ratio of orthopedically-accessible ATMs within a bank's total ATM network is adequate for regulatory compliance, İşbank's orthopedically-accessible ATMs account for 7.4% of its total ATM network.

During 2024, the number of the Bank's ATMs accessible by orthopedically-handicapped individuals increased by 71 from 410 to 481, the total number of enabled Bankamatik ATMs increased by 250 to reach 6,490 .

For hearing-impaired customers wishing to receive service from İşbank branches, employees who know sign language are employed at the Call Center in accordance with the Regulation no. 29746 dated 18 June 2016 on Accessibility of Banking Services. "Softphone" authorization is defined for the Bank-provided cell phones of authorized employees working in

branch sales services for hearing-impaired customers to have a videochat with Call Center agents who know sign language. In this way, they can use the videocall capability available through the Cisco Jabber application on their terminals on their Bank-provided cell phones.

The number of videocalls offered to hearing-impaired customers increased by 75.9% year-on-year in 2024.

Boasting a 100% ratio in terms of Orthopedically-Accessible Bankamatik ATMs, İşbank targets to increase the number of its orthopedically-accessible ATM devices in medium-long term, and prefers spots offering easy physical access for new devices to be installed.

EyeBrand Certification

The global EyeBrand Certification (Blind Friendly Brand) certification by BlindLook that transforms the products and services offered into a format that can be freely used by the blind certifies the inclusive service offered by EyeBrands.

İşbank's corporate website (www.isbank.com.tr), İşCep, Online Banking and www.maximiles.com.tr websites all qualified for EyeBrand certification. Thus, visually-impaired customers are able to freely use these media thanks to audio guidance.

Financial Literacy

İşbank aims to raise an awareness, and increase the financial literacy level, of its customers from all segments of the society. To this end, the Bank carried on with its training activities conducted by its various business units in 2024.

Putting special emphasis on efforts to increase the financial literacy of women, İşbank updated the training program and contents offered under the Women's Power in Entrepreneurship Project co-executed with TÜRKONFED in line with the changing conditions of the commercial life. The training contents were enriched based on feedback received during online and face-to-face meetings held with women entrepreneurs.

Financial literacy workshops held at İşbank Museum make up another leg of the financial literacy organizations. Workshops held at the Museum and addressing the K12 (nursery, primary and secondary school children) group tackle various Bank-related topics including saving up, savings, history of money, history and function of moneyboxes, and what banking professionals do.

In 2024, new workshops were that addressed İşbank's communication history, advertising activities and the development in banking technology from a savings perspective. The educational institutions participating in the workshop were diversified, and recognition of financial literacy- and economy-oriented workshops among schools was increased.

İşbank aims to build on the financial literacy skills of the readers that it reaches via the reports it publishes, namely Daily Market Bulletin, Weekly Bulletin and Developments in the World and Turkish Economies.

Apart from K12 training programs, Financial Literacy Training program targeted at university students was carried on, maintaining the general participation level.

İşbank plans to broaden its outreach to the high school groups, with which it has not contacted so far, within the scope of new educational programs focusing on financial literacy, economy, investment instruments and the like.

Economic Research

İşbank Economic Research Division closely monitors the conjunctural, structural and macroeconomic developments in the Turkish and world economies. The Division analyzes these developments, prepares periodic reports about them, and aims to build on the financial literacy skills of its readers that it reaches via the reports it publishes, namely Daily Market Bulletin, Weekly Bulletin and Developments in the World and Turkish Economies.

Additionally, monthly "Data Analyses" reports in Turkish and English, which cover Economic Growth, Inflation Developments, Budget Balance, and Balance of Payments, are published on the Bank's website. In 2024, three analysis reports were released: "Potential Impact of Artificial Intelligence (AI) on the Labor Market", "Evolving Tensions in USA-China", and "Repatriation of Syrians and Potential Implications".

In 2024, the Economic Research Division published four Sectoral Current Developments bulletins and eight sector reports. The sector reports dealt with textiles/ready-to-wear, iron & steel, automotive, marine transportation, solar power, electricity, construction and fisheries industries. In addition, the Division publishes the monthly "Trends of Consumer Spending by Sectors" study.

Climate Action

RELATED STAKEHOLDERS

- Customers
- Public Institutions
- Financial Institutions and Rating Agencies

MATERIAL TOPICS

- Climate Action

CONTRIBUTED SDGs



RELATED CAPITALS

- Financial Capital
- Intellectual Capital
- Social-Relational Capital
- Natural Capital

Environmental and social risks stemming from climate change and negatively affecting the whole world compel a multi-faceted and comprehensive combat. Based on this fact, İşbank sustains its contribution to climate action and continuously improves its environmental performance with steps taken for correct management of gradually depleting natural resources, conserving the ecosystem and changing consumption habits.

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
- » Possible irreversible outcomes facing individuals and global economy in case of climate action failure

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
- » Accurate description of the solutions offered to clients enabled by effective customer communication and specialization
- » Ability to establish multi-lateral stakeholder partnerships to drive climate action to success

Key Performance Indicators

	2022	2023	2024
Field visits made as part of environmental and social risk evaluation	44	33	38 ✓
Number of financed projects subjected to environmental and social risk evaluation	8	12	45 ✓
Sum of financing provided for projects subjected to environmental and social risk evaluation (million USD)	432	216	1,291
Amount of clean energy generated by financed renewable energy projects (million MWh)	40.9	48.1	62,7
Total installed capacity of the renewable energy projects financed by İşbank (MW)	2,059	2,659	1,020 ✓
Share of renewable energy projects in the total energy projects portfolio (%)	75	77	78 ✓

Targets

2024 Targets	2024 Realizations	Status	Targets for 2025 and Beyond
Efforts will continue to increase the share of renewable energy in energy generation projects portfolio.	100%	Completed	Maintain the target
Within the scope of the NZBA commitment, the Bank aims to continue decarbonization efforts in its loan portfolio.	Annual realization status of the goals announced in 2023 will be publicly disclosed.	Completed	Publicly disclose annual actualization status of targets
	Emissions intensity reduction targets will be set for other carbon-intensive sectors.	Completed	Publicly disclose annual actualization status of targets
	Transition plan will be prepared and announced.	In progress	Publicly disclose climate transition plan covering all sectors with set decarbonization targets

Decarbonization Targets

The bank-led and UN-convened Net-Zero Banking Alliance launched in April 2021 is a group of 144 banks committed to aligning their investment and lending portfolio with net-zero emissions target by 2050 and that represent more than 40% of the global banking assets as at year-end 2024.

The primary goal of the Alliance that has set the first net-zero standard specific to global banking sector is to finance the transition necessary for decarbonization of the economy and provide the transition of the real sector to low-carbon economy.

Alliance membership requires the banks that commit to publicly disclose their interim (2030) and long-term (2050) targets aligned with the Paris Agreement to:

- Set targets for at least one of highest-impactful carbon-intensive sectors within 18 months of commitment,
- Cover target setting in the majority of carbon-intensive sectors within 36 months,
- Review the targets at 5-year periods maximum and set new interim targets for each 5-year period from the first interim target year (2030),
- Base the studies on a scientific basis in a way that will contribute to global climate goals,
- Report the progress achieved in view of the targets annually, and
- Subject the studies to an independent assurance.

İşbank has become the first Turkish bank to disclose 2030 emission reduction targets for all carbon-intensive sectors.

Within the frame of its Net-Zero Banking Alliance (NZBA) commitments of which it has become a signatory in April 2022, İşbank set and publicly disclosed its 2030 emission reduction targets in power generation, cement and iron & steel industries in 2023.

In 2024, the Bank completed its target setting for the remaining sectors defined as carbon-intensive by the Alliance. Accordingly, emissions intensity reduction targets by 2030 are defined as 7% for aluminum, 36% for real estate, 20% for road freight transport and 15% for oil and gas as compared to 2023 base year.

Recognizing agriculture's critical role in ensuring food security and driving sustainable development, İşbank has taken a pioneering step by establishing sector-specific emission reduction targets for the sector. İşbank set its emission reduction targets for its agricultural portfolio by studying the agricultural production in the arable lands of Türkiye and the specific characteristics of its clients.

Recognizing the varying environmental impacts of different crops, the Bank aims to reduce emission intensity by 14% in wheat production, 15% in maize production, and 16% in rice production. By developing three distinct roadmaps with product-specific targets, tailored to the realities of agricultural banking and the farmers' needs, İşbank is setting a new standard and reaffirming its commitment to sustainable agricultural practices.

In the calculation of emissions intensity values financed in these sectors, Partnership for Carbon Accounting Financials (PCAF) methodology was employed as was the case in the previous period. Science-based pathways were created specific to each carbon-intensive sector and in alignment with international standards, and actions to be taken in decarbonization journey were determined with a focus on customer needs. Along this line, reduction targets set for all carbon-intensive sectors, 2023 financed emissions intensity realizations and related international scenarios considered are presented in the following table.

Sector	Metrics	Scenario	Emission Scope	Base Year (2023) Emissions Intensity	2030 Reduction Target
Aluminum	kgCO ₂ e/t al	Transition Pathway Initiative (TPI)	1+2	740	-7%
Real Estate	kgCO ₂ e/m ²	International Energy Agency (IEA - NZE 2050)	1+2+3	49	-36%
Oil & Gas	kgCO ₂ e/MJ	Transition Pathway Initiative (TPI)	1+2+3	58	-15%
Road Freight Transport	gCO ₂ e/tkm	Network for Greening the Financial System (NGFS)	1+2	159	-20%
Agriculture: Wheat	kgCO ₂ e/tons wheat	Science-Based Targets - 1.5° (SBTi 1.5°)	1+2	607	-14%
Agriculture: Maize	kgCO ₂ e/tons maize			580	-15%
Agriculture: Rice	kgCO ₂ e/tons rice			976	-16%

Sector	Metrics	Scenario	Emission Scope	Emissions Intensity			2030 Reduction Target
				2021 (Base Year)	2023	2021-2023	
Power Generation	kgCO ₂ e/MWh	International Energy Agency (IEA - NZE 2050)	1+2	617	543	-12%	-61%
Cement	kgCO ₂ e/t cement	Science-Based Targets - 1.5° (SBTi 1.5°)	1+2	1.175	763	-35%	-21%
Iron & Steel	kgCO ₂ e/t steel	Science-Based Targets - 1.5° (SBTi 1.5°)	1+2	801	574	-28%	-10%
Coal				Phase-out by 2040			

Note: Numerical values in the table may vary depending on the developments in methodologies.

Decarbonization Targets

Having set reduction targets in eight carbon-intensive sectors defined by the Alliance, İşbank analyzed its emissions reduction targets by managing the climate risks and opportunities, and created pathways defining how these targets will be achieved.

In order to effectively implement the determined strategy, action plans specific to each carbon-intensive sector were created, which cater to the needs of the customer portfolio and are aligned with national and international standards. In sector-specific roadmaps, realistic actions have been determined by taking into account technological developments and future projections, stakeholders, the ecosystem, and the current conditions and dynamics of the country.

Through its decarbonization studies, the Bank aims to:

- Accurately define the actions that loan customers can take in their decarbonization pathways and to guide them in this respect, and
- Provide the necessary financial support for the green and sustainable practices that customers will need during the decarbonization process.

İşbank calculates the emission intensities of its customers in the carbon-intensive sectors that it set reduction targets for, and rates them according to their relative position in view of the portfolio average values in the sectors they are engaged in. This means that emission reduction actions to be taken with respect to customers are addressed in conjunction with the customers' emission intensity ratings.

İşbank's sustainability commitments prove the Bank's determination to contribute to global climate action as a responsible financial institution.

Having declared that it would no longer finance new coal- and gas-fired thermal power plant investments for electricity generation in 2020 and new coal mining investments in 2021, İşbank announced in 2023 that it would end the financing of coal-related activities by 2040 in line with its Net-Zero Banking Alliance commitments. Under the coal phase-out, the Bank announced it will exit "coal mining", "operations associated with coal logistics and sub-contractor activities" and "infrastructure services allocated/reserved to support coal-related activities", which are defined as coal and coal-related, by 2040.

İşbank's sustainability commitments prove the Bank's determination to contribute to global climate action as a responsible financial institution.

In order to be aligned with its NZBA commitments, İşbank included emissions intensity data of companies, the Bank's average emissions intensity in their respective sectors and 2030 sector target values within the project of Kredi 360 (Credit 360), which was developed and introduced under the "Credit Turnover Project". Hence, customers that are above or below the benchmark emission intensity values for the sector can be considered in conjunction with Carbon Intensity Rating in credit assessments.

Climate Risk Management

Management of climate change risks is an integral part of İşbank's overall risk management activities. Fundamental policy and methods, roles and responsibilities associated with climate change risks are set out in the Bank's Climate Change Risk Policy.

Responsibilities for climate risk management at İşbank are defined within the frame of three lines of defense. Basically, the first line of defense is responsible for identifying, assessing and controlling the risk exposure of the lines of business they are in charge of, and for ensuring that lending decisions are made paying regard to climate risks throughout the lending process. The second line of defense establishes the working principles, rules, policies and requirements concerning climate risk. The third line of defense provides assurance to the Board of Directors that the structure described above operates properly within the frame of its existing roles and responsibilities.

The Climate Change Risk Policy sets out the fundamental principles and procedures for identifying, describing, assessing and/or measuring, monitoring, controlling, reporting, and managing the climate change risks the Bank may be exposed to in connection with its activities. İşbank's Risk Catalogue explicitly defines the climate change risk and specifies its sub-components. Potential risks for each sub-component are explained with examples and their possible interaction with other types of risks are clearly stated.

İşbank designs and conducts all its activities with an awareness of the existence of climate change risks and their management, adopting an approach that aims to minimize potential losses.

İşbank considers all risks stemming from climate change (including transition risks, physical risks and their sub-categories) on a corporate level. These risks are analyzed and prioritized based on quantitative and qualitative assessments. The Bank's climate change risk exposure mainly stems from its customers in its commercial credit portfolio. The Bank adopts a two-phase approach to assess the extent of climate change risk exposure of its commercial credit portfolio that encompasses all sectors.

I- Sectoral climate change heat map

The monthly sectoral climate change risk heat map is an assessment that displays the aggregated risk levels of the sectors İşbank's customers in its commercial portfolio are engaged in with respect to their climate change risk exposure.

II- Scenario analysis

Impact analysis is conducted for risk incidents in sectors that are at high and medium-high climate change risk according to the heat map. The approach adopted as per the scenario analysis is prepared in alignment with

the climate change methodology pursued by the United Nations Environment Program - Finance Initiative (UNEP FI) and the climate scenarios prepared by the Task Force on Climate-related Financial Disclosures (TCFD).

İşbank employs the scenario analysis method to measure the potential impacts of a possible carbon tax or carbon trade system enforcement.

Drought risk might have a significant impact upon İşbank's asset quality through the loans extended to Hydroelectric Power Plants (HEPPs) in particular. Since it is not possible to prevent drought directly, İşbank takes steps to increase the share of renewable energy (SPPs, Wind Farms etc.) investments in its portfolio to decrease the risk weight of HEPPs and distribute the risk across its portfolio.

Total cash loans of TL 19.7 billion extended to HEPP projects account for 37% of the renewable energy portfolio of the Bank as of year-end 2024.



Climate Risk Management

Environment-Related Dependency and Environmental Impact Assessments

İşbank evaluates its own operations and its loan portfolio from the standpoint of dependence on environmental factors and environmental impact, as well as environmental risks and opportunities. The Taskforce on Nature-related Financial Disclosures (TNFD) defines environmental dependence and environmental impact concepts as follows:

Dependencies (environment-related)

The elements of environmental assets and ecosystem services that are necessary for an organization to operate.

Impacts (on the environment)

Qualitative or quantitative changes in natural circumstances, which might create differences in the nature's capability to enable social and economic functions.

Results achieved for direct operations are presented below:

- **Operations:** The Bank's relatively low nature-related dependencies and impacts associated with its day-to-day operations are mainly linked to the Head Office buildings, data centers and branches.
- **Suppliers:** Suppliers engaged in construction, paper, plastic and transportation sectors make a higher impact on the environment. Environment-related dependency of service providers, on the other hand, is higher in food and construction sectors.

Loan portfolio analysis matches the dependencies and impacts in sectoral activities and their ratio within the Bank's portfolio, and focuses on sectors exposed to higher environmental risks, and thus, need to be prioritized.

İşbank uses an environmental risk matrix in environmental risk assessment. Under environmental risks, climate and water-driven transition risks and physical risks are analyzed using this matrix. The Bank's work is ongoing to include biodiversity loss and deforestation risks within the scope of the analysis.

Partnerships for Climate Action

İşbank integrates its sustainability approach in all its activities and assumes a pioneering role in the fulfillment of environmental and social responsibilities by the banking industry. The Bank establishes a strong, ongoing communication with its stakeholders, actively takes part in national and international platforms in line with its sustainable growth targets, and contributes to the development of strategies concerning sustainable finance, climate change and green transition.

An active participant of domestic and international climate platforms, İşbank reaches an extensive and high-level network including the business community, governments, policymakers, numerous national and international organizations.

İşbank is a member of the **Net-Zero Banking Alliance (NZBA)** convened by the United Nations urging member-banks to align their portfolios with net-zero targets by 2050 in line with the Paris Agreement.

With its NZBA commitment, İşbank aims to position itself as a guiding business partner in evaluating the opportunities arising from the transition to a green economy, supporting its customers' ESG transformations, managing climate-related risks, and enhancing companies' ability to adapt to regulations that will impact economic activity, such as the European Green Deal and Carbon Border Adjustment Mechanism. Through this membership, the Bank commits to focus its 2030 targets on carbon-intensive sectors to support its customers' net-zero transition, and to annually report and publish its progress towards reaching its emissions targets in order to attain its net-zero targets by 2050.

Further strengthening its international commitments in sustainable finance, İşbank, being a signatory of **UN Global Compact**, is a member of UN Global Compact Network Türkiye Sustainable Banking and Finance Working Group. In accordance with the Global Compact Declaration of Sustainable Finance, the Bank assesses environmental and social (E&S) risks of all greenfield investment projects exceeding USD 10 million and implements sustainable finance principles.

As a signatory to the **United Nations Environment Program Finance Initiative (UNEP FI)** Principles for Responsible Banking (PRB), İşbank has conducted comprehensive analyses about the environmental and social impacts of its financing activities, identified areas of positive and negative impact, set its sustainability targets accordingly and published its progress. Within the frame of PRB, İşbank aims to align its activities with UN Sustainable Development Goals (SDGs) and Paris Agreement targets. "Principles for Responsible Banking", which are anticipated to contribute significantly to UN SDGs and Paris Agreement targets, focuses on six main areas: Compliance, Impact, Customers, Stakeholders, Governance and Target Setting, Transparency and Accountability.

For İşbank's Impact Reports within the frame of UNEP FI Principles for Responsible Banking:

[🌐 Reports | Türkiye İş Bankası](#)

As an active **member of the Banks Association of Türkiye (BAT) Sustainability Working Group** İşbank supports the group's works extensively. In 2024, the Bank contributed to the preparation of "A Guide on the Establishment of Heat Map Methodologies" document, designed by the Climate Risk Sub-Working Group's activities to ensure effective management of climate-related financial risks in the banking industry and aims to create a methodology that can be implemented by all banks. In addition to that, İşbank played an active part in, and provided feedback in the drafting of the regulation on the calculation of the Green Asset Ratio for banks.

İşbank integrates its sustainability approach in all its activities and assumes a pioneering role in the fulfillment of environmental and social responsibilities by the banking industry.

Placing sustainable development at the core of its business strategies, İşbank continues to support responsible banking in environmental, social and governance (ESG) areas being a member of the **Business and Sustainable Development Council Türkiye (BCSD Türkiye)**. Within the scope of this membership, the Bank contributes to work carried out in relation to critical areas including combating climate change, green finance, resource efficiency and circular economy.

Through its **ERTA (Integrated Reporting Network Türkiye)** membership, İşbank is positioned within the network covering national and international public sector, private sector, civil society organizations and academic institutions. In 2024, the Bank participated in the workshops held by ERTA, which aims to help expand integrated thinking across all institutions and organizations, and contributed to the work on the implementation of the legislation governing IFRS reporting.

Carbon Disclosure Project (CDP) Climate Program is an independent organization helping companies report their emissions reduction efforts and how they manage their climate change-related risks to their investors. İşbank has been reporting within the scope of CDP since 2019.

An agreement has been reached for a new project targeting the agricultural sector in Türkiye, utilizing funds from the **European Fund for Southeast Europe S.A. (EFSE)** in collaboration with Finance in Motion GmbH (FiM), a Germany-based financial institution. Within the scope of the first project carried out in 2022-2023, training programs, farmer meetings and workshops were organized, and carbon footprint of four agricultural crops were measured. In the second phase of the project, the studies have been initiated for measuring the carbon footprints of 25 agricultural products.



Climate Risk Management

TEMA - 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, draw attention to the danger, protect the soil, devise protective solutions, reforest, protect natural assets, and ensure that this endeavor becomes a state policy.

The Turkish Marine Research Foundation (TÜDAV)

TÜDAV organizes workshops and courses, and devises 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 TÜDAV, İşbank launched the “Future of the Seas: Seagrass Meadows” project in 2023 with the aims of protecting the seas and marine resources, and supporting ecological balance and sustainability. In 2024, as the second step of the project buoys were placed intended to protect seagrass meadows in the Sea of Marmara and systems to monitor climate change were positioned.

Middle East Technical University (METU) Institute of Marine Sciences

METU Institute of Marine Sciences conducts fundamental research in its region, the seas of Türkiye and the world’s oceans to study the major challenges affecting humans and the nature, transform its research findings into products and solutions for the welfare of the society and the development of a sustainable blue economy in the seas, and share its knowledge and experience through training programs and social responsibility activities. With the support of İşbank, METU Institute of Marine Sciences carries on with its comprehensive research in the Sea of Marmara, Mediterranean Sea and the Black Sea with the underwater glider named Explorer of the Seas. The project that was initiated in 2022 is intended to contribute to scientific studies regarding the future of the seas.

Water Risk Management

At İşbank, water-related risks are addressed 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 and/or service interruption caused by 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, regulatory compliance, occupational 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 significantly impact the Bank’s asset quality, particularly through the loans extended to Hydroelectric Power Plants (HEPPs). Increased frequency and severity of weather events such as hails, 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 in the Bank’s premises. Potential service interruptions and operational hitches resulting from flood could potentially negatively affect the Bank’s reputation in the long term. 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 level rise. İşbank carries out studies in cooperation with the key stakeholders in its ecosystem in risk assessments regarding water.

Within this scope, the Bank cooperates with TEMA in various initiatives.

- The Bank cooperates with the Frankfurt School of Finance & Management for effective measurement of water footprint and efficiency studies.
- Farmer Meetings feature academics who are familiar with the region, water, and soil and can provide guidance to farmers, and cooperation is developed with universities to that end.
- The Bank actively works 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

Being Türkiye’s first industrial and artificial intelligence supported company, the Water Management Platform offered by Blueit monitors water consumption in industrial facilities and commercial buildings in real time and optimizes it by up to 20%. Through this platform, İşbank has collaborated with the relevant company to provide services to SME customers for 12 months aimed at ensuring the efficient and effective use of water, collecting real-time water consumption data, enabling remote access control, and offering technical support.

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.

Forest Risk Management

In all projects financed by İşbank, customers are obliged to fully comply with national laws and regulations on forestry. İşbank assesses the potential ESG risks of projects according to the ÇESMOD methodology. In this assessment process, habitat and sensitive areas are analyzed with respect to forest-related risks and balancing strategies are developed.

İşbank diligently considers the environmental impacts of projects 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, if potential destruction of the trees in the investment area is established. Tree planting commitments are received particularly from linear projects and thermal power plants. These commitments are included in contracts and monitored annually.

Biodiversity Risk Management

Banks address biodiversity risk management as part of environmental and social risk management policies. While financial institutions assess the environmental impacts of the projects they finance, they pay attention to the protection of natural habitats and sustainability of biodiversity. Potential risks the projects pose for biodiversity are analyzed particularly in sectors directly impacting the nature, such as agriculture, energy, construction and mining.

The IFC (International Finance Corporation) Guidelines for Blue Finance defines financing tools that encourage the conservation of aquatic ecosystems while the ICMA (International Capital Market Association) guidelines support biodiversity-friendly projects with sustainable blue bonds. In addition, the SBTN (Science Based Targets for Nature) provides guidance to companies for reducing biodiversity loss by setting targets related to nature. İşbank, aiming to achieve compliance with these international standards, minimizes environmental risks and supports nature-positive investments.

As the Bank determines the risk categories of projects within the frame of the Environmental and Social Impact Assessments it conducts, it also takes project-specific biodiversity risks into consideration. Biodiversity Action Plan (BAP) is required for projects in A Risk category, denoting a high level of biodiversity risk. The ÇESMOD question set asks whether critical habitat assessment and balance strategy study are required for each project. Biodiversity considerations are also addressed with additional impact questions including bat habitats, bird migration routes etc. Projects tracked under ÇESMOD and entailing high biological risks are studied with attending biologists and these issues are assessed on the basis of each project.



Environmental and Social Risk Management in Loans

Carefully considering environmental and social criteria in credit evaluation processes, İşbank updated the ERET (Environmental Risk Evaluation Tool) model it employs for determining the environmental and social risk score of investments and developed a new model specific to each investment type and sector and conforming to global standards in risk measurements.

Having completed its transition from ERET in 2022, the Bank has been subjecting new investment projects with an investment value of over USD 10 million to the Environmental and Social Risk Assessment Model (ÇESMOD) since then.

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. greenfield facility development, capacity expansion and/or additional facilities, or refinancing/procurement investments), followed by evaluations conducted with sector-specific question sets concerned with the investment.

Question sets based on investment types and the relevant sector cover the following matters, the scope of which are defined by legislation, laws and regulations:

- EIA decisions, environmental permits, environmental and/or social impact assessment,
- Nature preserve, critical habitat, and ecosystem evaluations within investment impact areas,
- 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.

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 sector-specific “Project Environmental and Social Evaluation Document” issued based on national and international legislation and good practices (e.g. IFC Performance Standards, EBRD Performance Requirements, Equator Principles) is attached to the loan folder which is submitted for approval.

In addition to the Loan Proposal Brief prepared for the projects by allocation teams, environmental and social risk score, and the analyses and comments based thereupon (ÇESMOD), Environmental and Social Loan Proposal Brief) are submitted to the senior management for evaluation.

İşbank assigns an independent environmental consultant to act on behalf of the Bank for all projects deemed necessary, including but not limited to those projects which are classified by İşbank as high-risk (risk category A).

The independent environmental consultant conducts site visits and literature research to determine the status of the project and its potential environmental and social impact. The resulting Environmental and Social Due Diligence (ESDD) document describes the 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, 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 high- and medium-high risk-projects (A and B+ risk categories) where an independent environmental consultant is not appointed, ESDD, ESAP and monitoring activities are carried out by the Bank.

For Sustainability-Linked Loans, İşbank obtains Second Party opinion regarding target setting and progress on targets in accordance with LMA SLL Principles. Financing has been provided under the Sustainable Credit Mechanism for the acquisition of the Flormar brand engaged in the cosmetics sector between the Bank and Kosan Kozmetik Pazarlama ve Ticaret A.Ş. Key performance indicators have been identified as the Clean Product Use Score, Fire Management Score, and Female Executive Score; these scores will be assessed by an independent environmental consultant. Following the assessment, the Sustainability-Linked Loan Principles (SLLP) will be applied.

For the project finance loan extended by the Bank and its subsidiary TSKB for increasing the passenger capacity at Esenboğa Airport to 35 million people, project environmental and social risk assessment was conducted. The investor targets to achieve carbon-neutrality in airport operations by 2030.

During 2024, İşbank exposed 97 investments to Environmental and Social Risk Assessment. The investments covered in the assessments corresponded to 90% of the total number of projects. Financing was provided for 45 of these projects and no projects have been rejected within this framework in the reporting period.

The Bank also supports the Environmental and Social Risk Assessments conducted with on-site visits. Along this line, 38 site visits have been realized.

The total number of projects İşbank has financed between 2013 and 2024 is 181.

When determining the risk categories within the scope of ÇESMOD, İşbank evaluates the potential risks that may arise in relation to underground water and surface water resources and forests on project basis. Tree planting commitments are required from companies requesting financing, including, in particular, linear projects, thermal power plants and some renewable energy power plants. These commitments are included in contracts to ensure that at least as many trees are planted as are cut down, and the status of the commitment is monitored annually.

Biodiversity risks are also evaluated on project basis within the scope of Environmental and Social Impact Assessments conducted by İşbank. Having added the operations that will harm biodiversity sources to the Exclusion List in 2022, the Bank incorporates biodiversity in its assessment of its customers’ and suppliers’ impacts on the nature.

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 carry out green, social or sustainability-themed lending as well as Eurobond issuances.

Number of field visits made as part of Environmental and Social Risk Management	38
Number of projects undergoing Environmental and Social Risk Evaluation	97
Ratio of the number of projects undergoing Environmental and Social Risk Evaluation to total number of projects	90%
Number of projects financed after ongoing Environmental and Social Risk Evaluation *	45
Number of projects financed by risk categories	2 A 7 B+ 20 B- 16 C
Number of projects declined to be financed based on the outcome of Environmental and Social Risk Evaluation *	0

*Six projects financed in 2024 are not included since their respective ÇESMOD studies were carried out in previous years.

Funds secured under the framework are used to finance projects with a positive environmental impact in the areas of renewable energy, energy efficiency, recycling, organic farming, clean transportation, green buildings, and circular economy, and those 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). Within the scope of the “Green Debt Instrument and Sustainable Debt Instrument Framework Document” prepared in accordance with the Capital Markets Board’s guideline on domestic green and

sustainable debt instruments, İşbank continued to secure sustainability-themed financing from domestic markets in 2024.

Sustainability Analysis System (SÜRAS)
With the increasing impact of climate change and the risks it poses, there is a growing need to improve existing business practices and review them in line with international best practices. Therefore, in 2022, İşbank initiated a project for the development of an environmental and social risk analysis systematic for commercial loans in addition to the investment types evaluated under ÇESMOD. Recent developments in the European Union such as the Carbon Border Adjustment Mechanism increased the need for banks to support the green transition of their customers both by providing consultancy and also through financing activities.



Environmental and Social Risk Management in Loans

With this project, the Bank aims to periodically conduct assessments in the context of various risks for companies with commercial loan limits. As part of the project, question sets have been prepared to support the goal of extending the mentioned risk analysis across the commercial loan portfolio. The questions sets have been integrated into the customer interfaces used during the Bank's lending process. As the first step, Environmental and Social question set and the Climate Change question set were prepared and merged under the Sustainability Analysis System (SÜRAS) roof. SÜRAS also allows an effective analysis of Agricultural customers and customers who will be allocated loans from the funds secured from international financial institutions. SÜRAS incorporates the question sets that inquire about the environmental and social criteria that are anticipated for eligibility. The number of questions users are required to answer vary according to each question set.

In the lending process, essentially, environmental and social risks, climate risks, risks associated with water and resource efficiency, and other sustainability risks must be evaluated and considered in credit decisions. In this context, these efforts -aimed at assessing the borrower's awareness, level of exposure, and the adequacy of the mitigation strategies defined by the borrower through a set of questions- have been completed in collaboration with various internal stakeholders of the Bank.

The details of question sets are broken down as follows.

- Çevresel ve Sosyal Soru Seti
- İklim Değişikliği Soru Seti
- Tarımsal Sulama Soru Seti
- Uluslararası Kaynaklara Yönelik Soru Setleri:

In the lending process, the essential principle is to assess environmental, social and other sustainability-related

risks prepared based on the European Union Taxonomy and the Sustainable Development Goals intended to be achieved by UN-member countries by 2050 and determined by international financial institutions, and consider them in lending decisions. A customer wishing to utilize a loan from the relevant source becomes eligible for the loan by providing appropriate responses to the questions posed in these areas within the scope of their activities.

As well known, the banking industry is a telling actor in the effective management of financial resources and plays a central role in channeling the capital to productive and strategic investment fields in the transition to sustainable economy while the responsibilities emanating from this role increases by the day. The regulatory framework in the European Union and the BRSA (Turkish Banking Regulation and Supervision Authority) and BAT's (Banks Association of Türkiye) work on taxonomy that gained momentum in recent years have become the finance sector's focus areas as well. In this context, İşbank initiated developments for integrating the Green Asset Ratio (GAR) calculations correlating with Türkiye's 2053 net-zero target and designed to analyze the Turkish banking industry's climate risk exposure and determine the alignment of economic activities with green criteria. These developments are gathered under SÜRAS platform.

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 licenses 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

Combating climate change, one of the most serious threats facing humanity, requires establishing a system that enables decision-makers at every level, from individuals to international institutions, to set common goals and act consistently with one another.

Banks are among the sources that have the power and the opportunity to create the financing necessary for green transition. Recognizing its responsibility in this respect, İşbank keeps a close eye on sustainability-themed/linked financing facilities and the changes in local legislation, and develops numerous products and services that support a green economy.

In international debt capital markets, there has been growing investor interest in green, social, and sustainability-themed/linked instruments in recent years, driven by objectives such as mitigating the adverse effects of climate change and promoting equal opportunities across various segments of society. This increasing interest has facilitated access to such financing sources. In this context, İşbank closely monitors developments both in the local regulatory framework and in global markets regarding these types of financing instruments. The Bank continuously and systematically evaluates opportunities for issuing sustainability-themed Eurobonds and for utilizing sustainability-themed/linked loan facilities that align with its needs and expectations.

The İşbank Sustainable Finance Framework was established for such issuance opportunities; 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 upcoming 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, as per the NZBA commitments, the target is to discuss action plans to support the transitioning of loan customers with high emissions intensity.

Sustainability-Linked Syndication Loans

In June 2024, İşbank secured a sustainability-linked syndicated loan in the amount of USD 442 million and EUR 562.7 million with a 367 days-maturity. The key performance indicators of the facility are the amount of cash loans extended to women-owned/led small and medium enterprises (SMEs) and the amount of cash loans allocated to small farmers.

İşbank periodically reviews the sustainability components of its syndicated loans by taking into consideration the expectations of lenders while also addressing its own strategic priorities identified at its discretion. When necessary, the Bank may define new structures and features to enhance the sustainability profile of these facilities.

Accordingly, the syndicated loan with a term of 371 days for USD 584.5 million and EUR 494.9 million obtained in November 2024 was realized in a sustainable loan structure instead of a sustainability-linked loan structure. Although the sustainable loan structure does not include key performance indicators, the proceeds obtained will be used to support green and/or social areas in line with the terms set out in the loan agreement and in accordance with the Bank's Sustainable Finance Framework.

Green Bond and Financial Bond

In addition to a market transaction Eurobond issuance amounting to USD 500 million on June 12, 2024, İşbank completed 12 sustainable Eurobond issuances totaling the equivalent of USD 450 million and one green Eurobond issuance amounting to USD 20 million during 2024.

Based on the Bank's year-end financial statements, the share of sustainability-linked funding within total non-deposit funding increased from 40.1% as of December 2023 to 52.8% as of December 2024. When considering only foreign currency-denominated non-deposit funding, this ratio rose from 41.3% to 55.9%. The Eurobond issuances mentioned above played a key role in this increase.

İşbank intends to carry on with sustainability bond issuances by taking the future funding need and market conditions into account. Continuing to work towards this target, the Bank prioritizes establishing new cooperations to expand access to sustainable finance.

In its centennial year, İşbank carried out a domestic green bond issuance with the aim of contributing to the Bank's sustainability goals and supporting environmentally friendly projects. The issuance, conducted through a public offering and named the "İşbank 100th Anniversary Bond," generated a funding volume of TL 4.5 billion.

As of the end of 2024, the Bank has achieved 87.6% of its commitment to provide TL 300 billion in sustainable financing by 2026.



Products and Services Contributing to a Green Economy

Renewable Energy Financing

Renewable energy investments that play an important role in climate action generate economic benefit also through the new lines of business they create. Supporting investments and technologies in this field is essential for promoting the widespread adoption of renewable energy generation.

İşbank is one of the pioneering institutions in financing renewable energy projects in our country. All the new project financing provided by the Bank for electricity generation investments after 2015 has been allocated to renewable energy projects.

In 2024, the share of financing provided for renewable energy loans in the risk of electricity generation loans is 78%. The total emissions avoided through renewable energy projects financed amounted to approximately 10.5 million tons of CO₂e in the reporting period. The clean energy generated, on the other hand, is 62.17 million MWh.

Within a consortium including EBRD, TSKB and Akbank, İşbank provided an investment loan for the financing of Wind Farms with a total installed capacity of 116 MW of Borusan EnBW Enerji Yatırımları ve Üretim A.Ş., within which 80 MW pertains to the greenfield

Pelit Wind Farm and 36 MW pertains to the Balabanlı Wind Farm Capacity Expansion project. Environmental and social impact measurement was conducted as part of the assessment for the said financing, and an environmental and social management system (ESMS) was developed for overseeing the project activities, under which ISO 14001 and ISO 45001 certification processes are conducted.

Distribution of loans in 2024 regarding renewable energy projects

Type of Power Plant	Total Installed Capacity (MW) ✓	Cash Risk (USD million)	Non-cash Risk (USD million)	Total Risk (Cash + Non-cash) (USD million) ✓	Electricity Generation Amount (million MWh)*	Electricity Generation Amount by the Ratio of Financing Share Provided (million MWh)
BPP	29	7.19	0.27	7.46	0.1	0.03
SPP	550	27.64	21.70	49.34	2.4	2.43
HPP	88	0.03	0.08	0.1	0	0.04
GPP	25	32.50	1.71	34.21	0.6	0.58
WPP	328	25.35	3.15	28.50	2.7	0.70
Total	1,020	92.71	26.91	119.62	5.76	3,78

* Total amount of energy generated by all Renewable Energy investments in the portfolio based on type of energy as of year-end 2024

As of 31 December 2024

Type of Power Plant	Total Installed Capacity (MW) ✓	Total Production (million MWh)	Cash Risk (USD million)	Non-cash Risk (USD million)	Total Risk (USD million) ✓
BPP	402	1.77	60	56	116
SPP	3,327	22.20	328	42	370
HPP	9,889	21.77	562	22	584
GPP	979	5.81	445	15	460
WPP	6,208	11.17	126	293	419
Total	20,805	62.72	1,520.51	427.80	1,949

Earthquake Affected Region Financing

The EBRD established the Türkiye Disaster Response Framework to support the financing of the companies participating in the recovery and reconstruction efforts in the earthquake-affected region, as well as businesses and individuals directly affected by the earthquakes. Having signed an agreement to provide a total loan of USD 109 million on 3 August 2023 within the scope of the Framework, İşbank took out the USD 44 million-second tranche of the facility on 24 April 2024.

In addition to that, the Bank reached an agreement with the International Finance Corporation (IFC) for one-year extension of the USD 60 million-portion of the loan obtained on the basis of a bilateral agreement, whose one-year term expired in December 2024, for on-lending to individuals, farmers, micro and small enterprises in the 11 provinces affected by the earthquakes of 6 February 2023.

Environmental Loans

İşbank supports the climate action and environmental protection efforts of individuals and businesses through the provision of environmental loans.

Green Enterprise Loan

İşbank offers loans at favorable interest rates to companies with environmental certifications. In this context, the Bank disbursed a total of TL 2.3 billion in green enterprise/exports/tourism loans. The sectoral distribution of the borrowers of these loans reveals that machinery/equipment, wholesaling, metal products industry and tourism sectors gain the foreground. Launched in 2023, the Green Tourism Enterprises Support Loan continued to be disbursed in 2024, reaching a total of TL 562 million.

For all customers utilizing environmental loans, the Bank prepared a Carbon Emissions Calculation Panel through an IoT Technology-Enabled Energy Efficiency Package, which allows the energy consumption data at the plant/production facility to be monitored and controlled on a single platform.

Energy Efficiency Projects

In 2024, İşbank continued to provide funding for projects focused on criteria such as energy efficiency and consumption savings within the framework of environmental sustainability. As of 2024 year-end, the Bank's total lending for energy efficiency projects amounted to TL 1.5 billion.

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.

İşbank intends to sustain its support to energy efficiency projects by increasing its cooperation with funds such as GGF in parallel with the interest of international investors’ in this respect.

Solar Loan by İşbank

The loan aims to finance rooftop, facade, and land-type unlicensed SPP investments for self-consumption purposes.

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.

Electric Vehicle Charging Station Installation Loan

İşbank provides financing for the establishment of Electric Vehicle (EV) Charging Stations in order to contribute to the flourishing of the EV sector and help EV owners easily access charging units.

Products and Services Contributing to a Green Economy



Support for the Agricultural Sector

In 2024, İşbank continued to develop initiatives aimed at facilitating farmers' access to green products and services and shortening this process. Smart Agricultural Technology Loans, Good and Organic Agriculture Loans, Instant Agricultural Loans, Agriculture-EBRD TurSEFF Loans are among the green products or services the Bank offered throughout the year within the scope of the Sustainable Finance Framework.

İmeceMobil

Prioritizing agricultural activities, İşbank launched "İmeceMobil" application in 2019 to help provide a more sustainable basis for the agriculture of the future. Having started to operate under the title "İmeceMobil Tarım Platformu Elektronik Hizmetler Ticaret A.Ş." following its incorporation at the beginning of 2023, the application targets to ensure effective employment of agricultural technologies and spreading them to the grassroots.

"İmeceMobil" application offers digital services regarding irrigation management and fertilization planning to farmers for monitoring the plant health of their crops from the period of planting to harvest.

İmeceMobil allows farmers to access organic and organomineral fertilizers within the scope of good agricultural practices, IoT-enabled precision agriculture practices, smart agricultural systems, and technological products that contribute to sustainable agricultural production both through the application and field studies.

The ProPanel product that was introduced in 2024 on İmeceMobil records agricultural production processes end-to-end for companies contracting out production and for enterprises operating on extensive production fields, and operational processes are optimized. İşbank's Specialized Agricultural Branch customers are furnished digital services such as applied agricultural technical information, training and satellite monitoring from the field.

Furthermore, the application is now capable of comparing agricultural loans and agricultural card products and submitting applications. The İmeceMobil application reached approximately 300 thousand users by the end of 2024.

Sustainability Assessment Tool for the Agricultural Sector

İşbank plans to develop a pilot carbon footprint calculator in the first phase of the EFSE- "Sustainability Assessment Tool for the Agricultural Sector" project funded by EFSE and run by the Frankfurt School of Finance and Management.

Under the project, initially the existing carbon footprint calculator and the products outweighing in the Bank's portfolio will be analyzed and 25 products will be identified. For the identified 25 products, carbon footprint, water footprint and pesticide risk index calculation modules will be developed and incorporated in the existing system.

In a pioneering initiative in Türkiye, İşbank enabled its customers to purchase green energy certificates on İşCep for the energy consumed by their electronic devices.

Forest for the Future

In a pioneering initiative in Türkiye, İşbank enabled its customers to purchase green energy certificates on İşCep for the energy consumed by their electronic devices, thereby enabling them to contribute to the preservation of nature.

Using the carbon counter application, customers can neutralize their carbon emissions resulting from the energy consumed by laptops, mobile phones, smart watches, wireless headphones, electronic bikes, e-scooters and tablet PCs that they frequently use in their everyday lives. The carbon points accumulated by Forests for the Future users that neutralize energy consumption with Greenzy are converted into sapling donations via the TEMA Foundation. By the end of 2024, the number of participants in Forest for the Future was 636,907, and 343,357 saplings were donated.

Funds that Support a Green Economy

İş Asset TEMA Variable Fund

The fund targets investors who are environmentally conscious, protect nature, and aim to leave a livable world for future generations. As of 31 December 2024, the total value of the fund reached TL 209 million and the total number of investors reached 15,041. The annual return is 52.6% for the whole year.

İş Asset Sustainability Equity Fund

At least 80% of the fund's total value is continuously invested in company shares included in the BIST Sustainability Index and in exchange-traded fund units established to track the BIST Sustainability Index. As of 31 December 2024, the total value of the fund was TL 2.2 billion and the number of investors totaled 33,890. The annual return on the fund was 76.7% in 2024.

İş Asset Renewable Energy Mixed Fund

The fund allows investing in the stocks and private sector debt instruments of domestic and foreign companies operating in the field of renewable energy. As of 31 December 2024, the total value of the fund was TL 293 million and the number of investors totaled 10,556. The annual return on the fund was 25.8% in 2024.

İş Asset Electric Vehicles Mixed Fund

The total value of the fund that enables investing in the entire electric vehicle production process was TL 847 million and the return rate was 21.6% as of 31 December 2024. The fund had 18,862 investors.

Innovative Bank for 100 Years

RELATED STAKEHOLDERS

- Employees
- Customers
- Financial Institutions and Rating Agencies

MATERIAL TOPICS

- Digital Banking and Innovation
- Customer-Centricity
- Cybersecurity, Customer Privacy and Data Confidentiality

CONTRIBUTED SDGs



RELATED CAPITALS

- Intellectual Capital
- Social-Relational Capital

Boasting a solid digital banking infrastructure, İşbank continuously upgrades its business processes integrated with the cutting edge technology. The Bank fulfills the demands of the new-generation banking with the innovative financial products and services designed, continuing to offer its customers a flawless and secure experience at every touchpoint as it has done over the past 100 years.

Risks

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

Opportunities

- » Being a preferred institution by stakeholders for its data security investments
- » Standing out with personalized products offered to customers with digital products and services
- » 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 through partnerships with fintechs
- » Fast decision-making and implementation enabled by agile business models
- » Increased competitive advantage through synergies created with subsidiaries

Key Performance Indicators

	2022	2023	2024
Number of Bankamatik ATMs	6,169	6,289	6,496 ✓
Number of digital banking customers (million)	13	15	16.7 ✓
Number of mobile banking customers (million)	11.9	14.9	16.5 ✓
Number of Maximum mobile app users (million)	2.6	2.5	2
Share of digital channels in non-cash financial transactions (%)	96	97.7	98.1
Share of digital channels in sales (%)	64.8	74.8	77.2
Number of cardless transactions going through Bankamatik ATMs (million)	53	43.9	57.9
Amount of cardless transactions going through Bankamatik ATMs (billion TL)	67.7	82.9	170.3
Paper saved through digitalization (million sheets)	190	238	750 ✓
Year-on increase in the number of digital banking customers (%)	27.9	15.4	11
Share of non-branch channels (%)	96.2	97.1	96.9
Number of users reached by Maxi (million)	8.8	10.7	11.5
Number of questions answered by Maxi (million)	68.2	87.3	103.1
Number of registered Nays users (million)	1.4	3	4.5
Successful Transactions Index for IT Critical Services	99.97	99.98	99.98
Number of technological entrepreneurs who were supported to enter the banking system	265	750	1,325
Number of campaigns organized for promoting the products of technological entrepreneurs	52	26	59
Fines incurred due to data security breaches (TL)	0	575,000*	0

*TL 1,0750,00 mistakenly reported for fines on account of data security in 2023 is corrected as TL 575,000.

Targets

2024 Targets	2024 Realizations	Status	Targets for 2025 and Beyond
Increase the share of digital channels in total sales to 80% in 2024.	77.2%	In progress	Increase the share of digital channels in total sales to 85% in 2025.
Increase the number of customers using digital banking channels to 17 million in 2024.	16.7 million	In progress	Increase the number of customers using digital banking channels to 17 million in 2025 and 18 million in 2026.
Facilitate the entry of 1,000 fintechs into the banking system.	1,325	Completed	Facilitate the entry of 1,000 fintechs into the banking system.

Digital Banking

İşCep

Making digital banking experience easier for retail and commercial customers alike, İşbank's mobile app İşCep offers a rich transactions set comprised of more than 750 functions.

The Bank continually upgrades İşCep's infrastructure and underlying technology to increase its customers' İşCep interactions, and deliver the front-end experience differentiated according to their product usage habits and profiles, along with insights and offers catering to their needs in keeping with its "Smart, Innovative and Personal Financial and Living Application" vision. İşbank also makes continuous technical upgrades to minimize the app's bugs, remedy the disruptive technical hitches, and maintain the service level above 99.85%.

During 2024, the Bank continued to add new functions to İşCep, and revamp app front-ends according to evolving design standards.

İşCep in Figures

15,234,322
Users

6 million
Daily Users

11%
Year-on Increase in Time/Session

78%
Ratio of Transactions Going through İşCep to Total Transactions

22%
Ratio of Investment Transactions Going through İşCep to Total Number of Investment Transactions Going through Mobile Banking Apps in the Overall Sector

İşbank keeps investing in new generation technologies to diversify and improve the products and services offered digitally.

The new developments made by İşbank in various functions of İşCep in 2024

"İşCep for Everyone"

- Customized insights section was created and weekly reports, monthly briefs, special product offers and additional value offers specific to the expenditures started to be sent to customers.
- İşCep has been revamped to include customized dashboards such as My Life with İşCep, My Summary, My Status, and My Cards, allowing users to add quick-access toolkits for their most frequent transactions.
- For customers assigned a portfolio manager at the branch, written messaging, making audio and video chats with their representatives were enabled alongside document sharing capability such as bank receipts and statements.
- Entrepreneurs can now become Bank customers directly through İşCep, with a dedicated start-up theme introduced specifically for them. Direct communication with entrepreneurship branches, ecosystem collaboration opportunities, and exclusive offers tailored for entrepreneurs have also been made available.

New Financial and Insurance Products on İşCep

A number of new functions were added to İşCep, which enable:

- performing various transactions using a smart watch paired with İşCep, including making payments and cash withdrawal from Bankamatik ATMs without needing a mobile phone,
- Maxipara card application, viewing card information and movements, and cash transfer to card,
- requesting payment, making payment, declining request and making preference settings using the Request Payment menu from İşbank accounts or accounts of another bank's customers,
- carrying out second-hand car buying and selling and crowdfunding transactions, which can be performed currently between İşbank accounts through the Secure Payment and Secure Vehicle Buy/Sell System, also with other banks using the FAST infrastructure,
- taking out instant auto loan for customers without going to a branch,
- applying for housing loan,

- instant digital utilization by customers of Overdraft Accounts, the preliminary branch approval of which has been completed, enabled by "Overdraft Account Ready" function,
- transferring gold to another account,
- submitting "Qualified Investor Application" directly via İşCep,
- Submitting request for bond and bill offerings,
- delivering Balance Forecast to SMEs and enterprise-scale customers to support their cash flow management with the AI-enabled My Cash Flow feature,
- viewing data for branch-allocated "Single Limit" on İşCep and transfer limit to spot and installment commercial loan products,
- performing export transfers using personal İşCep as well for real person merchant (in Turkish: GKT) customers using the "Foreign Trade" function added,
- examining and applying for digital solutions offered under DijjiKolay for real person merchant and corporate customers and follow-up their applications using DijjiKolay mini application,
- Overdraft Account Life Insurance and Life Insurance for My Card available for buying on İşCep,
- giving regular gold and fund buy orders,
- displaying private insurance proposals under "Anadolu Sigorta Proposals" heading on İşCep and converting motor own damage insurance proposals into policies.

"My Life with İşCep"

"My Purchases" living space was added to the My Life with İşCep concept.

Furthermore, partnerships were established with:

- Plodsi to help customers easily locate their cars in case they are towed,
- "İnci Akü/Bring Me a Car Battery" to easily order a battery to be delivered to their location and carry on with their journey safely when their battery is dead,
- "İSPARK" for car parking subscriptions and debt payments in İstanbul,
- "Mr. Usta" to fulfill their various needs such as home improvement, repairs and cleaning on a single platform,
- "Greenzy" to neutralize their emissions resulting from their use of electronic devices.

Through these initiatives, ecosystem partnerships and service array were expanded, giving customers access to these services via İşCep.

Forward-Looking Plans for İşCep

The main strategy İşbank pursues for İşCep is to deliver customers extensive services through an AI-enabled, customizable interface.

Along this line, 2025 plans for İşCep are as follows:

- Providing users with customization options, allowing İşCep to be tailored to each individual user,
- Delivering contextual offers and enriched insights through real-time data-driven marketing technologies and personal finance management tools,

- Expanding the customer coverage of GenAI-based Maxi Welcome, Investment and Loan assistants and focus on functions that will generate returns,
- Enabling investors profile to view and manage the fund, equity and FC portfolio from a single point,
- Introducing new lifestyles services aligned with the super application vision and increase contents and interaction on the back of new ecosystem partnerships,
- Launching "İşim" section for real person merchant customers on İşCep Personal that will enable viewing all commercial services they need under a single roof,
- Continuing infrastructure improvements and reinforcing technology tiers,
- Implementing loyalty programs to enhance user engagement İşCep.

İşbank's other targets for new customer acquisition digitally include the following:

- Diversify the product set that can be applied for during remote onboarding in accordance with customer needs,
- Offer MoneyBox Account and First Signature Account options through remote identification via İşCep to expand the customer base in child and youth banking,
- Establish business partnerships with new interface providers within the scope of service banking.

Digital Banking

Maxi

Maxi, the personal assistant that can be easily accessed on İşCep, responds to customers' requests conveyed in text and/or voice. Thanks to AI and natural language processing technologies, Maxi learns new things every day and continually improves its capabilities.

Available 24/7, Maxi answers customers' questions about Retail and Commercial Banking, perform their financial transactions, and helps with the management of their personal finances with smart spending and saving suggestions.

Commercial Maxi: It can perform banking transactions for commercial and real person merchant customers through written or spoken messaging, and provide guidance for more than 300 topics.

Smart Notifications: Smart notifications feature follows up invoices and money transfer orders entered on İşCep and reminds them on due dates.

Useful Information and Insights: Customized insights and tips facilitate financial management, along with alerts, updates, and reminders.

In 2024, İşBank carried on with improvements to customer experience and satisfaction with Maxi application based on ideal customer experience approach.

The new features Maxi acquired in 2024 were as follows:

- Overseas Departure Tax Fee payment function,
- 24/7 Money transfer with FAST function,
- My Financial Status feature, which shows users' income and expense distribution for the current and preceding months in column charts,
- Insight delivery feature regarding regular and recurrent money transfers.

In addition, Maxi was vested in GenAI capability on the basis of three identified scenarios (Welcome Assistant, Investment Assistant and Loan Assistant), enabling it to provide smarter, contextual and human-like responses to customer questions.

In 2024, the number of Maxi users increased by 8% while that of dialogues grew by 18.2%.



Nays

Launched on 21 June 2022, İşbank's next-generation financial application Nays has rapidly grown by offering a simple and accessible financial experience to younger audiences who face challenges accessing banking services due to age, status, or bureaucratic barriers. By integrating ecosystem partnerships and gamification strategies, Nays has successfully differentiated itself in the market.

Having reached 6.5 million downloads by the end of 2024 and having 4.5 million registered users, Nays secured itself a significant position, ranking among the top four brands in the market, and serves as the initial touchpoint of 2.5 million consumers with İşbank.

Thanks to the enrichment of the Nays application with physical card, Nays credit card and digital payment options, shopping volume increased by 57% compared to the previous year.

"Borrow Money" product created to offer a fast and easy solution to users' urgent need for cash expanded by 1.2 in volume over the previous year.

In 2025, focus will be placed on expanding and diversifying the ecosystem for Nays application, increasing the diversity of the Bank's product and service channels, and more advantageous offers will be presented to users through branded lending options. The target is to deliver the solutions differentiated according to users' financial activities at the time they are needed, and to increase customer acquisition and product sales through Nays.

Nays in Figures

4.5 million Users
1.4 million Unique Users Performing Financial Transactions
TL 3.2 billion Shopping Volume with Nays Branded Digital Prepaid Cards
482 thousand New Customers Acquired for the Bank by the App

Open Banking

İşBank manages its Open Banking activities in keeping with its "banking anywhere" vision. The Bank makes Open Banking developments within the schedule set by the CBRT and the Interbank Card Center (in Turkish: BKM) and within the technical framework set out by the BKM in the Payment Services Data Sharing Services API Principles and Guidelines. Strong Authentication for each account addition and payment order transaction is implemented in Open Banking, in which Account Service Provider and Authorized Payment Service Provider APIs were updated in the 2024 upgrade.

In Open Banking transactions, the number of payment transactions initiated via İşbank channels increased by 352% to 222 thousand, whereas the volume of payment transactions augmented by 604% to reach TL 2,971 million. In 2024, 224 thousand customers added their other bank accounts to İşbank channels, and the number of other bank accounts added went up by 124% to 498 thousand.

In 2025, İşbank plans to commence working on Post-Dated Payment Order Initiation, Regular Payment Order Initiation and other bank card data and movement querying services that will be incorporated in Open Banking.

Maximum Family

Maximum Mobil

İşbank's Maximum Mobile application serves customers with self-service card products and services, digital payment experiences, Pazarama e-commerce and online shopping value propositions.

Average number of monthly Maximum Mobile users went up from 764 thousand in 2023 to 795 thousand in 2024, corresponding to a rise by 4%. Total number of Maximum Mobile users was approximately two million as of year-end 2024. In 2024, total number of customers who downloaded the Maximum Mobile application was nearly 13 million.

Maximum İşyerim

İşbank's Maximum İşyerim application serves 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.

During 2024, an average of 17 thousand customers per month used Maximum İşyerim. As of year-end 2024, an average of 1,200 customers/month received payments using Collect with Link, and 230 customers used POS on my Mobile. In 2024, 206 thousand customers downloaded the Maximum İşyerim application.

API Banking

Positioning API banking as an important part of its digital transformation strategy, İşbank has become a leading commercial bank in this division in Türkiye. The Bank ensures total compliance of its API services with the

regulatory standards and adopts Open Banking and Service Model Banking frameworks. Being an institution trusted by its business partners and end users thanks to its robust security measures, İşbank leads the sector in API-based financial services.

The Bank secures integration with fintechs, third-party developers and institutional business partners via the APIs it develops and delivers innovative financial products and services. This approach transcends conventional banking and enables generating more comprehensive solutions for customer needs and establishing a dynamic financial ecosystem. Including the 144 new integrations realized in 2024, total number of API integrations reached 397.

İşbank offers its customers both general and customized API services. Furnishing a broad service array covering functions such as real-time money transfers and payments, account and card management, loan services and data sharing, the Bank continuously increases the diversity of its API-based financial products and services.

İşbank aims to increase the volume of financial transactions performed on the API ecosystem and the revenues derived on these transactions. As of 2024, the volume of financial transactions managed through APIs reached TL 355.9 billion and the revenues booked thereupon amounted to TL 32.5 million. The Bank targets to increase the share of API-based transactions volume and revenues within total revenues and strengthening the sustainability of its business model by expanding its business partnerships, delivering value-added services and focusing on customer expectations.

Digital Banking

Invisible Banking

İşbank continues to work towards establishing new digital business partnerships with Dijikolay Finance and e-Pay Kolay, the API-based applications that serve to the fulfillment of working capital needs of its SME customers and extension of a credit covering the cart total for their commercial goods purchases from B2B (business-to-business) e-commerce sites.

With the purpose of expanding the value propositions offered to its customers through the said invisible banking products, the Bank targets to:

- make the integration of the commercial login configuration that will enable its corporate customers to use the application as well,
- integrate the receivable discount product and the installment overdraft account product, which will be able to cater to the needs of customers operating as vendors on marketplaces in particular,
- develop the infrastructure that will allow different loan pricing on the basis of integrated platforms and offering campaign loan rates specific to these applications,
- establish an incentive mechanism that will encourage digital business partners to motivate their customers to use these applications and take the first step.

Service Model Banking

In line with the service model banking regulations introduced by the BRSA to increase financial inclusion, Service Model Banking infrastructure developments were completed in 2024. In this context, İşbank's basic retail banking competencies were rendered integrable with the "interface providers" that need it. Products and services associated with accounts, loans, overdraft accounts, credit cards, FC buying/selling, money withdrawal,

İşbank minimizes paper consumption through initiatives including digital approval of product agreements and application forms and digital signing of bank slips.

money transfers and payments can be offered to customers through the front-ends of a different interface provider.

New digital business partnerships are targeted to be introduced with different interface providers in 2025 on the infrastructure established.

Paperless Banking

İşbank minimizes paper consumption through various initiatives including the digital approval of product contracts and application forms, making the non-Bank Registered Electronic Mail (KEP) delivery available to the entire Bank, and the introduction of digital signatures on receipts.

Having defined paper saving as one of the priority targets of its business processes, the Bank saved approximately 750 million sheets of paper on branch transactions, up by 300% as compared to the previous year. İşbank also introduced new digital implementations for paperless banking in 2024. Accordingly, instant car loan process was added to İşÇep; also, through an additional capability, all contracts that previously needed to be approved physically or using a tablet PC

at the branches can now be approved through İşÇep or online banking channel.

E-receipt is another project that İşbank aims to propagate in the first quarter of 2025. With two billion receipts produced annually, the Bank projects that 80% hard-copy receipts will be saved annually thanks to this project.

Developments in Payment Systems

In line with its "banking anywhere" concept, İşbank introduces projects and implementations that touch the daily lives of its customers together with its business partners from across different sectors.

Card Applications

- In 2024, the scope of the Card Authorization system backup was broadened. The overriding Authorization (STIP) system is intended to preclude negative customer experiences and potential turnover losses in case of possible system interruptions. In addition, transactions performed on other domestic bank POS devices were included in scope, thus enabling customers to do their transactions uninterruptedly.

- Redemption of bonus points and installment payments for purchases was enabled and expanded throughout POS devices in 2D and contactless payments using Digital Card only without needing a plastic card.
- A card for students and working youth, Genç Kart was included in the Digital Card experience.
- Plastic cards not collected by their holders from the branches were converted into digital cards and the expiration dates of inactive cards were digitally extended. Plans for the coming period include guiding customers to opt for digital cards in their renewals of their active credit cards and to add the Digital Card option to Lost/Stolen and Manual renewal processes.
- As of year-end 2024, 607,495 digital card applications have been approved, which avoided 91.12 tCO₂e. This quantity is equivalent to avoiding taking 607 thousand kilometers of distance by a vehicle and consuming approximately 3 million plastic bags.
- Through the addition of the "Get a digital card" mission to the Forest for the Future project, approximately 20 thousand customers earned two million carbon points as of year-end 2024.
- Cashback feature for Bankamatik debit cards was introduced in April 2024.
- In 2025, the Bank is planning to increase the diversity of products that will be produced in Digital Card form and to launch the Digital Bankamatik debit card.

Member Merchants

- As of year-end 2024, the number of provinces covered in the service network reached 31 under the Commuting Project initiated in cooperation with ASİS in April 2022. The Bank plans to reach agreements with other municipalities that are not currently worked with in order to facilitate acceptance of cards in more provinces in the future. Work was completed with Belbim for the use of İşbank cards for transportation within İstanbul, and the Bank started offering service as an acquiring institution in December. Within the scope of the Commuting Project used by an average of 300 thousand people monthly, approximately more than TL 2 billion was booked in turnover.
- In line with the feedback received in connection with the Commuting Project, improvements were made to remedy the systemic hitches experienced in busy hours during the day, and tariffs such as fee discount in case of successive swipes (interchange) were added to the system.
- Partnerships with S wallet and Pazarama Wallet initiated on 8 September 2023 continued for the Moka Super Physical POS product developed by İşbank's subsidiary Moka Ödeme ve Elektronik Para Kuruluşu A.Ş., which enables cash and installment transactions from different bank cards through a single physical POS device by entering into a single member merchant agreement.

İmecePlatform

İmecePlatform is an agricultural ecosystem management platform designed for use by agricultural companies. The product strategy is to incorporate in the system those farmers from which companies supply produce to perform operational and financial tasks digitally together with the stakeholders.

In 2024, the platform was installed in live environment for a company, 13 thousand farmers of which were migrated to the platform from the ERP system.

The improvements made to the İmecePlatform in 2024 in line with the feedback from the companies are presented below:

- IBAN information development was made on the supplier module, and the API structure was prepared on which this information will be conveyed at the time of making the application to the Bank.
- Downpayments module was developed whereby companies will be able to effect their downpayments to their farmers.
- A module was developed for uploading the disbursed loans in the financial institution report format to the Platform.
- Dijikolay Finansman was integrated in the Platform, which allows İşbank customer farmers to take out their instant agricultural loans and/or digitally utilize their available limits.
- In the case of companies subject to production quotas, quota merging module development was made on the Platform for farmers merging their quotas, and the opportunity to take out transfer credit digitally was provided.

İşbank has been planning a development that will enable making companies' support payments to farmers in kind. In that system, the loan to be extended by the Bank under the company's guarantee or through receivable assignment will be remitted as the price of order to the account of the agricultural input seller from which produce will be purchased instead of the farmer's account. The system's integration with İşbank's "e-pay Kolay" product will let the farmer digitally apply from within the Platform for Instant Agricultural Loan or using the available limit previously allocated by the branch.

Digital Banking

Another development plan by İşbank is the integration of MOKA virtual POS with the Platform so that companies using İmecePlatform can digitally collect the sales prices of the products sold to farmers.

IS United Payment Systems Limited

İşbank acts with the vision of offering its solid competencies in digital banking to broader audiences in the international arena. Is United Payment Systems Limited intends to expand the coverage of its digital banking services across a geography spanning Germany, Austria, UK, France, the Netherlands and Belgium with RUUT. Drawing on the synergies that will be created by this powerful structure, the target is to create a digital bank having one million users within five years.

Digitalization in Branch Operations

In 2024, İşbank carried on with the expansion of TCR machines where customers will receive self-service with the same structure and architecture as the counters. An average of 125 cash transactions per day performed using the TCR machines were carried out by 226 devices installed in branches.

Aiming to equip each branch with at least one TCR machine, İşbank plans to install 100-200 TCR machines in 2025. In addition to that, the Bank carries on with the pilot run of Kasamatik devices for depositing cash in high amounts, and targets to install them in 50 branches in 2025.

In line with İşbank's target to reduce customer waiting times and printed information slips, transactions subject to electronic approval and approval at the time of transaction were addressed and transaction limits were increased; risk analyses were performed and certain transactions were excluded. The mobile PIN sent to the customer on the screen is entered instead of

an authorized employee checking the signature on the information slip. All these initiatives resulted in 43% decline. In 2025, work will continue to increase the transactions subject to mobile PIN and approval of the transactions centrally with the help of OCR (Optical Character Recognition).

As part of the efforts for centralization of branch calls, customer calls received by branch switchboards that are not answered within a certain period of time started to be answered by the Call Center. As the result, the number of unanswered calls in the individual pools of branches decreased by 74%.

Automated queueing kiosks handling customer greeting and queueing at İşbank branches will be upgraded with software aligned with the current technology. Upon completion of the upgrade for which the related work was initiated in 2024, new capabilities will be introduced in 2025, including referring customers to their requested service at the branch more quickly and furnishing of personalized content.

Under the GenAI program launched in 2024, İşbank introduced the following for giving its employees easier access to the information they need:

- Application instructions assistant
- Campaign letters assistant
- Customer demands responding guidelines assistant
- HR legislation assistant
- Uniform language assistant

To support branch processes:

- Credit proposal process assistant

To support marketing activities:

- Image and voice processing assistant
- Social network viewings synthesis assistant

To improve customer experience:

- Greeting assistant
- Investment assistant

Operational Efficiency 4.0 Program

Operational Efficiency 4.0 Program is designed to free employees of repetitive operational tasks so that they can focus on high value-added tasks that will allow them to build on their competencies and to increase the Bank's operational efficiency in this way.

Through the AI/Natural Language Processing (Neuro-linguistic programming, NLP) based new document comprehension tool that the Bank started integrating in processes, as well as the robotic process automation (RPA) developments ongoing along this line, orders received from customers were sorted without human intervention and product contract checking and foreign trade documents were automatized.

In the program phase covering 2025 and 2026, it is planned to design hyperautomation scenarios backed by AI-themed technologies such as GenAI, deep learning and machine learning as well as existing technologies adapted to business processes. Furthermore, it is targeted to capitalize on the benefits of technology across all Bank activities on the back of digital areas that will be introduced for use by employees and shared service model. Besides technology and automation initiatives, other focus areas of the program consist of lean processes and organization, expanding the use of self-serve applications, and upskilling employees.

Innovation and Entrepreneurship

İşbank continues its efforts to develop technology and business models aligned with the new competitive landscape, with the aim of accurately anticipating strategic moves that may reshape competition in today's rapidly evolving digital world and taking swift action accordingly.

Adopting the open innovation approach, İşbank utilizes ideas and technologies developed by organizations such as technology companies and universities, particularly by startups, for new product and service developments.

Innovation at İşbank

In 2024, İşbank carried on with its innovation efforts with the contributions of its innovation centers in Silicon Valley in the USA, and in Türkiye. While the initiatives focused on following up new technologies and embedding them in the service cycle, proof-of-concept studies continued for innovative business models having the potential to impact the future on a global scale.

In the coming period, İşbank will continue with its projects designed to develop and enrich its financial value proposition to customers with real-time, contextual and proactive interactions using AI technologies in various disciplines, particularly GenAI.

Within the frame of web 3.0 vision, İşbank will realize initiatives to continually improve blockchain competencies on the back of experimental studies, and to create beyond-banking products and services that will firmly establish the digital asset ecosystem with tokenization and smart contract structures.

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İşbank Innovation Centers

İşbank's "banking of the future" vision is to design reliable, seamless and contextual user journeys backed by the latest technology to deliver the best experience; and to offer hyperpersonalized digital products and services on non-Bank platforms as well to customers in line with their needs and expectations.

Carrying on with its activities in the Silicon Valley that is home to numerous start-ups generating high-technology solutions having the potential to make an impact on the future as well as the world's leading technology companies, Maxitech is one of the Bank's most important initiatives in innovation.

The strategic goals of Maxitech include introduction of new business models aligned with the Bank's strategic priorities and vision, primarily in GenAI and blockchain technology on the axis of Web 3.0, acquiring potentially destructive technology for İşbank, trying out the solutions of companies that develop these technologies, establishing partnerships in this context, and investing in early start-ups in this area.

Various projects are planned for representing the Turkish Start-up Ecosystem abroad, growing service exportation by start-ups and their funding by attracting investment from foreign countries, and initiatives are carried on before the Republic of Türkiye Ministry of Trade. To this end, possible cooperation opportunities with Maxitech and Tibaş Ventures are also considered.

Innovation and Entrepreneurship

The focus placed on Turkish start-ups established abroad will be increased, investment opportunities in start-ups in further stages for increasing their fund portfolio values through Maxitech Ventures, Tibaş Ventures and Maxis Ventures organizations established in 2024. Funds addressing the Bank's institutional customers are planned to be set up before Maxitech in the near future, with the intention of giving the Bank's customers access to investments that are hard to be accessed via Maxitech.

İşbank and AI

In all its AI applications, İşbank remains adhered to the principles set out in the Artificial Intelligence Ethics Manifesto it has released.

For GenAI models, control mechanisms were created against explicit content creation and hallucinations. In cases that require not using customer data and data in the nature of the Bank's secrets in GenAI models, necessary control processes are introduced to identify and mask those data, and maximum data privacy and security are guaranteed.

Work is ongoing for establishing İşbank's Artificial Intelligence Policy. The policy will incorporate fundamental principles adopted for AI governance, the standards to be established and guidelines regarding how they will be used.

The Artificial Intelligence Act published by the European Union (EU AI Act) is studied in detail and the Act's possible implications for İşbank's operations are analyzed thoroughly. AI applications already introduced add momentum to the value generated across various business lines and increase effectiveness.

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Commercial Cash Flow Projection application forecasts seven-day income and expenses of İşbank's commercial customers with the support of AI. Commercial Lifelong Value application estimates the potential revenue a commercial customer will generate during the course of its dealings with the Bank for the next 36 months. This allows identifying customers with high lifelong value and developing the appropriate strategies for these customers.

Personal Lifelong Value application, on the other hand, is intended to predict the lifelong value retail customers will provide for the Bank. Besides this application, Personal Customer Depletion application intended to support the wins derived from lifelong value identifies customers having the potential to deplete and action plans targeted at these customers are created.

Next Product Optimization to be Suggested applications developed in Retail, Commercial and Agricultural Banking segments allow making more accurate and effective product suggestions to customers. İşCep Customer Acquisition application analyzes İşCep users' data such as demographics, product ownership and channel behaviors and identifies potential customers.

During 2024, the following solutions were introduced to get to know the customers better and to offer the products and services for catering to their needs:

- Credit Card Value Behavior Segmentation (type of prize, luxurious spending segmentation)
- Personal - Next Product Optimization to be Suggested
- Commercial - Next Product Optimization to be Suggested
- Agricultural - Next Product Optimization to be Suggested
- Commercial - Allocation Rule Engine Rule Suggestion
- Commercial - Cash Flow Projection
- GenAI-enabled legislation assistant, HR assistant, campaign assistant, uniform language assistant, loan proposal assistant, MiP assistant, translation assistant, visual generation (Mihri), speech transcription (Katip).

İşbank's Targets for the Coming Period

İşbank develops AI-based projects to consolidate its customer-centric services and increase efficiency in operational processes.

In this framework, the Bank targets to offer personalized services that will timely respond to customer needs by making proactive suggestions and forecasting customer actions.

To upgrade customer communication, it is planned to add voice interaction capability to virtual assistants supported with large language models (LLM). This is predicted to enhance customer satisfaction by providing faster and more effective communication.

While operational efficiency is increased with artificial intelligence-supported automatic complaint management processes, it is planned to maximize customer satisfaction.

In addition, AI İşbank Employee and Operational Efficiency 4.0 projects that are intended to be realized with GenAI support are targeted at increasing employee efficiency and also to deliver faster and error-free service to customers. These projects will play a key role in the future transformation of operational processes.

Developments in İşGPT

In 2024, the following applications that use İşGPT large language model (LLM) were introduced:

- **Execution Instructions Assistant** is the AI assistant that instantly answers employee questions about the Bank's regulations. It is intended to ensure increased effectiveness by giving human-independent reach to the most current and accurate information at any time to questions directed by branch employees to the Head Office.
- **HR Assistant** is the AI assistant providing instant answers to branch and Head Office employees' questions about human resources. It is intended for time saving and increased efficiency by giving human-independent fast reach to information about this topic.
- **Campaign Letters Assistant** is the AI assistant that answers questions about campaigns. It is intended for time saving and increased efficiency by giving quick access to information about campaigns.
- **Uniform Language Assistant** is the GenAI assistant that transforms user-generated texts in response to customers in accordance with the "Bank's Uniform Language" procedures. It is intended for preparing the texts employees will use in customer communications more quickly and accurately.
- **Loan Proposal Assistant** is an application that uses İşGPT that poses early warning signals as questions to the user when preparing loan proposal applications to make sure that the explanations provided to the questions are adequate and comprehensive.

- **MiP Assistant** is a Q&A assistant for guidelines that describe the necessary information, processes and templates for understanding and resolving MiP demands created by the Call Center or customers. The target is to give quick and accurate reach to the information that employees responding to a MiP need.
- **Translation Assistant** is an AI assistant that enables translation of text contents and comments into various languages using GenAI. It is designed for fulfilling the need that arises since online translation applications cannot be used for texts containing Bank information and for time saving purposes by shortening translation times.

In addition to that, the new version of İşGPT was introduced, increasing the ratio of accurate answering capability from 77% to 91%. This has significantly increased the benefit assistants provide to İşGPT users.

By integrating digital assistants with GenAI technology, İşbank aims to deliver a smarter, more humanlike and personalized experience to customers. The initiatives undertaken along this line are intended to transform digital assistants into applications that proactively comprehend customer needs and offer fitting solutions.

This innovative approach is targeted at enhancing customer satisfaction and loyalty and increasing the accessibility and interactivity of banking services. Using GenAI technology, AI-based digital assistants will instantly respond to customer demands, provide financial advisory and facilitate day-to-day banking transactions.

Innovation and Entrepreneurship

With this cycle, the Bank aims to achieve improved customer experience and increased operational efficiency, make a differentiation in the sector by using innovative technologies, reinforce İşbank's leader position, and leverage the Bank's mission to offer the best service to customers.

Entrepreneurship at İşbank

In line with its vision of being the bank of entrepreneurship and start-ups, İşbank has been supporting the start-up ecosystem since 2017 with new programs, formations and partnerships, embracing an investor's perspective.

Supporting Entrepreneurship

The following initiatives were carried out in 2024 for supporting entrepreneurship:

- Two training events were organized on areas most needed by technology start-ups during which over 120 start-ups were hosted.
- In the event addressing agricultural start-ups, Agricultural Banking Division and İmeceMobil representatives conveyed İşbank's activities in the agricultural sector.
- Maintaining its pioneering role in the ecosystem through 3 entrepreneurship branches in İstanbul, Ankara and İzmir, İşbank launched "Become a Start-up Customer" and İşÇep Start-up Theme" services as a step towards offering service digitally to all technology start-ups across the country.
- Workup, Workup Agri, Workup Gaming and Workup 4 Future Programs were carried on. Start-up events and ecosystem gatherings were organized and innovation workshops of the Bank and group companies were hosted in the Workup area.

- The amount invested in 12 start-ups through the Maxis Innovative Venture Capital Investment Fund, of which İşbank is the main investor, reached USD 7.8 million.
- 113 investments worth USD 27 million in total were made via TIBAS Ventures that carry on with its investments globally through Maxis, Founder One, Arya GSYF, and Yapay Zekâ Fabrikası.
- Workup Entrepreneurship Program was named the "National Winner" among 27 entrants at the European Enterprise Promotion Awards and was entitled to represent our country in the finals at the European Union level in the "Promoting the Entrepreneurial Spirit" category.

Workup Entrepreneurship Program

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

Startups participating in the program meet with expert mentors, representatives from the Bank's subsidiaries and the ecosystem representatives over the course of a six-month period, and receive multi-dimensional support ranging from collaboration and mentorship to access to investment opportunities. At the Demo Day 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 2024, the 12th term of the Workup Entrepreneurship Program was completed and 6 startups graduated.

In 2024, 3 start-ups graduated from the third term of the Workup Agri Entrepreneurship Program, which is designed to help with the acceleration of start-ups using smart technologies in the agricultural, food and animal breeding sectors ecosystem. The 12th Workup Demo Day organized for the joint graduation of Workup and Workup Agri start-ups was organized as a fully carbon-neutral event.

In gaming technologies, which is a vertical in which our country possesses a global competitive edge, the second term of the Workup Gaming program created to accelerate and scale up game developer start-ups was completed and eight start-ups graduated from the program in the reporting period. Targeting to make a major impact in gaming entrepreneurship, Workup Gaming provides selected start-ups with a number of opportunities such as preparing for the investment process on the back of software, art and design, business development training and one-to-one mentoring support, participation in events and access to international investors and publishers.

The first phase of Workup4Future launched under the Workup Entrepreneurship Program roof was completed with the Demo Day in April 2024. Six start-ups developing technology targeted at Sustainable Development Goals (SDGs) such as "emissions reduction", "sustainable towns" and "affordable and clean energy", as well as natural disasters, graduated from the accelerator programs specifically created for impact start-ups that produce disaster-oriented technology that is aligned with the UN SDGs. İşbank partnered with two graduate startups. The second term of the program that started in December 2024 is in progress with 7 selected start-ups.

To date, 205 startups out of more than 16 thousand applicants have been admitted to the Workup programs carried out in 5 different verticals and 150 of them have graduated. So far, 68 startups under the Program received USD 37 million in investments so far.

Intrapreneurship Program

Within the scope of the "Intrapreneurship 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 conceive ideas, explore problems, mature solutions, and launch products.

In 2024, Yukline, a graduate of our Bank's 2nd Term Intrapreneurship Program that brought up a value proposition for digitizing conventional logistics processes, started operations under the name "Prosevkıyat" within Proemtia, one of the Bank's subsidiaries.

Supporting Impact Initiatives

İşbank has been conducting Workup Agri and Workup4Future entrepreneurship programs to support start-ups that produce technology with a focus on impact and accelerate the green economy transformation with the technologies they produce. Support is extended to make the start-ups included in these programs visible, to get them together with potential customers and investors, and to develop business with the Bank and Group companies.

İşbank has been conducting Workup Agri and Workup4Future entrepreneurship programs to support technology start-ups with a focus on impact.

Seeking to invest in impact initiatives, including in early stage ones, FounderOne Venture Capital Fund, which is supported by our Bank, has invested approximately USD 1.3 million in 16 start-ups in total in 2024.

Arya Women Investment Platform

Co-organized by İşbank and Arya Women Investment Platform that supports women entrepreneurs through training, events, accelerator programs, mentoring, consultancy and investments, the three-day Retreat event that brings entrepreneur women together with investors was held in Eskişehir in 2024. During the event, six technology start-ups made their presentations and capitalized on collaboration and networking opportunities for receiving investment.

WeLead (Leading Women Entrepreneurship for Accelerating Development)

Launched in 2021 under the management of the Turkish 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. Mentoring support was given to 50 entrepreneur women in total in 2024.

Woman Entrepreneurship Loan

In 2024, İşbank extended loans to 1,534 women entrepreneurs under its Woman Entrepreneurship Loan Campaign. Women entrepreneur customers who took out loans were concentrated in retailing and wholesaling, research, consultancy and advertising sectors.



Innovation and Entrepreneurship

İşbank supports women entrepreneurs with funds obtained from foreign resources such as the EBRD, as well as its own funds. Furthermore, exporter women entrepreneur customers are also provided with financing under the “Supporting Women in Exports Package” signed by and between İşbank and Export Development Inc. (İGE). Total financing offered to women farmer customers in 2024 amounted to TL 1.7 billion.

TÜBİTAK BiGG Program

The Fit Startup Factory BiGG (Entrepreneurship Support Program) Accelerator Program co-conducted by İşbank and Özyeğin University received 75 applications in 2024, nine of which were included in the investment program.

Out of nine startups whose applications were forwarded to TUBITAK (The Scientific and Technological Research Council of Türkiye) in the panel stage of the program, five received excellence stamp and qualified for investment. The startups that received investment are engaged in Cloud solutions, sports technologies, agricultural technology, financial technology and healthcare technology.

Sponsorships for Young Entrepreneur Programs

İşbank is the supporter of the Turkish Entrepreneurship Foundation (GİRVAK) and TÜSIAD “Bu Gençlikte İş Var” Program. A total of thirty young people from the founding teams of 14 start-ups selected in the Bu Gençlikte İş Var Program were supported in entrepreneurship. In addition, there are approximately 2,500 university students digitally or physically taking part in certain stages of the program.

HIGHLIGHTS OF R&D INITIATIVES AT İŞBANK’S SUBSIDIARIES

Anadolu Sigorta

In 2024, two AI models in the machine learning module within the Sobe Fraud Detection platform were updated. The NLP-based data mining module was introduced. Anadolu Sigorta plans to introduce further advanced AI models for fraud detection in medium- and long-term.

Developments were made for parametric operation of customer segmentation rules, customer exit model and product trend models were updated.

As of 2021, Anadolu Sigorta holds onsite R&D Center License issued by the Republic of Türkiye Ministry of Industry and Technology, becoming the first and only insurance company to do so in Türkiye. This certification serves as an official indicator of the company's competence in innovation and technology. To date, 15 projects have been successfully completed in this framework. There are 7 active projects, two of which are EU projects concerned with monitoring health data using wearable technology, and physical treatment processes using 5G technology and video recognition technology.

Millî Reasürans

Initiatives commenced for the automatization of processes and operations continued at a growing speed at Millî Reasürans. During 2024, a number of operational and financial processes have been automatized.

The company will keep working to increase its operational efficiency by disseminating its technology across different divisions, using also RPA for this purpose.

Anadolu Hayat Emeklilik

As one of the leading companies with digital competence, Anadolu Hayat Emeklilik carries on with its efforts to further strengthen digital channels that gain the foreground in customers’ evolving shopping preferences.

Based on its business partnerships with digital platforms, namely Pazarama, Monay, Abonesepeti ve Hipokid, Anadolu Hayat Emeklilik consolidated its title as the leading company possessing digital competence in the life insurance and private pension sector. The company aims to increase the efficiency of its digital channels and enrich its channel diversity by collaborating with companies and ecosystems across various sectors.

Digitalization initiatives by Anadolu Hayat Emeklilik bring along gains also in the sustainability division. “AHE-Digital PPS Application” app that went live in 2023 enable filling the forms digitally, a 24-page form used in the sales process, instead of printed forms. Supporting improved efficiency, this initiative also contributes to the reduction of paper consumption.

İşbank AG

İşbank AG launched its new mobile banking application in October 2024. The bank targets to increase website and mobile app integrations in order to improve digital customer experience in the medium- and long-term.

İş Faktoring

İş Faktoring has identified the ongoing technological upgrade and digital transformation initiatives as a strategic priority. The company's target is to transform the digital supplier finance system offered to its customers into an end-to-end digital structure. The project work co-executed with Softtech was carried on in 2024.

Aiming to reach wider segment and number of clients, İş Faktoring maintains its contacts with various platforms that feature the Supplier Finance System (in Turkish: TFS) products of finance companies operating in the market.

İş Investment

The new generation mobile and web trading platform by İş Investment, “Herkesse Borsa” (Stock Exchange for Everyone) was introduced for use by investors on the application stores in the first quarter of 2024. The company targets to reach broad audiences with this new generation trading platform that offers a rich set of digital transactions and advantageous commission fees.

Gullseye

The optimization solution by Gullseye, which was developed with academic support, eliminated operation planning times, and significantly reduced equipment usage costs and operation times as the result of generation of results focused on minimum handling in the field.

Front gate optimization solutions minimized the traffic density within the port, while optimization solution and process improvements eradicated lines of trucks outside the port. This has also extinguished the large vehicles’ negative implications upon the city center traffic.

İşbank integrations that provide payment conveniences helped reduce the workload and transaction density in the port, and allowed port customers to take their imported cargoes out of the port at a much faster pace.

Shift optimization enabled ports to complete their shift orders quickly, to make changes speedily in possible worst-case scenarios, and to allocate their resources optimally.

Offering service exclusively to ports and focusing its developments on port operations, the company is gearing up to offer service at land and sea terminals in the logistics sector by incorporating train operations within its scope.

Livewell

Livewell develops products, services and artificial intelligence solutions in wearable technologies and healthcare. The company works on medical and wellness products and technologies that enable the diagnosis of cardiovascular diseases, the leading cause of sudden death.

The Cardiom Rhythm Holter device, which is currently on the market in the medical device category, analyzes the electrical signals of the heart in real time and, when necessary, transfers the data to the Livewell platform and makes it accessible to healthcare professionals.

Work is ongoing for developing and testing an innovative, wearable new version of the Cardiom product that will be more suitable for daily use. In this framework, ECG patch software development and production arrived at the final stage, making it ready for clinical testing.

In addition, blood pressure estimation, ECG anomaly detection and Exercise ECG algorithms were developed in AI segment and integrated in the company's products. Another key product of the Company is a “Smart T-shirt” that can record and process ECG signals. The purpose of the product is to monitor vital ECG data conveniently and at a medical level using a textile product that can be used by adults and children alike. The clinical testing of the product started at SANKO University Hospital.

Simultaneously with the design, development, clinical tests and marketing of the above-mentioned products, Livewell is also developing a weight-measuring foot device designed for the healing of foot fractures and for use in occupational safety. This product is intended to support the healing process of foot fractures.

ECG patch, Smart T-shirt and foot splint are slated for introduction to the market in the third quarter of 2025.

Information Security

Rapidly progressing in our day, digital transformation brings with it increasing cyber security risks. İşbank continuously updates its business processes to increase the security of its information systems and guarantee secure storage of personal data and confidential information. 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 2024, no information security incidents affecting the Bank's customers or employees took place. In the reporting period, approximately TL 26.5 million was invested in vulnerability screening, red team activities and GİSM (Security Intelligence Defense Center) activities for information security and cyber security infrastructure.

The ultimate responsibility for ensuring information security within İşbank rests with the Board of Directors. The Board of Directors establishes the necessary strategy in this scope and oversees its execution via the Information Security Committee. The information systems security function of the Bank is managed by the Information Security Officer who reports directly to the CEO. Emrah Duran as the Information Security Officer (CISO) is responsible for establishing and maintaining the information security policy, submitting it for approval and ensuring organization-wide information security in line with the Bank's policies. All organizational 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.

The changes the Information Security Committee made in 2024 to the Information Security Policy and the

İşbank considers information security an integral part of its banking operations and undertakes comprehensive initiatives to minimize the potential risk exposure in this respect.

Personal Data Protection Policy associated with the former have been approved by the Board of Directors.

İşbank achieves compliance with the Regulation on Information Systems and Electronic Banking Services published by the Turkish Banking Regulation and Supervision Agency (BRSA). The said regulation was drafted based on various international standards including the ISO 27001 Information Security Management System, COBIT and so on. In addition, our Bank also pursues the standards released by the National Institute of Standards and Technology (NIST).

Information Security Audit

İşbank's banking processes and information systems are annually audited by the Board of Inspectors in a risk-based manner to form the basis of the Management Assertions that will be presented to the independent auditor in accordance with the "Regulation on the Independent Audit of Information Systems and Business Processes".

Accordingly, the Bank's compliance, particularly, to the Personal Data Protection Law no. 6698, Banking Law

no. 5411, and the Regulation on the Information Systems and Electronic Banking Services of Banks (in Turkish: BSEB), as well as other laws and associated sub-legislation is scrutinized.

Furthermore, pursuant to the Presidential Circular no. 2019/12 regarding Information and Communication Security Measures published in the Official Gazette issue 30823 dated 6 July 2019, İşbank's compliance with the Information and Security Measures Guidelines established by the Presidency of the Republic of Türkiye Digital Transformation Office is audited annually by the Board of Inspectors.

With special emphasis on control targets pertaining to the provisions set out in "Part 3 - Information Security Management" of the BSEB Regulation, under the said requirements, the Board of Inspectors evaluates the adequacy and effectiveness of a process involving activities such as:

- Conducting risk assessments,
- Approval of the corporate Information Security Policy by the Board of Directors and oversight of the Policy's execution by the senior management,

- Sustaining initiatives to promote the Bank employees' awareness of information security,
- Classification of all data according to their vulnerability degree in terms of security, and triggering the appropriate level of security measures for each class,
- Implementation of information security tests,
- Preventing data loss,
- Updating existing controls and established structures according to technological developments.

Within the scope of information technologies (IT) audits, the Board of Inspectors conducts inspections that will help with the achievement of fundamental targets aimed at healthy management of IT risks and effective and efficient use of IT resources. The scope of the said audits is determined by a risk assessment that pays due regard to the criticality of the applications and systems for the Bank and their vulnerability in terms of data security. These technical inspections focused on applications/ systems are carried out based on the BSEB Regulation, in particular, and various internationally-recognized best practices.

Ordinary audit activities conducted by the members of the Board of Inspectors review the effectiveness of the measures taken by the Bank for the confidentiality of customer information. As part of the inspections, the data and audit trails in İşbank'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, necessary measures and decisions within the scope of both internal regulations and legal legislation are taken forthwith.

The Board of Auditors also audits the internal control environments regarding the information security of İşbank's subsidiaries and affiliates and support services providers. The IT audit of the subsidiaries cover the evaluation of the conformity of the approaches associated with the security of information systems and personal data to the legislation and best practices in view of the sizes of related subsidiaries, their IT processes and organizations, risk exposure and similar considerations.

The BRSA Circular on "Penetration Tests for Information Systems" published on 24 July 2012 (Penetration Test Circular) compels banks to conduct a penetration test at least once a year. Penetration tests are intended to detect and remedy security vulnerabilities that may result in unauthorized access to the Bank's information systems or sensitive data before they are exploited.

In line with the said circular, since 2012, İşbank has been engaging external companies to conduct penetration testing. Penetration test action plans prepared by the Information Security Coordinator regarding the findings of the penetration tests are regularly reviewed by the Board of Inspectors audit team, and the "Penetration Test Findings Follow-up Report" for the current year is reported in the following year.

Reporting of all inspection results via the Audit Committee and oversight of the measures adopted by the heads of relevant units within the frame of audit reports also fall under the scope of internal control activities of the Board of Inspectors.

The Bank's various cybersecurity control points over critical IT assets are monitored regularly within the frame of level II controls at daily, weekly and monthly intervals, and any operating hitches identified are conveyed to the related IT sections for correction.

The Internal Control Division control activities within this scope include the compliance controls of the Bank's information systems paying regard to the Regulation on the Information Systems and Electronic Banking Services of Banks published by the BRSA and the provisions of the Information and Communication Security Guidelines published by the Presidency of the Republic of Türkiye, Digital Transformation Office.

İşbank is obliged to report any personal data breach incident to the relevant persons and the Personal Data Protection Authority. In 2024, the losses incurred in connection with the PDPL is TL 0. In case a cyber incident takes place, information about the incident are disclosed to the public, BRSA, USOM (Computer Emergency Response Team), related regulatory agencies, employees, affected legal entities and business partners depending on the size and impact of the incident. Disclosures available to the public are made by the Corporate Communications Division.



Information Security

Threat Modeling

During 2024, İşbank carried out threat modeling for AI, Version Management and Container processes. Furthermore, a threat modeling study was undertaken employing the Rapid Risk Assessment method for the Crypto Asset Custody infrastructure.

- Through all these activities, the following risks were identified:
- A total of 21 risks were identified in the Artificial Intelligence process, including 1 high and 6 medium-high level risks,
 - 22 risks in total in the Version Management process, including 4 high and 11 medium-high risks,
 - 13 risks in total in the Container process, including 6 high risks,
 - 18 risks in total for the Crypto Asset Custody service, including 2 high and 8 medium-high risks.

For all high and medium-high risks exceeding the Bank's risk appetite, mitigation action plans were developed in coordination with the relevant teams.

Other Information Security Activities

- In 2024, penetration tests conducted by an independent and authorized cybersecurity firm identified a total of 13 findings, including 5 high, 3 medium, and 5 low-risk issues. Remediation actions for each finding were assigned to the relevant teams for resolution.
- Each year, cyber incident response event is carried out for increasing awareness of cyber incidents and strengthen coordination and response muscles. In this scope, the technical desk drill for testing the plan using DDoS and unauthorized access scenarios was carried out in October 2024 with the involvement of related technical teams.
- As part of efforts to enhance employee awareness in 2024, four different phishing simulation emails were sent to employee. In addition, five different

infographics were sent to keep employees informed about current cybersecurity threats, as well as a general informative bulletin shared in October 2024 within the scope of the CyberSecurity Awareness Month.

Forward-Looking Plans and Targets

In the upcoming period, İşbank plans to upgrade its Endpoint Detection and Response (EDR) system with next-generation, AI-powered solutions that offer advanced threat hunting and complex attack detection capabilities. The Bank also aims to enhance its red team activities, and adopt a Continuous Threat Exposure Management (CTEM) approach to test potential vulnerabilities in its systems using more realistic scenarios and continuously improve its defense mechanisms. To further demonstrate its competencies in this field, the Bank targets to obtain the ISO 27001 Information Security Management System certification specifically for its Security Intelligence Defense Center (SIDC).

In addition to all these efforts, the Bank has included the establishment of a process for effectively monitoring third-party risks among its targets for 2025. İşbank uses a Data Loss Prevention (DLP) tool to monitor data transfers outside the Bank in a controlled manner and within defined rules, and to detect violations of these rules. As part of its data loss prevention efforts, the Bank not only aims to enhance the effectiveness of existing rules, but also develops new ones targeting high-risk areas and, where possible, establishes preventive rather than merely monitoring controls. The Bank also follows up solutions aimed at mitigating data leakage risks arising from new technologies and AI applications.

To enhance the effectiveness of incident response, the Bank conducts regular reviews and improvements to reduce false positives. This, in turn, increases the visibility of potentially

high-risk alerts for analysts, allowing them to focus on real security incidents more efficiently.

With the support of its security orchestration and automation platform, automation and response (SOAR) tool acquired for enabling faster investigation and action in cybersecurity processes and reduce operational risks allow for automatic intervention against external scans and brute-force attacks targeting the Bank's information systems.

İşbank has also initiated the procurement process to replace its currently used Endpoint Detection and Response (EDR) product with a next-generation solution that meets today's requirements and further strengthens its cybersecurity infrastructure. The next-generation EDR solution, with its advanced threat hunting and sophisticated attack detection capabilities, will enable the proactive identification of both known and unknown threats, support rapid incident response, and reduce false positive rates—thereby improving focus and productivity within the cybersecurity teams.

In 2024, İşbank replaced its phishing simulation tool to better train employees against social engineering threats. This new tool allows the Bank to create realistic scenarios and simulate phishing attacks with the goal of improving employees' ability to handle real-life situations. The tool, which features real-time reporting capability, can segment target audiences based on employee authorizations and enables the creation and distribution of customized content. Additionally, emails that employees deem suspicious are reported to the Security Intelligence & Defense Center (SIDC) teams through the same tool. Going forward, the Bank plans to introduce sandbox-based malware analysis for reported email attachments and links.

2024 Awards & Recognition

International Awards		
Program	Result	Number of Awards
Global Finance World's Best Digital Bank Awards 2024	• Global - Best Mobile Banking App	17
	• Global - Best Trade Finance Services	
	• Global - Best Mobile Banking Adaptive Site	
	• Western Europe - Best Mobile Banking App	
	• Western Europe - Best Trade Finance Services	
	• Western Europe - Best Mobile Banking Adaptive Site	
	• Türkiye - Best Consumer Digital Bank	
	• Türkiye - Best Online Product Offerings	
	• Türkiye - Best Mobile Banking App (Consumer)	
	• Türkiye - Best in Lending	
	• Türkiye - Best Open Banking APIs	
	• Türkiye - Best in Transformation	
	• Türkiye - Best Corporate Digital Bank	
	• Türkiye - Best Online Cash Management Services	
Brand Finance	• Most Valuable Banking Brand - Türkiye	1
The Banker - Bank of the Year	• Best Bank in Türkiye	1
Euromoney Awards for Excellence 2024/ for Regional and Global	• Türkiye's Best Bank	3
	• CEE's Best Bank for Corporate Responsibility	
	• Türkiye's Best Bank for Corporate Responsibility	
Global Finance's World's Best Bank Awards 2024	• Best Bank in Türkiye	1
Global Finance Best SME Banks Awards	• Best SME Bank of Türkiye	1
Euromoney Global Private Banking Awards - 2024	• Türkiye's Best for Succession Planning	1



2024 Awards & Recognition

International Awards		
Program	Result	Number of Awards
Global Finance Sustainable Finance Awards	· Best Bank for Sustaining Communities in CEE	1
The Banker - PWM/The Banker Global Private Banking Awards	· “Highly Commended” award	1
IPRA Golden World Awards	· Golden World Awards in the Sponsorship (Inhouse) category with the “Race of the Century” · Golden World Awards in the Sport (Inhouse) category with “The Centennial of Republic, TCF Sponsorship”	2
Brandon Hall Group HCM Excellence Awards	· Gold Medal in the “Best for Leading Under a Crisis” category in the “Future of Work” area with the “Disaster Management and Coordination Program” · Gold Medal in the “Best Custom Content” category with the “Digital Academy” program · Silver medal in the “Best Use of Assessments for Talent Management” category in the “Talent Management” area · Bronze medal in the “Best Leadership Development for Women” in the “Diversity, Equity & Inclusion” area with the Women in Leadership Program · Bronze medal in the “Best Program for Upskilling Employees” category in the “Future of Work” area · Bronze medal in the “Best Use of Games or Simulations for Learning” in the “Learning and Development” area with İşLegends, the mobile game project focused on upskilling	6
Stevie International Business Awards	· Bronze Stevie in the “Achievement in Product Innovation” category with My Life with İşCep · Silver Stevie in the “Achievement in Technology Innovation” category with My Life with İşCep · Bronze Stevie in the “New Product or Service Categories/ Financial Services” category with Digital Card Experience · Awarded in the “Corporate Social Responsibility” category with “RHM”	4

International Awards		
Program	Result	Number of Awards
PayTech Awards - FinTech Futures	· Short listed in the “Best Use of Data” category with the “Credit Card Customer Journeys” · Short listed in the “Top Innovation in Payments By A Bank” category with the “Credit Card Customer Journeys Supported By Artificial Intelligence”	2
The Digital Banker - Global Retail Banking Innovation Awards 2024	· “Winner” with “My Life with İşCep” · “Highly Acclaimed” with “Privia İşCep” · “Highly Acclaimed” with “Diyalog”	3
Digital Impact Awards Europe 2024 - Cravenhill Publishing	· Bronze medal in the Best Use of Artificial Intelligence category with the “Farmers’ Day Video”	1
UX Design Awards	· UX Design Award in the “Product” category with “My Life with İşCep”	1
MarCom Awards - Association of Marketing and Communication Professionals (AMCP)	· Winner in the “Corporate Social Responsibility” category with “RHM” (Museum of Painting & Sculpture)	1
Muse Awards	· Awarded in the “Architectural Rebirth” category with “RHM” (Museum of Painting & Sculpture) · Awarded in the “Corporate Identity” category with the corporate identity design for “RHM” (Museum of Painting & Sculpture)	2
Middle East & North Africa Stevie® Awards	· Gold Stevie in the “Innovation for the Use of Events” category with “Social Responsibility Activities during the Centennial of the Turkish Republic”	1
Total		50



2024 Awards & Recognition

National Awards		
Name	Result	Number of Awards
Sardis Awards	· Silver Sardis in the Product and Service Innovation - Banks category with My Life with İşCep	29
	· Silver Sardis in Innovation for Specific Target Audiences - Banks category with Digital Export Loan	
	· Silver Sardis in the Sustainability-Driven Innovation - Banks category with the Twin Transformation Journey of 100 SMEs	
	· Gold Sardis in the Product and Service Innovation - Banks category with Single Limit	
	· Gold Sardis in the Ecosystem Building Partnerships - Banks category with My Life with İşCep Mini App Partnerships	
	· Gold Sardis in the Innovation for Specific Target Audiences - Banks category with the Entrepreneurship Value Proposition & Start-up Credit Card	
	· Gold Sardis in the Ecosystem Building Entrepreneurship - Most Innovative Accelerator and Incubation Programs category with Workup	
	· Gold Sardis in the Ecosystem Building Entrepreneurship - Venture Capital Funds Supporting the Ecosystem category with Maxis Innovative Venture Capital Mutual Fund	
	· Gold Sardis in the Customer Experience - Banks category with My Life with İşCep	
	· Gold Sardis in the Artificial Intelligence - Banks category with the Credit Card Customer Journeys Supported By Artificial Intelligence	
	· Gold Sardis in the Cybersecurity Applications - Banks category with the Incoming Call Notification & Antivirus	
	· Silver Sardis in the Creative Communication - Best Corporate Image Film category with A 100-Year Gift (İş Sanat)	
	· Silver Sardis in the Best Launch/Relaunch category with First Signature	
	· Silver Sardis in the Creative Communication - Best Integrated Campaign category with TMOK (Turkish National Olympic Committee) Sponsorship	
	· Silver Sardis in the Digital Marketing - Best Social Media Campaign with the Show Your Report Card, Get Your Book series	
	· Silver Sardis in the Corporate Communication - Best	
	· Gold Sardis in Corporate Communication - Best Reputation Management category with 100 Years of İş Exhibition (İş Sanat)	
	· Gold + GRAND PRIZE Sardis in Corporate Communication - Best Event Management category with Atatürk Conference	
	· Gold Sardis in Corporate Communication - Best Integrated Corporate Communication category with 81 Forests in 81 Cities	
	· Gold Sardis in Best Mobile Application category with Digital Marketing with İşCep	
	· Gold Sardis in Digital Marketing - Best Inbound Tiered Marketing category with Tiered Customer Interaction Model	
	· Gold Sardis in Corporate Communication - Best Launch/Relaunch category with Technology to Make You Smile on İşCep, İşCep on Every Mobile	
	· Silver Sardis in Environmental Social Responsibility category with 81 Forests in 81 Cities	
	· Silver Sardis in Sponsorship category with İşbank 45 th İstanbul Marathon. The Race of the Century Sponsorship	
	· Gold Sardis in Culture/Arts Subsidiaries and Activities with İşbank Museum of Painting-Sculpture	
	· Gold Sardis in Community Social Responsibility category with Internet for 100 Villages	
	· Gold Sardis in Environmental Social Responsibility category with Seagrass Meadows	
	· Gold Sardis in Economic Social Responsibility category with the Twin Transformation Journey of 100 SMEs project	
	· Best Financial Institution of the Year Award	

National Awards		
Name	Result	Number of Awards
Felis Awards - Kapital Media Services (MediaCat)	· Social Media Felis in Short Video Contents category with Show Your Report Card, Get Your Book series · Social Responsibility&Sustainability Felis in Access to Quality Education category with Science Workshops · Bronze Curious Felis in Transformative Marketing Strategy Purpose Chasers - Social Purpose category with Science Workshops · Gold Curious Felis in Transformative Marketing Strategy - Shaking Up B2B category with CollectbyLink · Felis in the “Centenary of the Republic Communication Projects” category with RHM, Museum of Painting-Sculpture	5
Golden Compass Public Relations Awards - TÜHİD - Turkish Public Relations Association	· Golden Compass and the Grand Prize in the “Centenary of the Republic Communication Initiatives” category with “Centennial Events by İşbank” · Golden Compass in the Internal Communication category with “Maxiofis”	3



2024 Awards & Recognition

National Awards		
Name	Result	Number of Awards
BrandVerse Awards - Marketing Türkiye Magazine	- Gold in the Banks category as İşbank - Silver in Venue and Events category as İş Sanat - Gold in the “Centenary of the Republic Communication Initiatives” category in the PR main section with “Conference - Rethinking Atatürk’s Pioneer Vision Towards the Second Century of the Turkish Republic” - Silver in the “Event Management: B2C” category in the PR main section with “Conference - Rethinking Atatürk’s Pioneer Vision Towards the Second Century of the Turkish Republic” - Bronze in the “User Experience Design (UX/UI) category in the “Craft” main section with “İş Portföy Website” - Silver in “Quality Education” category in the “Social Responsibility and Sustainability” main section with “Science Generation Workshops” - Silver in the “Life Below Water and Life on Land” in the “Social Responsibility and Sustainability” main section with “Future of the Seas: Seagrass Meadows” - Silver in “Centenary of the Republic Communication Initiatives” category in the “Social Responsibility and Sustainability” main section with “Centenary of the Republic Social Responsibility Initiatives”	8
Effie Türkiye	Silver Effie in the “Payment Systems and Loyalty Programs” category with “The Youth is Mine”	1
Sustainable Business Awards	- Winner in the “Social Impact - Environmental” category with Forest for the Future - Winner in the “Social Impact - People” category with Science Generation Workshops	2

National Awards		
Name	Result	Number of Awards
Social Benefit Awards - Dünya Newspaper	- Winner in the Value-Adding projects - Education category with Science Workshops - Winner in the Value-Adding Projects - Climate Crisis category with Seagrass Meadows	2
Crystal Apple Awards - Advertising Association	- Crystal Apple in the Press/Sectoral Categories/Service category with İşÇep-Moneybox Ads - Silver in the Press/Sectoral Categories/Service category with İşÇep - Breathe Health Insurance - Bronze in the Regional Competition/Press/Service category with Kaf Maximum T-Shirt - Crystal Apple in the Direction- P/CYYP-CRAFT - Production/Best Director of Photography category with İşbank/Centennial of the Republic film - Crystal Apple in the Direction- P/CYYP-CRAFT - Production/Best Advertising Film Production category with İşbank/Centennial of the Republic film - Bronze in the F-Film (TV&Cinema and Online Film)/Film - TV&Cinema/Special Days category with the November 29th Republic Day, Centenary Film - Bronze in the F-Film (TV&Cinema and Online Film)/Online Film/Social Responsibility category with Internet for 100 Villages - Two Brothers Film - Additionally, “Brand Encouraging Creativity” award by the Crystal Apple jury	8
TİDE (The Institute of Internal Auditing - Türkiye) - “Awareness Award Ceremony”	“Social Awareness” award with “Science Workshops”	1
MarTech Awards - Pazarlamasyon	“Best B2B Infrastructure Technology” with “Digital Letter of Guarantee” “Best Mobile Application Technology” with “My Life with İşÇep” “Best Use of Technology on Other Media” with “Connected TV Integration İşbank & IPG1924 & TV Extra”	3



2024 Awards & Recognition

National Awards		
Name	Result	Number of Awards
GIGI Awards - Association of Marketing Communication Professionals	· In the Corporate Identity Design (Logo) “Design” category with RHM (Museum of Painting-Sculpture) · In the Support to Culture, Art and Sports “Social Responsibility and Sustainability” category with RHM (Museum of Painting-Sculpture) · In the Public Relations “Centenary Special Awards” category with the Centennial of the Republic Social Responsibility Initiatives (Atatürk Symposium, inauguration of RHM and Long Live Republic Exhibitions) · In the “Best Event” category with the “Conference - Rethinking Atatürk’s Pioneer Vision Towards the Second Century of the Turkish Republic”	4
Smart-i Awards	· Gold Smart-i in the “Innovative Customer Interaction/Experience” category with “Home Insurance with a Single Touch”	1
Insurtech Awards	· Most Insurtech Distribution Channel winner in the “Distribution Channel” category with “Home Insurance with a Single Touch”	1
Pioneers of Digital Finance	· “Pioneering Bank” award as İşbank	1
Start-upCentrum Startup Ecosystem 2023 Awards	· “Accelerator Program of the Year” award with “Workup”	1
PSM Awards - Erişim Medya A.Ş.	· PSM Awards Grand Prize · Gold in the “Most Innovative Product” category with the Twin Transformation Journey of 100 SMEs · Gold in the “Digital Transformation” category with Instant Vehicle Loan · PSM Award in the “Innovative Customer Interaction and Experience” category with İşCep Start-up Mode	4
KPMG Türkiye - FINTR Pioneers of Digital Finance	· İşbank was named the “Pioneering Bank”.	1
The Hammers Awards - Pazarlamasyon	· Gold Prize in the “Best Team in Gender Equality” with “Women’s Power in Entrepreneurship Project”	1

National Awards		
Name	Result	Number of Awards
Globee Business Awards	· Winner in the “Reputation Management” category with the Centennial of the Republic Social Responsibility Initiatives (Atatürk Symposium, inauguration of RHM and Long Live Republic Exhibitions) · Winner in the “Brand Development” category with the corporate identity design for RHM (Museum of Painting-Sculpture)	2
World Art Day “Wallace Hartley” Awards	· Winner in the “Best Art Institution 2024” category with RHM (Museum of Painting-Sculpture)	1
Arkitera Employer Award	· Winner in the “Private Sector” category with RHM (Museum of Painting-Sculpture)	1
Reputation Academy	· İşbank was ranked among “leader brands” in the Women’s Preferred Brands Index. · İşbank was named the “Diamond” brand on the Benefit to the Economy Index. · İşbank was named the most prestigious bank in the İşbank Youth Index and Reputation Index Türkiye surveys, and was ranked among the most	3
İstanbul Marketing Awards	Awarded in the: · “Special Day” category with the “İşbank Music of the Century Concert” · “Corporate and Brand Events” category with the “Centennial Events of the Republic and İşbank”	2
Golden Spider Web Awards	· “Most Accessible/Mobile App” award with “İşCep” · Second place in the “Mobile App/Banking & Finance/Fintech” category with “İşCep” · Second place and People’s Favorite in the “Mobile App/Service” with “İşCep” · Third place in the “Mobile App/Shopping” category with “İşCep” · People’s Favorite in the “Integrated Campaign/Digital Marketing” category with the “My Mobile Phone is Also My Maximum Card”	5
Master Of Events Ace off M.I.C.E Awards	· “Summit of the Year” Award with “Conference - Rethinking Atatürk’s Pioneer Vision Towards the Second Century of the Turkish Republic”	1
Total		91
Grand Total		141



Responsible Operations

- 150 Reducing the Negative Impacts of Operations
- 160 Decent Work



Reducing the Negative Impacts of Operations

RELATED STAKEHOLDERS

- Employees
- Business Partners
- Suppliers

İşbank has integrated a number of matters including optimization of natural resource consumption, development of eco-friendly products and services, considering environmental and social risks in its lending activities, and enhancing stakeholder awareness.

In managing its wide operations network, the Bank aims to minimize its environmental impacts, ensure that its business norms are embraced by its suppliers, and be a reliable employer for all its employees.

MATERIAL TOPICS

- Climate Action
- Employee Rights, Loyalty and Satisfaction
- Responsible Purchasing and Supply Chain Management

Risks

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

Opportunities

- » Reducing operational expenses and observing resource efficiency with energy efficiency, reduction of water consumption, and paperless banking
- » 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 and responsible supply chain management

CONTRIBUTED SDGs



RELATED CAPITALS

- Natural Capital
- Social-Relational Capital

Key Performance Indicators

	2022	2023	2024
GHG Emissions (tCO₂e)			
Scope 1	22,119	18,333	20,040 ✓
Scope 2 ¹	0	0	0 ✓
Scope 3	10,846	10,803	9,947 ✓
Total (Scope 1 + Scope 2)	22,119	18,333	20,040 ✓
Emissions Intensity			
Emissions per employee (tCO ₂ e/number of employees)	0.95	0.87	0.97 ✓
Emissions according to consolidated total assets (tCO ₂ e/million TL)	0.01	0.01	0.01 ✓
Emissions according to consolidated total assets (tCO ₂ e/million USD)	0.24	0.18	0.18 ✓
Emissions according to consolidated net profit (tCO ₂ e/million TL)	0.32	0.21	0.31 ✓
Emissions according to consolidated net profit (tCO ₂ e/million USD)	5.97	6.25	10.99 ✓
Balance Sheet USD Rate	18.65	29.44	35 ✓
Energy Consumption			
Total Energy Consumption (GJ)	607,022	508,429	532,931 ✓
Total Energy Consumption (MWh)	168,617	141,230	148,036 ✓
Total Electricity Consumption (MWh)	122,652	108,720	115,430 ✓
Total Gas Consumption (m³)	4,529,353	3,326,108	3,292,868 ✓
Fuel Oil Consumption (lt)	1,011	900	700 ✓
Coal Consumption (kg)	26,954	12,211	6,000 ✓
Diesel Consumption (lt)	333,258	191,938	237,056 ✓
Total Water Consumption (m³)			
City Water	282,919	318,050	301,545 ✓
Rainwater ² (reclaimed/reused water)	8,820	4,047	5,477 ✓
Potable Water ³ (tanker water + bottled water)	3,063	3,422	2,786 ✓
Total Amount of Wastewater	291,739	322,097	307,022 ✓
Fuel Consumption by Vehicles (lt)			
Fuel Consumption of Company Vehicles (Diesel)	2,659,440	1,846,268	1,397,654 ✓
Fuel Consumption of Company Vehicles (Gasoline)	1,344,827	2,205,462	2,787,594 ✓
Fuel Consumption of Employee Shuttles (Diesel)	530,861	596,531	589,561 ✓
Business Travels by Personal Vehicles (Diesel)	57,855	57,329	48,790 ✓
Business Travels by Personal Vehicles (Gasoline)	65,546	70,440	93,117 ✓
Business Travels by Personal Vehicles (LPG)	26,014	39,218	28,441 ✓
Paper Consumption (tons)	963	914	792 ✓

¹ Since electricity consumption is I-REC-certified, Scope 2 emissions are calculated as “0”. In 2024, the amount of energy generated from renewable sources accounted for 100% of the total energy consumption.

² Represents the amount of rainwater collected at the Head Office (Tower and ATLAS Data Center) for 2024.

³ Represents the amount of potable water consumed at the Head Office buildings. The amount of potable 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, potable water is supplied by bottled and carboy water.



Reducing the Negative Impacts of Operations

	2022	2023	2024
Amount of Waster ⁴ (tons)			
Total Amount of Waste	1,719	1,814	1,894✔
Amount of Domestic Waste	1,118	1,150	1,200✔
Amount of Hazardous Waste (batteries, fluorescent lamps, car batteries, cells, toner cartridges, medical waste)	6	21	28✔
Amount of Electronic Waste	74	56	47✔
Medical Waste	3	3	4✔
Total amount of recycled waste ⁵ (tons)	599	660	687✔
Total amount of recycled paper waste (tons)	353	417	441✔
Amounts of recycled non-hazardous waste ⁶ (tons)	164	170	176✔
Plastic	10	19	20✔
Metal	5	10	12✔
Glass	59	50	4✔
Plastic + Metal (Branches)	90	92	139✔
Amounts of recycled hazardous waste ⁶ (tons)	8	17	23✔
Batteries	1	1	0.7✔
Fluorescent lamps	0.35	3	11✔
Car batteries	2	7	1.42✔
Cells	0	0	0✔
Toner cartridges	0.28	0	0✔
Total amount of hazardous waste (Branches)	5	6	9✔
Amount of recycled electronic waste (tons)	74	56	47✔

⁴Includes Head Office buildings and all service buildings possessing ISO14001 certification.
⁵Total amount of recycled waste includes recycled non-hazardous waste, recycled hazardous waste, paper waste and electronic waste and reported data pertain to all buildings.
⁶The amounts of recycled non-hazardous and hazardous waste broken down by type of waste started to be obtained in 2022; reported data pertain to all buildings.

Supplier Data ¹	2022	2023 ²	2024
Number of Local Suppliers	3,673	2,389	3,012
Ratio of Local Suppliers (%)	94.09	97	94.2
Ratio of Procurement from Local Suppliers (%)	87.71	96	95.5
Total Number of Suppliers	3,783	2,539	3,196

¹ In calculating the ratios, companies registered in the trade registry and operating in Türkiye were considered as local companies.
² The decrease in the number of suppliers compared to 2022 stems from the change in the purchasing application used. Upon the transition to the new purchasing application, suppliers that were not engaged in 2023 have been deleted from the database.

Targets

2024 Targets	2024 Realizations	Status	Targets for 2025 and Beyond
Ensure carbon-neutral execution of its operations from 2026 onwards in terms of total Scope-1 and Scope-2 emissions	79%	In progress	Ensure carbon-neutral execution of its operations from 2026 onwards in terms of total Scope-1 and Scope-2 emissions
Supply at least 50% of the eligible consumer electricity consumption from clean energy sources by 2025 and 100% by 2030, in line with the Bank's GHG emissions reduction targets (target baseline year: 2021)	%100	Completed	Supply 100% of the eligible consumer electricity consumption from clean energy sources in line with GHG emissions reduction targets
Obtain ISO 14001 Environmental Management System certification for all of the Bank's operation and service locations by the end of 2024	%100	Completed	Renew the ISO 14001 Environmental Management System certification annually
Completely eliminate paper consumption on the back of digitalized processes by the end of 2024	%92	In progress	Zero paper consumption in digitalized processes by 2025
Expand the remote monitoring system for tracking the consumption at buildings and any defects that might increase consumption in line with the Bank's target to reduce energy consumption	270 buildings	In progress	450 buildings for 2025; all buildings in 2026
Keep the ratio of local suppliers at 94.1% minimum	94.2%	Completed	94
Keep the ratio of green procurement at 3% minimum until 2025	6.11%	Completed	6

Environmental Impact Management

İşbank believes that the responsible use of natural resources and minimizing environmental impact from operations are among the fundamental duties of both individuals and institutions. Along this line, İşbank assumes responsibility for climate action in order to minimize its negative impact on the environment when pursuing its activities. The Bank consolidates this responsibility with the targets it sets and the commitments it makes.

In addition, İşbank carries out numerous improvement and efficiency projects to reduce the negative environmental impact it causes.

Climate Targets

As part of the fight against climate change, İşbank has established its climate change risk strategy and incorporated them in its corporate risks catalogue. 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. Having started to supply renewable energy in 2021, İşbank began meeting its electricity consumption entirely from renewable sources since 2022.

Going beyond these targets, the Bank assessed its Scope-3 emissions caused by lending activities and the supply chain using a target-based approach in 2023. Having become a member of the Net-Zero Banking Alliance to reduce its emissions resulting from its lending operations that are addressed under Scope-3, Category 15 sub-class, İşbank discloses the activities carried out in this context under the heading “Decarbonization Targets”. The Bank has announced its emissions reduction targets in all sectors defined as carbon-intensive by the Alliance and sustained its pioneering role in the sector with this step.

Environmental Management System

Since 2018, ISO 14001 Environmental Management System has been in place at İşbank to reduce its environmental impact and establish an environmental management system that meets international standards. As of 2024, all İşbank locations hold Environmental Management System Certification and efforts are ongoing to obtain zero waste certification under the Zero Waste Legislation at in-scope locations. Branch data are collected online through the Sustainability Platform. The Environmental Management System is

audited annually by the Internal Control Division. In 2024, no fines were imposed on account of non-compliance with environmental laws and regulations.

In 2024, 467 employees who will act as environmental officers took part in the Environmental Management System Training and 11 employees who will carry out the internal audit of this system attended the Environmental Management System Internal Auditor Training. New hires are familiarized with the Environmental Management System in the “Getting to Know Our Bank” course as part of the “Starting My Career” induction training. Within the scope of awareness raising activities regarding the Environmental Management System, online workshops were organized to inform and raise awareness of employees about the system. Additionally, informative content about the topic is shared via the mobile application. İşbank is committed to maintaining the Environmental Management System in the future, which it has established in accordance with international standards.

Environment-Friendly Service Points

İşbank’s Head Office Tower building in Levent, İstanbul is BREEAM In-use Excellent certified. Tuzla Technology and Operations Center (TUTOM) is LEED Gold certified.

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

In the Head Office, TUTOM and ATLAS buildings, all wastes are sorted and recycled under the ISO14001 Environmental Management System Standard.

Efficiency in Branches

The Bank carries out various initiatives for energy, water and paper saving at its service buildings for reducing environmental impact and efficient use of resources. Having assigned the target of reducing total waste by 3% and total resource consumption by 5% as compared to 2023 in its Branches and Head Office, the Bank monitors branches’ consumption data via the “Sustainability Platform”.

Highlights of İşbank’s efficiency initiatives in 2024 are as follows:

- Within the scope of the work co-conducted by İş Enerji and İşmer, the SPP with a capacity of 20.87 MW installed in Ahlat, Bitlis for fulfilling the electricity consumption at İşbank’s Head Office buildings is slated for opening in 2025.
- İşbank Malatya SPP project with a capacity of 26 MW, for which the necessary work is commenced and is currently undergoing the approval process, will fulfill the electricity need of 178 service buildings with solar power.
- I-REC certificate was purchased also in 2024, proving that the electricity consumed is sourced from renewables.

- Targets serving to energy efficiency are incorporated in employees’ performance scorecards.
- Remote monitoring/energy management system installation efforts for branches are in progress.
- Lighting fixtures in branches were replaced with LED fixtures that provide more than 50% saving in terms of lighting energy.
- To support recycling of field assets managed by the IT Division, scrap sales and toner cartridge returns were made. Authorized firms holding AEEE certificate are engaged for all recycling activities in line with the Bank’s rules.
- Zero Waste Certificate application was filed for ATLAS Data Center.
- The use of disposable plastics was minimized, and reusable glass bottles are preferred instead of single-use plastics at the highest extent possible.

Business Continuity Management Program

Since 2009, İşbank has been implementing a Business Continuity Management Program aimed at mitigating the impacts of climate change-related natural disasters like floods, wildfires, earthquakes and extreme weather events upon its operations. 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.

Entailing studies that will produce inputs for information systems recovery plans and strategies, and monitoring branch continuity, the Program is supported by training programs for all employees.

In 2024, business continuity recovery strategies were put into action within one business day at branches that sustained service interruption. The digital training programs covering the Bank's general principles and policies about Business Continuity Management are offered to all employees on the Learning World Platform. The overall completion rate of the training has reached 84% in the Bank.

Through Business Impact Analyses conducted within the scope of the Business Continuity Management Program, relevant Head Office Divisions evaluate all Bank processes, including critical services, with respect to potential:

- financial impacts,
- reputational impacts,
- legal, regulatory, contractual impacts,
- operational and business target impacts

in case of a disruption in these processes. As the result of these assessments, each process is classified in a "Criticality Level" categorized as Very High, High, Medium, or Low.

Business Continuity Plans are prepared for each Head Office Division to ensure that, in the event of a disruption, the processes can be restored within 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, is used to effectively and efficiently resume critical business functions in the event of a major disruption of the Bank's computer and communication resources.

Business continuity at the Bank is managed in accordance with the Regulation on the Information Systems and Electronic Banking Services of Banks, BS25999, ISO 22301, BRSA Good Practice Guideline - Guideline on Operational Risk Management and the Regulation on Internal Systems and Internal Capital Adequacy Assessment Process of Banks.

İşbank has been designing business continuity testing, Crisis Management Drills for the business continuity managers in the Head Office Divisions and the Bank's senior management, and the communication chain testing that will ensure continuity of communication during a crisis for the upcoming periods. Communication chain testing verifies the validity of the contact information for critical individuals assigned with the execution of the Information Systems Continuity Plan, employees having a responsibility under this plan, and external service providers, and that these individuals are accessible and ready for duty.

In case of a disruption in the services of a branch, a recovery terminal can be designated in another alternative branch unaffected by the contingency and customer transactions can be followed up through this alternative branch. In addition, business continuity of branches can also be guaranteed through remote working in necessary cases, as evidenced in the new working models experienced during the Covid-19 period.

During 2024, 12 branches experienced an extraordinary situation due to water-related risks resulting merely in short-term service disruptions, which were managed without causing any customer dissatisfaction.

Following the earthquakes centered in Kahramanmaraş on 6 February 2023, which affected 11 provinces, business continuity in the impacted regions was maintained through branch-based remote working assignments. In line with this practice, and with the aim of enhancing preparedness for potential future disasters, the implementation has been expanded. Accordingly, in 2024, backup branches located in different regions have been designated for all branches.

Business continuity efforts at İşbank are carried out under the responsibility of the Disaster and Emergency Coordinator, a position created by early 2024 and reports directly to the CEO.

As part of our Bank's Information Systems Continuity framework, at least six Disaster Recovery (DR) tests are conducted annually. One of these tests is a regulatory requirement, conducted in accordance with the "Regulation on Information Systems and Electronic Banking Services of Banks" issued by the Banking Regulation and Supervision Agency (BRSA), and its results are reported to the Bank's senior management.

Disaster and Emergency Response Management

The activities within the scope of the "Disaster Management and Coordination Program", which was launched in the second half of 2023 to increase the Bank's resilience and organizational strength in the face of potential disasters that our country may be confronted with, especially the Marmara earthquake, participated by over 50 employees, and were carried on in 2024 under the responsibility of the Disaster and Emergency Coordinator.

Intended to make İşbank the "Most Disaster-Resilient Bank", the program addresses the following topics:

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

Within the Program:

- Work was initiated to perform all activities within the frame of the Bank's Business Continuity Management Program over the Governance, Risk and Compliance (GRC) platform. The project is aimed at digitalizing all manual processes, and monitoring and managing a broad array ranging from critical processes to off-site backup in a much more systematic manner. As for IT Continuity, the Bank's maturity level is evaluated based also on international good practices.

- For ensuring the Bank's business continuity, 90% of the employees that will be needed to avoid any disruption to business and services in case of a possible disaster work outside the Marmara Region; exercises and drills are targeted at comprehensively and hands-on testing the scenarios where the Head Office teams in İstanbul are unable to work.
- Solutions are in place to respond to sheltering needs of employees in case of a possible disaster in the Marmara Region.
- Examinations have been planned to ensure that all buildings of the Bank are secure against earthquakes. Duties and responsibilities for the management of Mobile Branches have been determined, and pilot runs were carried out for conducting risk assessments for Bankamatik ATMs and providing energy continuity.
- Steps that can be taken to reach employees immediately after an earthquake have been considered. In order to ensure the continuity of branches in the event of disruptions to the overall communication infrastructure, installation of the KA-Band satellite internet infrastructure have been initiated.
- The Bank has six Search & Rescue Teams on which 114 employees serve.

- The Learning World Platform offers 24 different training topics targeted at raising employees' awareness and consciousness of disasters. These programs have been watched 25 thousand times by 9,416 employees as of end-2024.

Corporate Crisis Management

İşbank conducts its corporate crisis management initiatives as a distinct component of its Business Continuity Program. In this context, one crisis management exercise was conducted in 2024, which was participated by the Bank's senior management as well. Two communication chain tests were carried out under the BSEB Regulation.

Furthermore, Foreign-Capital Companies Branch design was brought to completion on 26 August 2024 upon a reassessment of the Crisis Center locations.

İşbank will carry on with efforts to support corporate crisis management processes through exercises and drills at various levels in 2025 as well.

Responsible Supply Chain Management

Believing that sustainable development can be achieved by pursuing responsible business models, İşbank aims to spread its business approach and standards across its supply chain as well. The Bank strives to achieve sustainable business success with a financially strong, environmentally friendly, and reliable supply chain with high-quality production and continuity.

In the selection of its suppliers, İşbank considers environmental and social criteria. The Bank has adopted the principle of continuously improving its employees together with its suppliers, ensuring organizational excellence and consistently improving business processes.

While observing sustainability criteria in its procurement processes, the Bank prioritizes products and services that are environmentally friendly, made from recyclable materials, and/or have a lower environmental impact. Within the scope of İşbank's Sustainability Policy, efforts are made to minimize the negative environmental and social impacts arising from suppliers, while maximizing the positive effects to the greatest extent possible.

İşbank's 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 expected to be complied with by all suppliers in procurement. The Bank's Supplier Code of Conduct also makes references to the Anti-bribery and Anti-corruption, Gifts and Hospitality policies.

In addition, centralized monitoring reports and various intelligence inquiries are conducted prior to tenders. Detailed information regarding intelligence processes is provided in the Bank's internal document titled Purchasing Division Internal Processes and Operating Principles. Quotations may not be demanded and orders may not be placed with a supplier that is included in the banned list of suppliers on the procurement application used as long as the ban remains in place.

 [Supplier Management Principles](#)

In 2024, İşbank made a series of improvements in its supplier database. Accordingly, it removed suppliers with whom it had ended cooperation from the system and included those that are recently engaged.

51% of the total TL 27.3 billion worth of orders placed in 2024 pertain to the Information Technologies category. The main procurement items, which make up 94% of total orders, are as follows: Construction and Real Estate (20%), Service Building Management (7%), Call Center (7%), Logistics (5%), and Transportation (4%).

In terms of the number of suppliers, orders worth TL 27.3 billion were placed via 1,100 firms. The distribution of companies among the three main purchasing categories is: 35% Information Technologies, 41% General Product and Service Procurements, and 24% Construction Procurement and Real Estate Rentals.

İşbank also conducts market research to track whether domestic alternatives have become available for products and services that had to be procured from foreign companies previously due to absence of domestic equivalents.

Strategic Goals in Procurement Activities

Through its procurement practices, İşbank prioritizes enhancing the Bank's overall performance, designing the Bank and the customer experience of the future, and making an impact on sustainability aspects.

Targeting to increase internal customer satisfaction through process improvement initiatives, İşbank contributes to sustainability also through green procurement. Green procurement encompasses all products and services made from environment-friendly and recyclable materials. During the calculations of the realization value for this goal, the denominator is the total value of all orders (i.e., the total procurement amount), and the numerator includes those products that are recyclable or produced from eco-friendly materials.

In 2024, the number of suppliers with which İşbank had an active business relationship was 3,196. The proportion of suppliers engaged based on environmental and social criteria accounted for 2% of the total supplier portfolio.

Procurement Application

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.

Every year, the Bank carries out a study with its key suppliers via the Procurement Application, emphasizing sustainability objectives and highlighting the importance of the issue.

The primary purpose of this study is to raise suppliers' awareness of sustainability. The study identifies the status of suppliers in this respect, helps create awareness, and also ensures that suppliers of services/products recognize the Bank's commitment to this issue.

The Sustainability Survey comprises 35 questions under four main topics: Employee and Human Rights, Environment, Sustainable Procurement, and Ethics.

Apart from this study, İşbank also considers whether a supplier has an active environmental management system, fulfills legal obligations related to waste disposal associated with the activities carried out for the Bank, uses recyclable materials, and the frequency of environmental emergencies, if any.

The questions in this survey as for the suppliers' positions on climate change, anti-corruption, human rights, water management, and gender equality. Suppliers evaluated under the water management criterion represented 50% of the Bank's total orders in the past year. Additionally, of the 68 suppliers, 41 reported carrying out various initiatives against climate risks, 44 had anti-corruption policies, 29 performed human rights assessments, whereas 40 suppliers stated that they have policies on preventing/combating child labor in place. While data on the percentage of female employees varied, 65% of the suppliers stated that they have gender equality policies. Furthermore, 40 suppliers claimed to have practices that support work-life balance.

Decent Work

RELATED STAKEHOLDERS

- Employees

İşbank shapes its human resource management in alignment with the requirements of the new world and the expectations of new generations. Considering its employees as its most valuable capital, the Bank provides a peaceful, safe, respectful, fair, and supportive working environment and boasts a workforce that is in harmony with its corporate culture and shared goals.

With a strategic human resource management perspective, the Bank supports its employees throughout their development journeys by equipping them with the skills needed today and in the future.

MATERIAL TOPICS

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

CONTRIBUTED SDGs



RELATED CAPITALS

- Intellectual Capital
- Human Capital

Risks

- » Loss of experienced and qualified employees at İşbank which only hires new graduates and young professionals
- » Not being the employer of choice for talented and successful new graduates and young professionals
- » Decreased employee loyalty due to changing demands, expectations and work habits
- » Loss of workforce and reputation due to failure to meet expectations of current and potential employees

Opportunities

- » Being the employer of choice for potential employees with a trusted brand and trusted employer reputation
- » Maintaining high employee satisfaction by offering long-term career opportunities through İşbank's promotion-from-within culture
- » Being a preferred institution for young professionals thanks to practices in agile business models, artificial intelligence, data analytics, and comprehensive training programs
- » Being among the leading institutions of in the sector in terms of diversity and equal opportunity, and a bank preferred especially by female employees
- » Keeping employee motivation high by promoting work-life balance

Key Performance Indicators

	2022	2023	2024
Employee turnover rate (%)	1.90	1.63	1.65
Number of practices that support employee satisfaction	16	17	19
Participation rate in employee satisfaction survey (%)	89	86	86
Unionization rate (%)	97.5	97.2	97.31 ✓
HR practices satisfaction score as per working life assessment questionnaire	72	72	71
Ratio of female employees to total number of employees (%)	55	53	54.68
Ratio of female employees in senior and middle management (%) (Il. manager and above)	42.6	40.29	41.32 ✓
Average training hours per employee per year*	43	56.5	58 ✓
Ratio of digital training to total training (%)	25	30	25 ✓
Training hours per person in management and leadership development programs	22.1	39.5	34.7 ✓
IT upskilling training hours per person	36.1	43.8	26.8 ✓
Training hours per new hire in the first year	108	140	142 ✓
Number of suggestions conveyed by employees	4,702	3,894	3,208

* Figures for 2022 and 2023 exclude those attending refresher training for private security, and the number of actual employees exclude Private Security Personnel and Janitorial staff. 2024 figures for training and actual employees exclude Private Security Personnel and Janitorial staff.

Targets

2024 Targets	2024 Realizations	Status	Targets for 2025 and Beyond
Improve the Bank's working climate and culture in 2024 by focusing on the adoption of agile values and principles, and in this context, sustain development journeys specific to Agile Roles	During the expansion of agile culture and good practices in the agile working model across the Bank, Product Owner and Agile Ambassador development programs were carried on in cooperation with agile coaches with the aim of promoting the adoption of the agile culture in the code of conduct and interpersonal relations. Training programs for Agile Coaches were carried out through Team Competencies and Competency Line Leaders Development Programs.	Completed	-



Decent Work

2024 Targets	2024 Realizations	Status	Targets for 2025 and Beyond
Present the Performance Management System, including its update, to all employees	All new features of the performance evaluation system were introduced in 2023. In this context, additional functions for year-round performance follow-up and feedback (interim and previous manager assessment, additional notes, etc.) and individual development plans aimed at supporting employee development have been enforced.	Completed	Functional developments for increasing the efficiency of the Performance Management System (development of the algorithm for 360 degrees teammate identification, improvement of the manager assessment revision authority, vesting the screens and reports in a more user-friendly structure, etc.) have been introduced. The said features will be first used at the onset of 2025 as part of 2024 performance assessments. Accordingly, new developments are planned to be effected in 2025 in line with the feedback for the said novelties and the system.

2024 Targets	2024 Realizations	Status	Targets for 2025 and Beyond
Carry on with the Data Analytics Development Program	During 2024, 2,379 people in total received 24,488 hours of training under the program. Since the inception of the program to date, a total of 1,094 people completed the “public” part of the program and acquired basic level data analyst skills, 80 of whom started working in prospective data analyst role.	Completed	Data Analytics Development Program is intended to be carried on.
Enrich the Learning World, the Bank's digital learning platform, with gaming mechanics and establishing events within the learning game İşLegends for building on employees’ knowledge and increasing their awareness of periodically changing needs and topics aligned with the Bank’s priorities	Development of basic gaming mechanics in the infrastructure of the Learning World have been completed. Gamification is slated for going live in 2025, during which time it will be monitored. Events mechanic was introduced on İşLegends learning game and in-game events were organized.	Completed	It is planned to introduce the basic gamification mechanism on the Learning World infrastructure and to track the related system during the year to determine the roadmap for the next gamification level.

Employee Loyalty and Satisfaction

İşbank maintains a deep-rooted corporate culture and a work environment where employees are supported in alignment with the evolving requirements of the modern era. The Bank retains its employees as members of the İşbank family for many years through investments in their professional and personal development and motivation-enhancing practices.

The Bank measures employee loyalty and satisfaction through regular surveys. The outcomes of these questionnaires covering such areas as training activities, performance management, career development, recruitment, compensation, and reward system, which are intended to enhance employee satisfaction, are reviewed by management and necessary improvements are made.

In 2024, 86% of the Bank's employees participated in the employee engagement and satisfaction survey conducted by an independent firm. The employee loyalty score was measured at 65%.

The long tenure of employees at İşbank is an important indicator of employee satisfaction and loyalty. 63.3% of employees have been working at İşbank for over 10 years. As of year-end 2024, employee turnover rate was 1.65%, and the voluntary turnover rate was 12.01%.

İşbank not only seeks to support its employees progress in their careers and improve their working conditions but also aims to boost their motivation through social activities that promote work-life balance.

İşbank believes that employee loyalty and satisfaction form the foundation of its corporate success, and continuously enhances the employee experience in line with this belief.

In 2024, the Bank increased the number of social activities for employees, secured more tickets for cultural and arts events, offering subsidized participation opportunities. Under the "You're the Focus" initiative, new partnerships were established. In many locations, sports festivals and bowling tournaments were held as part of the Employee Communication Platform and Programs (in Turkish: ÇİPP), emphasizing the unifying power of sports.

The İşbank ÇİPP team participated in charity runs such as Runtalya, İzmir Marathon, İstanbul Half Marathon, Bursa Eker Run, and İstanbul Marathon, raising funds for non-profit organizations such as the ÇYDD, Darüşşafaka Society, KEDV, Koruncuk, TEV and TEMA Foundation.

The Bank's future plans include integrating human resources processes into the İŞİM mobile application, creating spaces for employees to share personal content, and improving the overall experience.

Employee Rights

İşbank is committed to fulfilling the requirements deriving from the international covenants to which Türkiye is a party, in particular, the Universal Declaration of Human Rights and the International Labour Organization (ILO)'s fundamental principles on labor rights, children's rights, human rights, and social justice.

97.31% of İşbank employees, acting of their own free will, are union members under the freedom of association. The Bank is among the institutions with the highest rate of unionized employees in the sector. In February 2024, the 29th Collective Labor Agreement was signed with BASİSEN (Union of Bank, Finance and Insurance Workers).

Remuneration

İşbank has defined all economic and social rights of its employees in the Remuneration Policy, which is based primarily on the Collective Labor Agreement, its internal regulations, applicable legal provisions. The ultimate authority and responsibility for effective management of the Bank's compensation practices in compliance with applicable legislation and the said Policy rest with the Board of Directors.

The Remuneration Committee is responsible for preparing remuneration-related decisions to be submitted for the approval of the Board of Directors. The Committee is responsible for ensuring that remunerations are aligned with the Bank's risk appetite, ethical values, internal balances, and strategic goals, and for regularly monitoring the effectiveness of the Policy.

İşbank has established a working environment where employee rights are fully protected and has publicly disclosed its commitments in this area in its "Human Rights and Human Resources Policy" published on its website.

Based on end-2024 calculations using fixed daily wages, the unadjusted gender pay gap was 7.09% , while the median pay gap was -0.65% . İşbank ensures transparency and measurability in its compensation process with allowing no gender-based pay differences. Each year, the Board of Inspectors conducts an equal pay audit.

The Bank's standard entry-level salary is approximately 1.65 times the minimum wage. İşbank provides consolidated salary data for 98.98% of its workforce, and 40.51% of the top 10% highest-paid employees are women.

İşbank has established a target compensation system for division heads, all employees, and branches, in which the targets vary according to employees' job roles and are periodically reviewed in line with the Bank's strategic priorities.

Sustainability performance is evaluated for the Bank's division heads, all employees and branches in line with the Bank's strategic goals and based on specific indicators, and is incorporated into the compensation system under an incentive-based mechanism. Specific indicators include sustainability performance goals such as the share of sustainability-themed loans, green loans, and renewable energy projects in the portfolio, and the ratio of green procurement, etc.

The remuneration model offered to employees is shaped by a total reward approach, taking into account the results from the banking sector compensation research conducted by independent organizations. This is intended to provide a fair and balanced reward structure that pays due consideration to the Bank's positioning within the sector, current market dynamics, and internal balance.

Employee Rights

Benefits

In addition to monthly salaries, İşbank provides various employment benefits. All employees, regardless of title and tenure, are entitled to healthcare support in accordance with the Healthcare Benefit Implementation, meal and transportation benefits, and support packages such as marriage allowance, maternity allowance, child allowance, natural disaster relief, moving expenses, death and permanent disability insurance, bonuses, premiums, title compensation, and relocation allowance.

Special leave entitlements for employees are determined by the Collective Labor Agreement in force. Under this agreement, paid leave in varying durations is granted for circumstances including marriage, maternity, adoption, the death or serious surgery of a first-degree relative, property damage due to natural disasters, accompanying a hospitalized dependent child, or the treatment of a child with a disability or chronic illness.

İşbank ensures the health, safety, and well-being of all its employees regardless of gender, while paying particular attention to the specific demands and needs of women.

Female employees are granted one day of leave per month for pregnancy-related medical check-ups. Breastfeeding rooms are provided in İş Towers, TUTOM, and ATOM buildings for new mothers.

Female employees returning from maternity leave can resume their duties in the same position and at the same location. Thanks to these facilitative practices, all women who went on maternity leave in 2024 returned to work.

İşbank ensures the health, safety, and well-being of all its employees regardless of gender, while paying particular attention to the specific demands and needs of women.

Additionally, female employees working at the TUTOM location can benefit from the Tuzla Bilfen Private Kindergarten for children aged 36-72 months.

Under the 29th Collective Labor Agreement, İşbank provides financial support to compensate internet and energy costs incurred by employees during remote working days.

Moreover, in 2024, the Bank continued to provide temporary earthquake support payments to employees working in regions affected by the 2023 earthquakes.

Within the scope of the “Odak Sensin” (You’re the Focus) project, İşbank also offers free medical, psychological, and daily life services supporting workplace stress management to employees through several partners, namely Avita, Meditopia, and Heltia. In 2024, 1,141 cases in various areas were initiated through the Avita platform. Meditopia, a well-being app, was made available

to approximately 1,800 employees for annual use. Additionally, 1,208 sessions were held under the Bank’s company psychologist agreement.

The Heltia app, made available for use by employees in December 2024, was used by nearly 750 employees within its first month, who completed over 1,700 sessions on topics such as psychological well-being, healthy eating, and physiology. In 2024, with support from its affiliate Bayındır Hospitals, the Bank organized various health-focus events and hosted online seminars on healthy living.

Supporting employee health also with the sports facilities it provides, İşbank opened gyms in its Head Office buildings and, upon request, provided top-up balances through an app that employees could use to access external fitness facilities.

Compliance with Operating Principles

İşbank adopted the Banking Ethical Principles issued by the Banks Association of Türkiye immediately after they were introduced in 2001 and has since adhered to them in its operation. Based on the Board of Directors decision dated 26 October 2021, the Bank’s “Ethical Principles and Code of Conduct” came into force. Additionally, arrangements concerning employees and work life were included in the Collective Labor Agreement and Human Resources Regulation.

The implementation of İşbank’s “Human Rights and Human Resources Policy” is carried out under the supervision of the Human Resources Committee, particularly in line with Article 19 of Section III - “Founding Principles.” Compliance with the provisions in the policy is audited as part of internal audit. The principles for corrective action plans regarding any irregularities established in the audits are determined by the Human Resources Committee.

This policy is reviewed at least once a year by the Human Resources Committee in light of changing needs and operating conditions. Any updates and revisions deemed necessary are submitted by the Committee to the Board of Directors for approval and enforcement.

The policies adopted under İşbank’s Sustainability Management System have been announced to employees as an attachment to the Sustainability Management System Implementation Guidelines no. 11621 issued by the Investor Relations Division. The policy was most recently updated in April 2024.

İşbank closely monitors compliance with its operating principles that is considered a part of its core business processes through audits and communication activities.

İşbank closely monitors compliance with the operating principles through various audits and communication activities. In case of a suspected or reported non-compliance with the operating principles established during the course of its ordinary audits, the Board of Inspectors thoroughly investigates the matter.

If the suspicion or the claim is supported by concrete findings, then appropriate disciplinary measures are implemented in accordance with the relevant procedures and provisions of the Human Resources Regulation and the Collective Labor Agreement, up to and including contract termination. Where legally required, such violations are also reported to judicial authorities. In 2024, 57 investigations were initiated and referred to the relevant Head Office Divisions.

The Bank does not have any activities bearing the risk of forced or compulsory labor; in 2024, there were no incidents of non-compliance associated with bribery or corruption, discrimination or harassment, loss of customer data, conflicts of interest, money laundering, or insider trading at the Bank.

Another mechanism that İşbank uses to define its values, principles, standards, and norms of conduct is its Anti-Bribery and Anti-Corruption Policy. The Policy is implemented by the relevant Head Office Division under the supervision of the Human Resources Committee. Updates and revisions are subject to approval by the Board of Directors.

Compliance with Operating Principles

Internal Communication and Employee Participation

İşbank collects and integrates employee ideas, suggestions, complaints, and feedback received through continuous communication channels in its management and decision-making processes. Along this line, the Bank has established various platforms aimed at systematically ensuring employee participation.

- Under the **Employee Communication Platform and Programs** (in Turkish: ÇİPP), employees participate in trend surveys, which are used to plan future activities. The platform is also used to organize cultural trips, online workshops, competitions, parenting seminars, and e-sports activities, and facilitates employee participation in social responsibility initiatives. Hobby and interest groups formed through ÇİPP help employees expand their internal communication networks.
- Through the **HR Help Desk (Maximo)**, employees' opinions, evaluations, requests, and complaints are received and forwarded to the relevant units.
- The **Ethics Hotline** allows employees to report actual or suspected violations of İşbank's Ethical Principles and Code of Conduct, internal policies and guidelines, or national and international legislation. Confidentiality is a fundamental principle, and the reporting person's identity is kept confidential unless

he/she permits disclosure. Employees who report a violation, are not subjected to any disciplinary action, direct or indirect retaliation, or disadvantage relative to their peers solely for making a report.

- Reports submitted through the Negative News Line are viewed only by the CEO and be directly answered by the CEO, ensuring the highest level of confidentiality. In 2024, 781 employees submitted 895 whistleblowing line entries, and product and process improvements were considered by relevant business units.

- The **"Bana Dair" ("About Me") platform** was created to enable employees to contribute accurate and detailed information to the Bank's decision-making processes and communicate the issues they believe the Human Resources Management Division should be aware of. The information entered into the platform can only be viewed by authorized personnel in the Human Resources Management Division and by the employees themselves. With confidentiality as a core principle, employees can submit entries under topics such as "About My Family," "About My Health," "I Have a Complaint," "I Have a Wish,"

and "About My Career." In 2024, the most common submissions on the "Bana Dair" ("About Me") platform were related to requests for transfer and remote working. Transfers are evaluated based on available staff positions and the Bank's internal transfer scoring system, while remote work requests are considered in line with the needs of Head Office divisions and the competencies of employees.

- Employees who are victims of, or witnesses to, violence can submit reports through the **Domestic Violence Reporting and Support Line**. The information entered on the platform is visible only to the reporting employee and authorized individuals (Division Heads and Unit Heads) within the Human Resources Management Division. Due to the sensitive nature of the subject, confidentiality is strictly maintained, and using this screen, employees can access support on medical, psychological, legal, or other areas of need.

Equal Opportunity, Diversity and Gender Equality

In its recruitment practices, İşbank strictly applies the principle of merit and job relevance, and avoids all forms of discrimination. The Bank ensures fair human resources management by preventing discrimination or inequality based on gender, language, religion, ethnicity, or age among its employees.

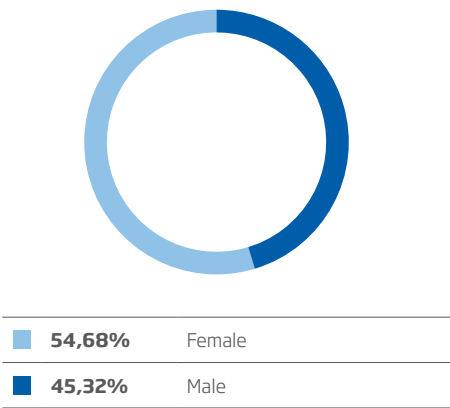
İşbank guarantees equal rights for women's participation in senior management and decision-making processes and carefully maintains a balanced gender representation in leadership roles. The Bank's Board of Directors is formed of 11 directors, two of whom are women, result making the ratio of female board members 18%.

Recognized as one of the leading institutions with the highest number of female employees in Türkiye, İşbank offers equal employment opportunities to all candidates in recruitment processes. In 2024, 53% of job applications came from women and 47% from men; among newly hired graduates, 51% were women and 49% were men.

All promotions at İşbank are made internally, with no external recruitment for managerial roles. Gender-diverse candidate lists are prepared for managerial appointments, and gender equality is prioritized in the selection process.

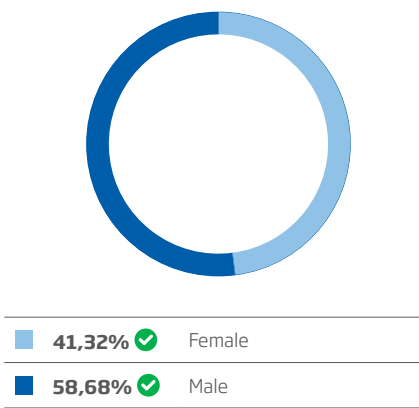
İşbank also implements specific recruitment programs for disadvantaged groups such as persons with disabilities and minorities. In 2024, the Bank started to use a candidate search platform in collaboration with the Accessible Career Association (in Turkish: Engelsiz Kariyer Derneği) and published its first job opening for the Aegean Region. The Bank employed 124 female and 147 male with disabilities as of year-end 2024.

Breakdown of Employees by Gender*



* Excluding employees with the title of Private Security Officer

Breakdown of Managers by Gender*



* Assistant Manager and higher titles



Equal Opportunity, Diversity and Gender Equality

Gender Equality

İşbank consistently acts with a forward-looking mindset in all its policies and practices related to gender equality and empowerment of women. The Bank carries out these efforts under the senior management's leadership and with the support of participants from various disciplines.

To ground its efforts in relation to gender equality upon a structural framework, İşbank introduced its Gender Equality Policy in 2021 and the Board Diversity Policy in 2022, both approved by the Board of Directors.

Under the Gender Equality Policy, the Bank established working groups composed of representatives from various business units and designed a four-pillar framework covering all stakeholders across its value chain: employees, suppliers, customers, and society at large. İşbank carries on with its initiatives in this area through impactful best practices and actions.

In line with its strong commitment to gender equality, İşbank conducts various training and development initiatives in this respect. In 2022, the Bank launched the "Lider Kadınlar" ("The Leader Women") Program to encourage more active participation of women in management and support their development for senior leadership roles. The first phase of the program includes training aimed at enhancing inclusive and authentic leadership skills from a gender equality perspective. After the training phase, participants join small group meetings held throughout the year to share experiences under the mentorship of experienced managers.

In 2024, İşbank updated the training contents of the Leader Women Program based on participant feedback, enriching the modules designed to

strengthen leadership skills with methods that can be quickly transferred to practice.

Furthermore, experienced executives acting as mentors for the first time attended mentoring training in experience sharing gatherings, where they were introduced to expectations and insights from previous program. This community, which has developed greater awareness of gender equality and inclusive leadership, continues to grow each year by fostering mutual learning and collective empowerment through experience-sharing

Including 99 managers who participated in the program in 2024, the total number of participants has reached 300 since the program's launch.

Gender Equality-Focused Collaborations

İşbank supports women through various programs that it initiates or sponsors. Under a protocol signed in 2022 with İş Asset Management (İş Portföy), 50% of the fund distribution commission from İş Asset Women in Workforce Equity Fund (IHK) is donated to Koç University's account at İşbank. The donations are used by KOÇ-KAM (The Center for Gender Studies at Koç University) to cover the expenses associated with the Research Program, Summer Academy, and Women's Leadership Training Program.

İşbank sponsors of a two-year postdoctoral research project titled "Investing in Equality: A Comparative Case Study of Innovative Gender-Sensitive Business and Human Rights Practices and Academic/Social Impact Programs of Southern European Banks" by Dr. İlayda Eskitaşçıoğlu, an İşbank bursar as a law doctoral student at Koç University who received her doctorate degree in June 2023.

İşbank addresses gender equality with great care and sensitivity in its communication efforts

Before publicly releasing its communication activities across various platforms, the Bank ensures that:

- Female voice-overs are used,
- Female roles are handled with sensitivity and selected visuals portray women as vital contributor to society,
- Casting decisions aim to ensure gender-balanced,
- The texts used (e.g., scripts or social media posts etc.) are written with gender equality in mind.

İşbank is a corporate member of the 30% Club Türkiye, an international initiative aimed at increasing the number of women on corporate boards and in leadership roles. The Bank is also a signatory to the Women's Empowerment Principles (WEPs), a UNEP FI initiative which aims to advance women's participation across all sectors and at levels within economic life.

[Gender Equality Policy](#)

[Women's Empowerment Principles \(WEPs\)](#)

The Future of Business and New Working Models

İşbank designs innovative business models and working spaces aligned with its future strategies and corporate values, and aims to equip its employees with the knowledge and skills predicting the competencies of the future.

Next Generation Working Model

In order to adapt to the present day's business world, where remote work is replacing conventional models, İşbank developed its Next Generation Working Model. This model prioritizes employee satisfaction and productivity, and offers more flexible and agile working conditions to employees.

Implemented since 2022 and having become permanent upon its inclusion in the Collective Labor Agreement in 2024, the Next Generation Working Model expanded the permissible coverage of remote working to include Assistant Managers, further boosting employee satisfaction.

MaxiOfis

To enhance candidate and employee experience and introduce practices that will support talent acquisition and retention, İşbank established a regional office network called "MaxiOfis." This initiative provides young talents and potential employees with a multi-dimensional workplace experience while redesigning work conditions with a modern, innovative perspective. With this perspective, employees are able to work from home according to their work schedules based on the hybrid model.

In 2024, this network was expanded with three more MaxiOfis spaces with innovative and modern design opened in Eskişehir, Bursa and İzmit provinces. In addition, the expectations of young talents were fulfilled and employee satisfaction was secured with the MaxiDays implementation in the summertime.

İşbank employees who used MaxiOfis described their impressions about these spaces as "motivation boosting, user-friendly, designed with attention to detail, within easy reach, enables working from different cities, creating synergy due to co-working of different divisions".

In 2024, İşbank carried on with its practice that responds to its employees' requests for working from another city. In the event that employees request to move to another city but continue to work in the same Division and if this request is deemed appropriate by their line Deputy CEO, are allowed to work permanently from a MaxiOfis location in another city. Such requests are considered subject to a minimum tenure of two years and ranks and rules for transfers/appointments.

During 2024, the usage of MaxiOfis spaces increased by 17%. İşbank keeps working on access by QR Code and Smart Entry Application to provide efficiency in MaxiOfis use and make office entry more secure.

Agile Areas

Despite its large corporate structure, İşbank maintains fast decision-making processes. İşbank set up "Agile Areas" that make an important component of its working system. The Bank produces fast and innovative solutions to critical issues in agile areas where employees from different functions come together.

As of December 2024, İşbank reached approximately 2,000 employees in almost 250 teams in 29 agile areas. In line with its Agile Branch trial strategy, the Bank switched its Antalya Specialized Tourism and Central Corporate Branches to agile working model in 2024.

Agile Design and Agile Development functions, which were transferred to the Corporate Architecture Division and Human Resources Management Division respectively, are managed on the basis of the regular alignment meetings and collaborations of both teams. The two functions work in close contact and jointly run the Transformation 2.0 project.

Under Transformation 2.0 activities, İşbank has determined its working model and its strategies that will develop the Agile Academy and trigger cultural transformation. The Bank prioritizes its experience areas and targets to switch to the full-time agile ambassador model, deepen the Academy's content to transform it into a structured development journey and build on the knowledge of employees. Having sustained coaching and training services offered to subsidiaries in 2024, İşbank intends to broaden the contents of Agile Academy in the coming year.

Agile Area employee satisfaction rate, which was measured as 87% in 2023, remained stable in 2024. The satisfaction level is anticipated to rise further upon improvements to be made to the working model and introduction of the role development plans.

The results of the Agile Maturity and employee satisfaction measurements conducted in June 2024 are as follows:

- Agile Maturity: 4.39/5.00
- Employee Satisfaction: 4.45/5.00

Employee Health and Safety

To İşbank, providing a healthy and safe working environment to its employees is a key priority. In this context, the Bank targets to not only to meet the criteria covered by national and international legislation, but also to continually improve processes and increase their performances in line with best practices.

Occupational Health and Safety (OHS) encompass various activities designed to prevent occupational risks that will affect employee health and safety. Such activities include, among others, risk assessments, health checks such as beginning and periodic health examinations, OHS Committee meetings held with employer and employee representatives, and training and informative processes for employees.

Through its Occupational Safety Specialists and OHS team of 54 people including Workplace Physicians, İşbank implements and improves the necessary Emergency Action Plans for effective management of emergencies. These plans cover the necessary measures for ensuring that employees, visitors, customers, sub-contractors and service providers come through emergencies

İşbank carries out its activities and business processes in compliance with the Occupational Health and Safety Law in force and the subordinate law, and provides a safe and healthy working environment to its employees.

unharmd. Furthermore, training programs and drills are planned for emergency preparedness of employees.

İşbank's Occupational Health and Safety Policy outline the basic principles for ensuring a safe and healthy working environment in full compliance with the applicable legislation. The policy applies to all employees, interns, customers, visitors, sub-contractors and service providers of the Bank. The Bank rigorously monitors and enforces compliance with the Policy through a disciplined and structured approach.

OHS Practices

At İşbank, Occupational Health and Safety (OHS) procedures are carried out in accordance with the International Labor Organization (ILO)'s Occupational Safety and Health Convention (no. 155).

The Bank set up OHS Committees where employees are represented in buildings with more than 50 employees. These committees regularly assess:

- findings established by occupational safety specialists and workplace physicians in site inspections with respect to compliance with the OHS Law,
- feedback provided by employees to employer and employee representatives.

Based on these evaluations, the committees recommend and implement the necessary preventive and corrective actions.

During 2024, a total of 152 OHS Committee meetings were held.

With the aim of continuously ensuring, maintaining and improving the health and safety of the working environment and employees, threats are identified proactively and necessary measures are adopted on site-basis or in line with the assessment of risks that may give rise to workplace accidents and occupational diseases. Risk assessment results and accident analyses are regularly reviewed and constant improvement is secured.

The key performance indicators below are used to regularly monitor, and periodically report on, occupational health and safety:

- Workplace accident frequency rate
- Workplace accident severity rate
- Near-miss frequency rate
- Occupational disease rate
- Employee participation rate in OHS training
- Emergency drill participation rate
- Fulfillment of Occupational Health and Safety Law no. 6331 requirements and their integration with the Bank's targets

Analyses conducted in line with these indicators help create action plans for increasing the effectiveness of OHS processes.

Emergency Action Plans are prepared to cover various natural and manmade disasters, health crises, security threats and other emergencies, alongside information about emergency response teams.

All efforts carried out as part of OHS activities are recorded in the Bank's OHS management software used by the Bank, for follow-up and reporting purposes.

In procurements for the Head Office buildings, suppliers' compliance with the OHS legislation and their adequacy in ensuring safe working conditions are kept in mind.

OHS Training

To İşbank, maintaining a safe and healthy working environment is as important as it is to establish one; accordingly, the Bank organizes training to increase employee awareness of OHS.

Below are the headings of the face-to-face training programs held in 2024 to increase employee awareness of OHS and build on associated execution skills:

- Occupational Health and Safety Training
- Risk Assessment Team Training
- Committee Member Informational Training
- Emergency Teams Informational Training
- Employee Representative Training

During 2024, a total of 48,610 person*hours OHS training was given to 11,109 employees, including the online "Periodic Occupational Health and Safety Training".

OHS Targets

The Bank targets to obtain ISO 45001 Occupational Health and Safety Management System (OHSMS) certification for its locations where 50 and more employees work (38 locations).

 [Occupational Health and Safety Policy](#)

Preferred Employer

Under its strategy to attract and retain young talents, İşbank designs and implements various projects targeting both potential and existing workforce.

The Bank's contact with university students occurs through student clubs, career centers, career platforms, and youth agencies. Brand ambassadors composed of employees representing the Bank's business units engage with young people at career meetings, seminars, and other initiative 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 the youth's perspective in product and service developments as well as in the design of modern work practices.

In 2024, İşbank reached 5,950 students in 11 different universities through career fairs, 8,343 students by taking part in 16 different events, and 1,002 students through bootcamps, ideathons and other development programs. Within this scope, the Bank collected students' contact information, provided updates on exams and development programs, and gathered applications.

Platforms and social network accounts under LinkedIn, Instagram story, Anbean and Coderspace gained prominence in the communication activities carried out with university students in 2024. Through the LUDI Banking simulation program, students were introduced to the Bank's business units. Additionally, an online certificate program offering case-based business experience was completed by approximately 250 students.

İşbank believes in the importance of being a preferred employer for the qualified human resource to guarantee corporate sustainability and enhance brand value.

Through MasterClass Trainee Program, MasterClass Digital Development Program and the Future Hub programs, İşbank supports university students in their junior or senior year to gain access to personal and professional development opportunities through online training programs.

Students succeeding in these programs get the chance to work part-time, thus allowing them to start their careers, learn on the job, and build on their competencies. Technical knowledge in various areas of expertise, such as Information Technologies, Data Science, or Digital Banking, is delivered on digital platforms through brief online training sessions.

In 2024, 12 people participated in Future Hub and 50 people in MasterClass programs. Students who missed the MasterClass traineeship period offered placements in departments aligned with their academic backgrounds and areas of interest.

Within the scope of MasterClass Digital Development Program offered in 2024;

- Design thinking, tips and tricks of Excel, credit analytics, economy analysis, marketing communication, agile workshop, AI, data management and cybersecurity courses were given,
- Divisional overviews such as Treasury, Capital Markets, Payment Systems, Risk Management, Sustainability and Agricultural Banking was provided, alongside personal development trainings in areas like improvisation, critical thinking, team-building and achieving goal as a team,
- Employees organized various workshops for students such as laughter workshop and space photography,
- Employees in the Bank's Talent Management Division and Human Resources Management Division who received coaching training mentored female students from at METU for a period of five months under the Future Women Leaders Program,
- As part of the Bank's brand-focused curriculum, Financial Intelligence course was offered to MEF University students for one semester.

Talent Management

İşbank continually improves its performance evaluation processes driven by equal opportunity and motivational practices on the back of extensive investments in the professional development of its employees.

In a bid to build on employee competences, İşbank offers a wide variety of training programs and learning opportunities that have been customized using cutting-edge technologies, and notches up employee experience each year.

İşbank makes use of satisfaction questionnaires to measure the benefits of the training programs offered. With scores given on a scale of 100, the assessment questionnaires also provide spaces for employees to state their comments. Training contents can be updated according to questionnaire results. The 2024 satisfaction survey yielded a score of 96,79.

Career Training

Starting from their first day at work, new hires employed in clerk position at İşbank receive "Starting My Career" training sessions that are tailored to their specific titles and jobs. In 2024, 1,375 employees took part in the training program, which was further expanded with the added "Money Counting Techniques" course.

In 2024, the "Credit Turnover Project" course was added to the "My Career as a Manager Training Program", which is designed to provide employees promoted to II. manager position with the technical knowledge they would need while preparing for their new roles and theoretical groundwork to help them develop their managerial skills.

Employees have the opportunity to attend either program remotely and online.

In line with its HR vision, İşbank wins the most appropriate candidates for the Bank by accurately analyzing staffing needs and provides guidance to existing employees in their career journeys by supporting their developments.

Training Catalog

To support competence building and transformation in accordance with its strategic goals, İşbank prepared a "Training Catalogue" that caters to employee needs and preferences. Employees benefit from various training programs available in the catalogue and attend seminars held under the "İş'te Sohbetler" brand on various topics. In 2024, 1,382 employees took part in training on a total of 15 different topics under the Training Catalogue.

As part of "İş'te Sohbetler", İşbank held conversations about:

- "Technology Revolution and the Near Future: Artificial Intelligence and Exponential Technology" for building on technology literacy of employees,

- "Our Personal Boundaries", "The Amazing Boundaries of our Body", "Parenting in the Digital Age", "EQ" and "Moving Forward with our Psychological Power Supplies" to support employee well-being, and
- "Lifelong Learning" that focused on learning agility.

In 2024 updates to the Training Catalogue, particular attention was paid to directly relate the training offered to İşbank's vision, values, strategic goals and strategy. The programs have been determined so as to support technical, analytical and social skill development of employees in line with the Bank's goal to create sustainable value. It was targeted to get the employees future-ready in view of the "competencies of the future" addressed in the World Economic Forum (WEF)'s report titled "Future of Work".

Talent Management

The new training headings added to the Training Catalogue in 2024 are as follows:

- İşbank's Checking Transactions: Basic Information and Practices
- Sustainable Customer Experience
- Data Visualization and Presentation Techniques
- Data Literacy
- Negotiation Techniques and Conflict Management
- Mental Sharpness Workshop: The Art of Analytical Thinking
- Emotional Resilience and Motivation
- Software for Laypeople Workshop
- Leadership Psychology
- Tactful Companionship for Managers: The Power of Teambuilding through Coaching

The topics offered in the Branch Managers Training Catalogue 2024 were revised to support the Bank's Leaders Manifesto. The catalogue included managerial development and leadership programs regarding continuous development, leading development and remaining strong through uncertainties as well as technical banking training about foreign trade, ideal lending, Twin Transformation and SMEs, and balance sheet analysis in accordance with the Bank's strategic priorities.

Learning World

The Learning World is a digital training platform accessible by İşbank employees 24/7 from outside the Bank's network. In 2024, the content diversity and accessibility of the Learning World were further increased in a step that significantly contributed towards equal opportunity in learning. In this process, the Bank adopted an approach centered on considering employees' development needs in conjunction with the determinations and demands of business units.

In 2024, several new digital training programs were made available to employees via the Learning World platform in order to improve employees' technical knowledge of banking and legislation, and to help them specialize in topics including foreign trade, investment products and commercial loans.

In addition, the contents array of the platform was further expanded with new modules aimed at creating disaster awareness and awareness of post-disaster resilience as part of the "Learn from the Best" series that focuses on increasing social knowledge of employees.

Training for Field Employees

İşbank provides training through various academies that have been established to support upskilling of field employees paying regard to branch types, their roles and the duties and responsibilities involved in such roles.

Sales Academy

Under the Sales Academy targeted at retail banking sales teams, employees received training on a variety of headings in sales and technical banking topics such as "Persuasion in Sales", "Telemarketing", "Customer Experience" and "Portfolio Management". "Expertise in Sales" module covered in phase 4 of the Sales Academy has been revised in view of the target audience needs.

Work was commenced to offer the phase 3 sales training modules of the Academy on the Learning World Platform in a structure covering videos and text materials that employees will be able to cover at their own pace; the Bank is also working on new content design.

Tradesmen, SME and Agricultural Academy

In 2024, "Customer Experience Management" training was added to the modules provided within the scope of the Tradesmen, SME and Agricultural

Academy with the purpose of increasing employees' focus on customer experience.

All training sessions of this Academy were made available on the Learning Platform as of year-end 2024 with enriched and revised content, accessible by all employees.

Private Banking Academy

Under the Private Banking Academy, sales teams servicing Private Banking customers were given training on "Investment Products, Derivatives and Specific Structured Products", "Negotiating for Permanent Collaboration", "Persuasive Speaking and Rhetoric", "Personal Brand Management" and "Making an Impression". Additionally, relevant branch employees and managers attended the seminar on Turkish and World Economies and Financial Markets. A "Gusto and Inspirations" program was organized that featured expert speakers and topics including arts, travel, networking and gastronomy for Private Banking branch and Head Office executives.

The durations and contents of the training programs targeted at entrepreneurship branches were revised in line with the related activities of the target audience and İşbank's ecosystem. The content of the "Agricultural Banking" training designed for Specialized Agricultural Branches was updated according to specific branch needs.

"Risk Management by Derivatives" and "Efficiency and Sales in Foreign Trade" training programs were carried out to maximize the technical knowledge of employees working in corporate specialized branch sales teams and to improve their sales skills. Additional modules were held for Specialized Commercial Branches, which were titled "Negotiating for Consensus and Cooperation", "Proactive Sales Skills" and "Lending Case Studies".

Competencies of the Future

The first phase of İşbank's five-module Digital Academy Program that focuses on digital competency in User Experience and Digital marketing was finalized.

In the second phase of User Experience training, Bank employees used the theoretical information they learned in the first phase to develop projects for İşcep application. At the end of the training, the projects were presented to the expert trainer who evaluated them; the training process that thus combined theory and practice enabled employees to produce quality outputs in relation to user experience.

In Digital Marketing second phase training, employees put the theoretical knowledge garnered in the training into practice and carried out data-driven project studies particularly about the "Keep the Change" service by using various tools. The process gave employees the opportunity to experience how digital marketing can be used effectively not just in theory but also in practice, and prepared the groundwork for developing innovative ideas and work on practicable solutions.

As part of development activities focused on the competencies of the future, managers and management trainees are invited to the Innovation Academy and the Marketing Academy, each held once a year in cooperation with universities. The contents and delivery manner of the said academies are reviewed and improved in each term, as is the case for all programs, and the topics addressed are backed with current examples, current agenda items and forward-looking expectations. In 2024, headings concerning GenAI applications were added to Academy programs.

Comprised of five modules, the first phase of İşbank's Digital Academy Program that focuses on digital competence in User Experience and Digital Marketing has been completed.

1,094 people completed the second phase modules of the Data Analytics Development Program launched in 2021 to improve data literacy at İşbank and to uncover the potential for analytical and digital roles by supporting reskilling.

From out of these employees who completed this public phase of the program with basic level data analyst competencies, 80 changed positions and started working as prospective data analysts.

For 2025, İşbank is working on broadening the scope of the digital training programs currently ongoing with Neoskola company and furnished

under the brandname Learn from the Best with digitalization, AI, leadership and financial literacy topics. Contractual processes have been finalized for replacing the contents that are currently being offered with up-to-date training programs delivered by different individuals, and updated contents are slated for going live as of 2025. Furthermore, the Bank is currently developing contents that will support diverse career paths by increasing the number of academies under the Foreign Trade Academy, Test Academy Testing Competency Development Program and Agile Academy projects, and accelerate professional development.



Talent Management

Leadership Training

İşbank offers numerous programs focused on next-generation leadership skills with the aim of supporting the transformation and development of leadership that makes a critical component of its sustainable, high-quality and value-added growth and assigning managers and management trainees in critical/value generating roles.

Some such programs include:

- “Leadership Development Today and in the Future Program” targeted at supporting managerial potentials with a focus on needed competencies and driving a change in behavior following Managerial Transition Assessment practices,
- “Continuous Development in Leadership Program” targeted at supporting the managers who take part in Manager Assessment Center implementations develop in the skills set they will need while leading individual and organizational development.

Leadership Development Today and in the Future Program which was participated by 116 employees in 2023 were attended by 522 employees in 2024.

In 2024, managerial skills and leadership training programs offered to employees in II. manager and assistant manager positions were enriched in content with new practices and case studies in line with participant feedback.

A mentorship practice and SME Banking practice training were added to the scope of the “Branch Managers Development Program”, which are structured to suit the Bank’s strategic priorities. On another note, GenAI module was added to the Effective Management and Leadership Program organized for employees holding Assistant Manager title.

All managerial development and leadership programs are aligned with İşbank’s Leaders Manifesto and inclusive leadership has been incorporated in all programs as an emphasized element.

As part of Managerial Development Conferences, seminars are organized which are intended to build on managers’ and management trainees’ knowledge about the given theme, to increase their awareness and give them a vision. Some examples of these themes in 2024 include psychological flexibility and resilience, global trends, communication, and developments in the world and Turkish economies.

The Germany phase of the ESMT Leadership Development Program, which previously covered a 4-day part in Germany and 2-day part in İstanbul, was broadened and increased to 5 days. The second module, on the other hand, is redesigned as a one-day program in İstanbul.

Inclusion and Gender Equality Training

İşbank continues to organize training programs designed to make its working environment a more diverse and inclusive one and to deliver various learning opportunities to its employees.

“Starting My Career” training given to new hires who start working at the Bank in clerk and assistant specialist positions and the career training programs offered to employees promoted to supervisor and II. manager positions include a two-hour “Diversity and Inclusion” course. The lesson content includes a one-hour instruction about implicit bias and gender equality.

“Awareness” digital training series intended to help the Bank employees develop a more informed, sensitive and inclusive perspective in their business and social lives was made available on the Learning World on 29 November 2024. Its content custom-developed and delivered by Burcu Üzümcüler, an International Diversity, Equality and Inclusion Expert, the digital training series covers the topics “Gender Equality”, “Fundamental Human Rights” “Unconscious Biases” and “Recognizing Violence”.

The “Sexual Harassment Awareness in Business Life” digital training, developed to help raise employees’ awareness on gender equality, was made available for use. The training covered the definition and types of harassment, as well as instances of verbal, visual, and physical harassing behavior.

In order to inform the employees about domestic violence against women, what to do in the event of violence, and the rights of the violence victim, the Bank provided “Fighting Domestic Violence Handbook” published by the Directorate General on the Status of Women and “Fighting Domestic Violence” video training co-produced with the Bayındır Healthcare Group, both addressing the topics mentioned above.

In 2024, more than 11 thousand employees completed the “Right Approach to Disability” and “Sign Language” trainings. The contents of these trainings were prepared by the Banks Association of Türkiye and made available to employees via the Learning World since 2017.

The Banks Association of Türkiye updated the content and flow of the “Right Approach to Disability” digital training in 2024; concurrently, the said training on the Learning Platform has been revised accordingly.

Within the scope of the Management Development Conferences targeted at managers and management trainees, “Equality for All” seminar was held in 2024 on 8 March International Women’s Day. The seminar was attended by 205 managers.

The two-hour “Equality in Language and Communication” training included in the Training Catalogue allocated 45 minutes to deal with discrimination, biases and gender inequality.

The Inclusive Leadership seminar participated by 48 managers working in Unit Head and above positions addressed implicit biases and their impact on leadership, inclusive leadership approach and actions that can be integrated in business life with the aim of raising awareness of these topics.

Sustainability and ESG-Focus Training

İşbank prepared a digital training series and launched it on the Learning World platform to help increase employee awareness of the sustainability concept, and to make sustainability an integral part of their ways of doing business and their everyday lives.

Covering the digital modules titled “The World’s Condition”, “History of Sustainability”, “Sustainable Finance” and “Business World and Sustainability” under the “Sustainability” main theme, the series also entail complementary sessions entitled “Sustainable Development Goals” and “Our Sustainability-Focused Products and Services”.

“Climate Change Risk” training was opened for use by employees on 14 March 2024. The module covers risk management alongside a focus on sustainability and tackles the climate change concept, elements of climate risk, the importance of these risks for İşbank, employees’ responsibilities in climate risk management, and the Bank’s policies for managing these risks.

The content of sustainability-oriented digital training modules were enriched with the digital program “Zero Waste - Where to Throw it” which basically addresses the use of waste bins in practice.

In addition to training opportunities that it offers to support its employees’ growth in sustainability competencies and skills, İşbank also encourages them to obtain national and international certificates for increasing the depth of their expertise in their areas of duty. The Bank covers the cost of Sustainability and Climate Risk (SCR) Certificate and CFA Institute Certificate in ESG Investing obtained by employees working in related divisions.

In 2024, İşbank carried on with its training activities that support the Environmental Social Governance (ESG) Pathway that makes the framework of its sustainability initiatives.

Highlights of the sustainability-focused training activities of the Bank in 2024 are as follows:

- Fourteen employees participated in the one-day “Carbon Border Adjustment Mechanism” training organized for Corporate, Commercial, and SME Banking Division employees.
- “Starting My Career” training offered to new hires joining İşbank in clerk and assistant specialist positions included the “Information Security and Awareness” lesson whereas the training programs held for

employees promoted to supervisor and II. manager positions included the “Social Engineering and Information Security” lesson.

- Intended to increase awareness of information security and convey information that will help employees in protecting from social engineering attacks they might encounter in their private or business lives, the “Social Engineering and Phishing Attacks” training is made available on the Learning World platform.
- With a similar perspective, training modules targeted at increasing employee awareness of cybersecurity attacks using phone, email and ATM channels and SIM card cloning were uploaded to the Learning World.
- Information Security Division employees and employees working in the Information Technology job family receive several technical training programs (security systems, security testing, malware analysis, intrusion detection and defense methods and similar topics) that will support their technical knowledge in their areas of responsibility throughout the year.
- In the My Career as a Specialist Trainee Program organized to support the career progress of employees in senior assistant specialist position, the Corporate Compliance Division made presentations about “Financial Crimes”, “Sanctions and International Obligations” and “Regulatory Compliance” activities.
- Also made available for employees is the digital training titled “International Sanctions”, which is designed to familiarize employees with the sanctions concept, the framework of international sanctions, and actions to be taken to avoid a sanction violation. Also addressing the responsibilities of employees tasked with the management of sanctions risk, the digital training was completed by 5,337 employees.

Talent Management

- Co-organized for the Head Office employees by the Civilian Research and Development Foundation (CRDF) and Moody's, the 2.5 hours-long "Sanctions Awareness Workshop" was attended by 15 employees physically and by 111 others online.
- "Internal Audit" and "Risk Management" lessons covered in the Branch Manager Development Program tackled risk management, types of risks, İşbank risks catalogue, banking ethics and responsibilities of executives in a holistic manner. "Environmental and Social Risk Management in Lending" training, which is a part of the program, dwelled on the importance of environmental and social risk management for the finance sector, basic information about local legislation and international standards, and the Bank's environmental and social risk assessment processes. 249 executives that participated in the said lessons in 2024 received 1,443 hours of training.
- Under the Credit Risk Academy comprised of four parts, the first one of which was introduced in 2023, the remaining three parts themed credit allocation/disbursement, credit monitoring/liquidation and risk management modeling were opened for use. Four-day online classroom training were organized as of September 2024 for employees who successfully completed the first phase of the Academy, whereby they can achieve progress in risk management modeling, and learned about analytics, credit analytics, model development basics, model monitoring and validation, machine learning and AI 101. During 2024, 101 people attended the said programs.
- Within the scope of the ISO 14001 Environmental Management System Project carried out at the Bank, 467 employees that will function as environment officers attended the "Environmental Management System (ISO 14001) Training" and 11 employees that will internally audit this system attended the "Environmental Management System (ISO 14001) Internal Auditor Training".
- The Construction and Real Estate Management Division taught about how to make the screen entries for waste notifications to employees who will function as environmental officers within the "Environmental Management System (ISO 14001) Training".
- New hires joining İşbank were familiarized with the Environmental Management System (ISO 14001) in the "Let's Get to Know Our Bank" lesson as part of "Starting My Career" training.
- With its third term organized, İşLegends learning game was logged into by 2,291 employees who solved 1,136,224 technical knowledge questions. Customer-Centricity, Interpersonal Relations Management, Innovation, Problem Solving and Continuous Learning mini games that support competence building, on the other hand, were played 71,576 times.

Performance Management

İşbank implements a Performance Management System to determine its employees' individual achievements and rankings using objective and measurable criteria. Offering all its employees the possibility to rise to managerial positions depending on their performances, the Bank renewed its Performance Management System thoroughly in 2023.

The Self-Assessment and 360 Degrees Assessment practices that were implemented for the first time in 2023 performance appraisals give employees the opportunity to share their own determinations about themselves with their line managers and also get assessments from their teammates and subordinates, if any. Manager assessments are built upon the results of this practice, followed by a review process that leads to its finalization.

In 2024, no changes were made in the process flow of the Performance Management System; however, a comprehensive analysis was conducted that also relied on field feedback and opinions concerning 2023 practices. Various functional developments were introduced intended to increase the efficiency of the performance projects based on action steps contained in the analysis report, which included:

- Improving the algorithm for 360 degrees teammate determinations,
- Improving the revision authority concerning manager evaluation,
- Transforming screens and reports into a more user-friendly structure.

The new system possesses additional functions that allow year-round performance monitoring and reporting along with structured feedback twice a year (interim and previous manager's evaluation, additional notes etc.) and the capability to support employee development based on individual development plans with agile conversations.

The trainings provided and resources shared about performance management give messages for establishing the culture of providing feedback and managing performance with a development-focused perspective, and accordingly, reminders are made for effective use of additional functions available in the system.

Looking at it from this angle, the year-round performance management practices are in a structure that initiates the process with the target communication between the employee and his/her line manager at the beginning of the term; enables discussing expectations and improvement areas for the second half-year in interim meetings held after the first 6-month period, and allows tracking the progress achieved in targets and competencies throughout the year and lets the related observations or discussion notes between the parties be transferred to the system.

On another front, the incorporation of Self-Assessment and 360 Degrees Assessment practices in the year-end assessment process stages enabled:

- Wealth of data/information that will act as inputs for the employee's career processes,
- Multi-dimensional manifestation of an employee's assessment result, backed by the opinions of his/her teammates in addition to those of his/her line manager,
- Supporting improvement areas with examples entailing diverse perspectives when providing feedback during performance discussions.

Since 360 Degrees Assessments form the groundwork for the manager's assessments and business results act upon the assessment score, employees, particularly those that were scored as "D-Open for Development" and "E-Weak" could be decoupled on healthy and objective grounds. A total of 160 employees were given verbal/written feedback in 2024, during which both the quantity of inputs provided to employee career processes increased and the quality of these inputs improved.

Employee competencies are measured in year-end performance assessment processes within the frame of the Competency Model. All data resulting from the interim assessment, Self-Assessment and 360 Degrees Assessment are presented to managers in Summary Reports; such data are taken into consideration by the relevant manager, followed by the manager's evaluation and review stages.

In the review phase, the related managers study the performance data emerging on the results matrix according to the individual business result and competence assessment score, and competency score may be revised, if deemed necessary. Accordingly, the results matrix enables holistic evaluation of employees on the basis of unit/branch/region/division and clearer recognition of employees with a differentiating performance.

At the end of the process, the resulting Assessment Outcome Report is shared with the employee, and a performance discussion participated by the employee is held. These matters and performance assessment criteria to be considered in the said discussions are detailed in the Human Resources Regulation.

Performance and career discussions at İşbank take place based on interim and year-end discussions participated by the line manager and the employee (twice a year) and assessment forms for the relevant period.

During performance discussions, annual consolidated individual business results calculated according to indicators on the employee scorecards may be assessed and requirements, if any, for improving the target results for the following year may be determined.

Assessment Center Practices

Training and raising managers from within, İşbank uses Assessment for Promotion to Manager Role as an additional decision support mechanism in promoting employees to the next title level. In the assessment, competencies expected of employees in the target audience are designed in parallel with those included as indicators in the Bank's performance system.

417 people who took part in the Assessment for Promotion to Manager Role (including the people who underwent the assessment in 2022 and 2023) were promoted to the next title in 2024.

In addition to the Assessment Center for Promotion to Manager Role implementations, the "Manager Assessment Center" practice was carried on in 2024, which was launched in 2023 to measure the potentials and preparedness of employees currently working as managers in grade 8 for the next-level position. 120 people who participated in the Manager Assessment Center (including those who underwent the process in 2023) were promoted to the next title in 2024.

Making use of the most reliable, most objective and most current applications in its measurement/assessment activities, İşbank updates and revamps its processes, in view of the requirements of the age and the advancements in technology. In this context, the Bank is considering AI-enabled assessment center tools for the coming periods.



Good Corporate Citizen

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Transparent and Ethical Management

RELATED STAKEHOLDERS

- Shareholders
- Employees
- Business Partners
- Financial Institutions and Rating Agencies

İşbank, an institution identified with transparency and ethical management concept, stands out in the banking sector with its deep-rooted history and internalized corporate governance principles. Having earned the trust of internal and external stakeholders owing to its accountable business practices, the Bank keeps generating value for the society, constantly devising innovative solutions and implementing sustainable strategies.

MATERIAL TOPICS

- Effective Risk Management
- Business Ethics, Transparency, Corporate Governance and Sustainability Reporting

Risks

- » Exposure to penal sanctions due to non-compliance with rapidly changing and increasing legal regulations
- » Being pushed out of the competition due to the top management’s knowledge and experience level not keeping up with the changing economic conjuncture
- » Loss of stakeholder trust and dismissal from relevant engagements due to failure to meet reporting and disclosure requirements

Opportunities

- » Boost investor and customer interest with an excellent reputation and brand equity
- » Contribute to reputation management with transparent information sharing, capture competitive advantage in different performance areas

CONTRIBUTED SDGs



RELATED CAPITALS

- Financial Capital
- Intellectual Capital
- Social-Relational Capital

Key Performance Indicators

	2022	2023	2024
Number of employees that attended Anti-Bribery and Anti-Corruption Training	17,015	19,889	21,553
Total hours of Anti-Bribery and Anti-Corruption Training	2,130	2,267	2,822
Risk Management	Risk Committee meetings: 11 Operational Risk Committee meetings: 2 Loss incident data analysis conducted Scenario analysis completed Impact-probability analysis conducted Top-down Risk Assessment performed	Risk Committee meetings: 12 Operational Risk Committee meetings: 3 Loss incident data analysis conducted Scenario analysis completed Impact-probability analysis conducted Top-down Risk Assessment performed	Risk Committee meetings: 12 Operational Risk Committee meetings: 3 Loss incident data analysis conducted Scenario analysis completed Impact-probability analysis conducted Top-down Risk Assessment performed
Publication of the Integrated Annual Report	Completed	Completed	Completed
Number of followers on social networks (million)	2.7	2.8	2.9
Developing cooperation with national and international initiatives	Supported Sustainability Initiatives		
Fulfilling UNEP FI Principles for Responsible Banking commitments	Supported Sustainability Initiatives		
Fulfilling NZBA commitments	Supported Sustainability Initiatives		

Audits conducted by the Board of Inspectors:

Domestic branch audits	79	82	70
Overseas branch audits	3	6	4
Subsidiary audits	8	7	8
Head Office unit/process audits	20	39	48



Transparent and Ethical Management

2024 Targets	2024 Realizations	Status	Targets for 2025 and Beyond
Complete the Credit Risk Academy's first phase comprised of four parts and making it available to the Bank employees in 2024	The first phase of the Credit Risk Academy was offered to employees in its entirety	Completed	Continue to offer phase 2 training programs to employees who finished phase 1 programs under the Credit Risk Academy
Finish the impact analysis studies of the portfolio by 2024 in line with UNEP FI Principles for Responsible Banking, contribute to Sustainable Development Goals and efforts directed towards global climate goals in line with the targets	Report published	Completed	Carry on with annual reporting in line with the needs
Under the Net-Zero Banking Alliance commitment:			
Publicly disclose the annual realization status of the targets announced in 2023	Annual actualizations were disclosed for energy generation, cement and iron&steel industries	Completed	Annual actualization status of targets will be publicly disclosed
Set emissions reduction targets for other carbon-intensive sectors	2030 interim targets announced for aluminum, real estate, road freight transport, oil & gas, and agricultural sectors	Completed	Annual actualization status of targets will be publicly disclosed
Prepare and announce transition plans	The Bank's initial climate transition plan is ready	In progress	Climate transition plan covering all sectors with set decarbonization targets will be publicly disclosed

Management Structure

Consisting of 11 members, İşbank's Board of Directors is the highest-level management body responsible for steering the Bank's strategy. With three independent members¹, 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 at the Bank.

Several governance committees have been established to support the Board of Directors' activities. The CEO-led Executive Committee consists of 13 members, including two women, plus the CEO, and it is responsible for implementing the strategies defined by the Board of Directors.

As of year-end 2024, average tenure of the Board of Directors was 3.8 years and average years of sectoral experience was 34.2.

The ratio of women members on the Board was 18.18% as of the end of 2024. Vice Chairperson position is held by a woman member.

As stipulated in the Articles of Incorporation, İşbank's Board of Directors consists of 7-11 members, one of whom is the CEO. 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. The Bank does not subject a certain proportion of the Board Members to rotation at the General Assembly.

Members of İşbank's Board of Directors are responsible to the Bank and its shareholders in the performance of their duties. Board 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 Working Procedures and Principles of the Board of Directors".

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 next General Assembly meeting, and if their selection is approved by the General Assembly, they shall serve for the remainder of the term of office of their predecessors.

In case of 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.

The effectiveness of the Board of Directors is assessed through a Self-Assessment Questionnaire administered once a year within the frame of the feedback provided by the Board of Directors members. This assessment is made on the basis of a set of questions answered anonymously once a year as per the Corporate Governance Committee decision no. 46 dated 1 October 2021. The assessment results do not affect the remuneration of the Board of Directors members.

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 agenda item notify the chair of the meeting. The chair 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 the 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.

¹ As per the Corporate Governance Communiqué no. II-17.1 published on 03 January 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.

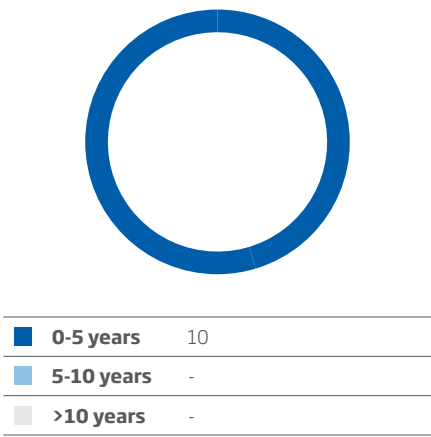


Board Member Matrix

Age and Average Tenure

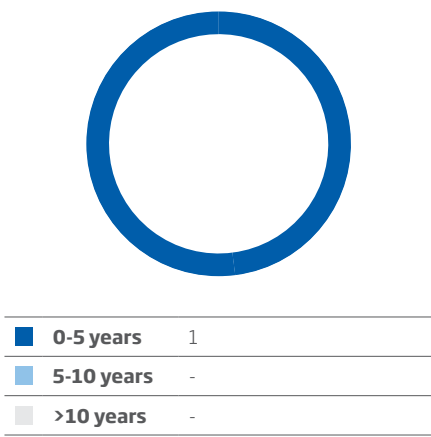
Policy: To become a Board Member, the person must have the capacity to exercise civil rights and possess the qualifications required by applicable law. There is no maximum age specified. Board Members shall be elected by the General Assembly at least every three years, and they may be re-elected. If 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.

Breakdown of Experience of Non-Executive Board Members



Average Age 62.9
Average Tenure 3 years, 8 months

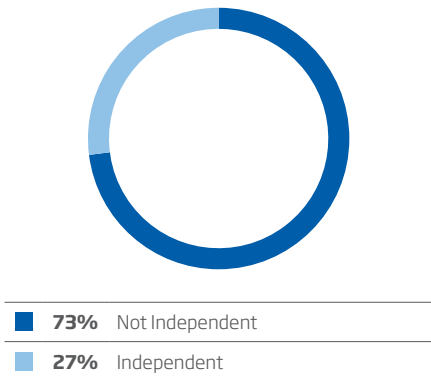
Breakdown of Experience of Executive Board Members



Average Age 57
Average Tenure 3 years, 9 months

Independence

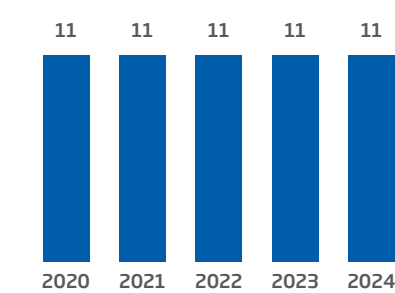
Policy: The number of independent members on the Board of Directors is three. As per the II-17.1 Corporate Governance Communiqué published on 3 January 2014, the Members of the Board of Directors who are assigned as members of the Audit Committee, as part of the organization of the Board of Directors of banks, are considered as Independent Members of the Board of Directors. Ahmet Gökhan Sungur serves as Independent Board Members; Güzide Meltem Kökden, who serves as the Committee Chair and Sadrettin Yurtsever, who is a Committee member, are Independent Board Members since they are also members of the Audit Committee.



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. The election of the 10 Board members, excluding the CEO, is held 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.

Number of Board Members



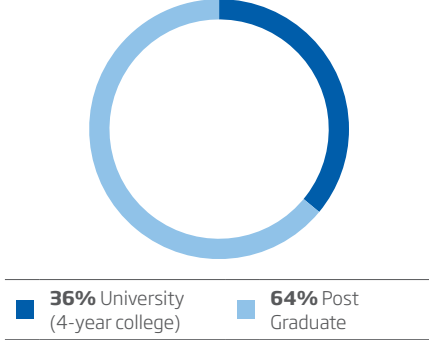
Changes in the Board of Directors Within the Last 5 Years

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

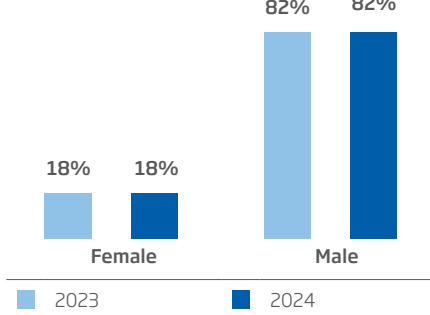
vacated, and 1 new Member was elected to complete the remaining term of the vacated Member. In 2022, there was no change in the composition of the Board of Directors. In 2023, at the Ordinary General Assembly Meeting, a total of 3 new members were elected,

2 as members and 1 as an independent member, and 7 members, including 1 independent member and 6 members, were re-elected. In 2024, 1 member resigned, and 1 new member was elected to complete the remaining term of the resigned member.

Educational Background



Gender Diversity



Member Name/ Surname	Membership Start Date	Term of Office	Sector Experience (Years)
Adnan BALI	01.04.2021	3 years 9 months	36
Güzide Meltem KÖKDEN	30.03.2023	1 year 9 months	32
Hakan ARAN	01.04.2021	3 years 9 months	32
Fazlı BULUT	29.03.2019	5 years 9 months	35
Durmuş ÖZTEK	31.03.2020	4 years 9 months	36
Recep Hakan ÖZYILDIZ	31.03.2020	4 years 9 months	46
Mustafa Rıdvan SELÇUK	31.03.2020	4 years 9 months	46
Ahmet Gökhan SUNGUR	31.03.2020	4 years 9 months	25
Sadrettin YURTSEVER	31.03.2020	4 years 9 months	31
Şebnem AYDIN	30.03.2023	1 year 9 months	27
Bahattin ÖZARSLANTÜRK	07.03.2024	10 months	30

The average tenure on the Board of Directors is 3.8 years, while the average sectoral experience is 34.2 years.

Skills	Adnan Bali	Güzide Meltem Kökden	Hakan Aran	Fazlı Bulut	Durmuş Öztekt	Recep Hakan Özyıldız	Mustafa Rıdvan Selçuk	Ahmet Gökhan Sungur	Sadrettin Yurtsever	Şebnem Aydın	Bahattin Özarslantürk
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.

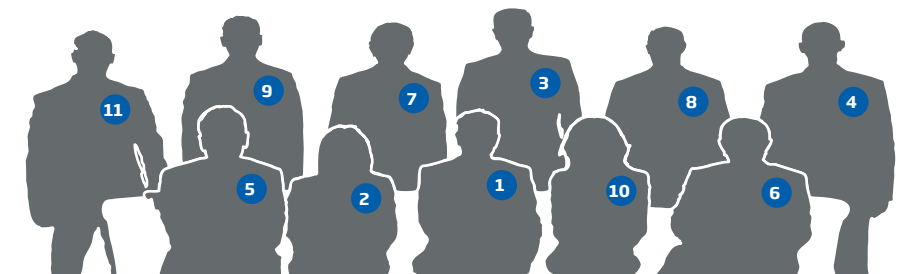
Board Member	Number of Board Meetings Not Attended by the Member
Adnan Bali	0
Güzide Meltem Kökden	0
Hakan Aran	0
Fazlı Bulut	0
Durmuş Öztekt	0
Recep Hakan Özyıldız	0
Mustafa Rıdvan Selçuk	0
Ahmet Gökhan Sungur	0
Sadrettin Yurtsever	0
Şebnem Aydın	0
Gökhan Şen*	He attended all meetings held in January and February 2024 during his term.
Bahattin Özarslantürk*	He attended all meetings held in March 2024 during his term.

* Mr. Gökhan Şen resigned from his position on 1 March 2024, and on 7 March 2024, Mr. Bahattin Özarslantürk was elected to fill the vacant Board of Directors position to complete the remaining term of his predecessor.

Board of Directors



- 1 **Adnan Bali**
Chairperson
- 2 **Güzide Meltem Kökden**
Vice Chairperson
- 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 **Bahattin Özarslantürk**
Member of the Board





Board of Directors



1

1- Adnan Bali
Chairperson

Mr. Adnan Bali graduated from Middle East Technical University with a BS degree in Economics, and began his banking career at İşbank in the Board of Inspectors as Assistant Inspector. Mr. Bali served at Fund Management Division as Assistant Manager in 1994, as Group Manager in 1997 and was promoted to Head of Fund Management in 1998. Mr. Bali was appointed as Branch Manager of Şişli Branch in 2002, Galata Branch in 2004, and was promoted to the post of Deputy Chief Executive in 30 May 2006. He was appointed as the CEO of İşbank in 1 April 2011.

In addition to İşbank, Mr. Adnan Bali serves as the Chairperson of Türkiye Şişe ve Cam Fabrikaları A.Ş., and 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, 25 March 2022, 31 March 2023 and 29 March 2024 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.

2- Güzide Meltem Kökden
Vice Chairperson

Ms. Güzide Meltem Kökden graduated from Ankara University, Faculty of Political Sciences, Department of International Relations and completed her master's degree in EU Law at Ankara University Graduate School of Social Sciences. In 1991, Ms. Kökden started to work as Assistant Investment Specialist at İşbank. She was appointed as Investment Specialist in 1997, Assistant Manager in 1999, Unit Manager in 2003 and Division Head in 2006 at Capital Markets Division. Between 2013 and 2023 Ms. Kökden served as the Head of 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.



2

In addition to İşbank, Ms. Kökden serves as the Vice 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 Vice Chairperson of the Board on 31 March 2023 and 29 March 2024 also serves as the Chairperson of the Audit Committee, T.R.N.C. Internal Systems Committee and Operational Risk Committee and a member of the Risk Committee.

3- Hakan Aran
Member of the Board and Chief Executive Officer

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 İstanbul Commerce University.

Beginning his career at İşbank as a Software Specialist in 1990, Mr. Aran was appointed as the Head of Software Development Division 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, Information Technology Strategy Committee and 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., İşbank AG and Türkiye Sınai Kalkınma Bankası A.Ş. and as member of the Board of TİBAŞ 100th Year Foundation.

4- Fazlı Bulut
Member of the Board

Mr. Fazlı Bulut graduated from Ankara University, Faculty of Political Sciences, Department of Economics. He completed his master's degree in Economic Development in New Hampshire College in the USA.



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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.

5- Durmuş Öztekin
Member of the Board

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 Division 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 Turk 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.



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6- Recep Hakan Özyıldız
Member of the Board

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; Division 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.

7- Mustafa Rıdvan Selçuk
Member of the Board

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, Division Head in the General Directorate of Revenues, General Manager and Chairperson 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.



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8- Ahmet Gökhan Sungur
Independent Member of the Board

Mr. Ahmet Gökhan 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.

9- Sadrettin Yurtsever
Member of the Board

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.

10- Şebnem Aydın
Member of the Board

Ms. Şebnem 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



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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 the Corporate Governance Committee, the Corporate Social Responsibility Committee, the Sustainability Committee and as an alternate member of the Credit Committee.

11- Bahattin Özarslantürk
Member of the Board

Mr. Bahattin Özarslantürk graduated from Business Administration (in English) department of İstanbul University. He joined İşbank in 1994 as Assistant Specialist at Zincirlikuyu Branch. After serving in Managerial Reporting and Internal Accounting, Risk Management and Corporate Loans Underwriting Divisions as Credit Specialist, Mr. Özarslantürk was appointed as Assistant Manager in Corporate Loans Underwriting Division in 2002, Regional Manager in the same division in 2006, Branch Manager of Hadımköy Commercial Branch in 2009, Branch Manager of Güneşli Corporate Branch in 2011, Head of Commercial Loans Underwriting Division in 2013, Branch Manager of Başkent Corporate Branch in 2017 and Branch Manager of İstanbul Corporate Branch in 2020.

Mr. Özarslantürk served as the Vice Chairperson of İş Finansal Kiralama A.Ş., and A&T Finansal Kiralama A.Ş. and as a Board Member of İş Faktoring A.Ş., Arap Türk Bankası A.Ş., TİB Banka ve Ticaret Hukuk Araştırma Enstitüsü and Türkiye Sınai Kalkınma Bankası A.Ş. In addition to his duties at the Bank, Mr. Özarslantürk serves as a Board Member of İşbank Members Supplementary Pension Fund. Mr. Özarslantürk who was elected to İşbank Board of Directors on 7 March 2024 also serves as the member of Credit Committee.



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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
- 14 **Mehmet Türk**
Deputy Chief Executive
- 15 **Ünal Tolga Esgin**
Disaster and Emergency Coordinator





Executive Committee



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1- Hakan Aran Chief Executive Officer

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 Division 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, Information Technology Strategy Committee and Information Security Committee and as member of the Risk Committee and Operational Risk Committee.

2- N. Burak Seyrek Deputy Chief Executive

Mr. N. Burak Seyrek graduated from the International Relations Department of Ankara University, Faculty of Political Sciences. He joined İşbank in 1990 as Assistant Specialist at Training Division. After serving in Corporate Loans Underwriting Division as Assistant Specialist, Mr. Seyrek was appointed as the Branch Manager of İşbank AG Filiale Frankfurt in 1998, Assistant Manager of Başkent/Ankara Branch in 2001, Manager of Ostim Branch in 2004, Director of Corporate Banking Sales in Ankara Central II. Region in 2007, Head of Corporate Banking Product Division in 2010, Head of Corporate Banking Sales Division in 2011, Head of SME Loans Sales Division in 2013, and as Chief Executive Officer at İşbank AG Hauptverwaltung, which is a subsidiary of İşbank located in Germany. Mr. Seyrek was appointed as Deputy Chief Executive of İşbank on 25 March 2016.

3- Ebru Özsuca Deputy Chief Executive

Ms. Ebru Özsuca graduated from the Economics Department of the Middle East Technical University, Faculty of Economic and Administrative Sciences in 1992. She also holds a master's degree in International Banking and Finance from the University of Southampton in UK. She attended the Advanced Management Program at Harvard Business School in 2015. She joined İşbank as an Assistant Specialist at the Treasury Division in 1993. She served in the same division as an Assistant Manager and Unit Manager. After serving in Corporate Banking Product Division between the years 2007-2011, she was appointed as Head of Treasury Division. Ms. Özsuca was appointed as Deputy Chief Executive on 28 November 2017.

4- Ozan Gürsoy Deputy Chief Executive

Mr. Ozan Gürsoy graduated from the Public Administration Department of Middle East Technical University, Faculty of Economic and Administrative Sciences. He also holds a master's degree in International Banking and Finance from the University of Birmingham in UK. He joined İşbank as an Assistant Inspector on the Board of Inspectors in 1996. Throughout his career, Mr. Gürsoy served in various units of İşbank and Gebze Corporate Branch of the Bank.

5- Sezgin Yılmaz Deputy Chief Executive

Mr. Sezgin Yılmaz graduated from Uludağ University, Faculty of Economic and Administrative Sciences, Department of Economics. Mr. Yılmaz started his career as an Officer at Bursa Branch in 1997. After serving in various positions in the Bank, Mr. Yılmaz was appointed as Regional Manager of SME Loans Underwriting Division in Kayseri in 2012 and Regional Manager of SME Loans Underwriting Division in İzmir Central I. Region in 2015. He then served as Regional Sales Manager of SME and

Enterprise Banking Sales Division in İzmir Central II. Region, Support Services and Procurement Division Head, and Procurement Division Head in the respective order. Mr. Yılmaz, who was elected to İşbank Board of Directors on 29 March 2019, currently serves as Deputy Chief Executive.

6- Sabri Gökmenler Deputy Chief Executive

Mr. Sabri Gökmenler graduated from the Computer Engineering Department of the Middle East Technical University in 1991 and completed his master's degree in the same department in 1995. Mr. Gökmenler who began his career at İşbank in 1991 as a Software Specialist, has served in Softtech, a participation of İşbank, since 2004. He became the Head of IT Architecture & Security Management Division of İşbank in 2008 and Head of Information Technologies Division in 2012. Mr. Gökmenler attended the Advanced Management Program at Harvard Business School in 2018 and was appointed as Deputy Chief Executive on 28 January 2021.

7- Sezgin Lüle Deputy Chief Executive

Mr. Sezgin Lüle graduated from 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 in 2004. Mr. Lüle began his career in Organization Division of İşbank as an Assistant Organization and Method Specialist at in 1998 and became an Assistant Inspector in the Board of Inspectors in 1999. He served as Assistant Manager and Unit Manager at the Board of Project and Change Management between 2008 and 2011 and became the Head of Enterprise Architecture Division in April 2017. He attended the Advanced Management Program at Harvard Business School in 2019. Mr. Lüle was appointed as Deputy Chief Executive on 28 January 2021.



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8- Can Yücel Deputy Chief Executive

Mr. Can Yücel graduated from the Economics Department of the Middle East Technical University, Faculty of Economic and Administrative Sciences and began his career at İşbank as an Assistant Inspector on the Board of Inspectors in 1999. He served as Assistant Manager at SME Loans Underwriting Division in 2008, Assistant Manager at Corporate Loans Underwriting Division in 2009, appointed as Unit Manager in the same division in 2011 and as the Head of Corporate Loans Underwriting Division in 2016. Mr. Yücel became the Branch Manager of Başkent Corporate/Ankara Branch in 2020 and was appointed as Deputy Chief Executive on 26 August 2021.

9- Sezai Sevgin Deputy Chief Executive

Mr. Sezai Sevgin graduated from Marmara University, Faculty of Economic and Administrative Sciences, in 1990. In the same year, he began his career at İşbank 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 the Branch Manager in 2002 at the same branch. He was appointed as the Group Manager of Corporate Banking Marketing Division, Head of Commercial Banking Marketing Division in 2007, and Branch Manager of Gebze Corporate Branch in 2011 and 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 of İşbank on 28 December 2021.

10- Suat E. Sözen Deputy Chief Executive

Mr. Suat S. Sözen graduated from the Economics Department of Gazi University, Faculty of Economics and Administrative Sciences. He joined İşbank in 1991 as Assistant Specialist at Training Division. He was appointed as Specialist in Human Resources Division in 1998, as Credit Specialist at Yıldız Posta Boulevard Branch in 2000, and Assistant Manager at the same branch in 2002. After serving in Commercial Loans Division between the years 2004

and 2006, Mr. Sözen promoted to the position of Unit Manager in Corporate Communications Division in 2006, and became the Head of the same division in 2008. He became the Corporate Communication Coordinator and General Secretary in 2017. Mr. Sözen was appointed as Deputy Chief Executive on 25 March 2022.

11- İzlem Erdem Deputy Chief Executive

Ms. İzlem Erdem graduated from the 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 Specialist at Economic Research Division and appointed as Assistant Manager in the same division in 1998. Serving in Capital Markets Division after 2000, she became Unit Manager in the same division in 2004. She was appointed as the Head of Economic Research Division in 2008, and started to serve as Chief Economist in 2018. She was appointed as Deputy Chief Executive on 25 March 2022.

12- Tufan Kurbanoğlu Deputy Chief Executive

Mr. Tufan Kurbanoğlu graduated from the Public Administration Department of the Middle East Technical University, Faculty of Economics and Administrative Sciences. He began his career at İşbank as an Assistant Inspector on the Board of Inspectors in 1993. He was appointed as Assistant Manager in Commercial and Corporate Loans Monitoring and Recovery Division in 2002. He became a Unit Manager in the same division in 2006 and Regional Manager in Retail Loans Monitoring and Recovery Division in 2011. He served as the Head of Commercial and Corporate Loans Monitoring and Recovery Division since 2014. Mr. Kurbanoğlu was appointed as Deputy Chief Executive on 25 March 2022.

13- Mehmet Celayir Deputy Chief Executive

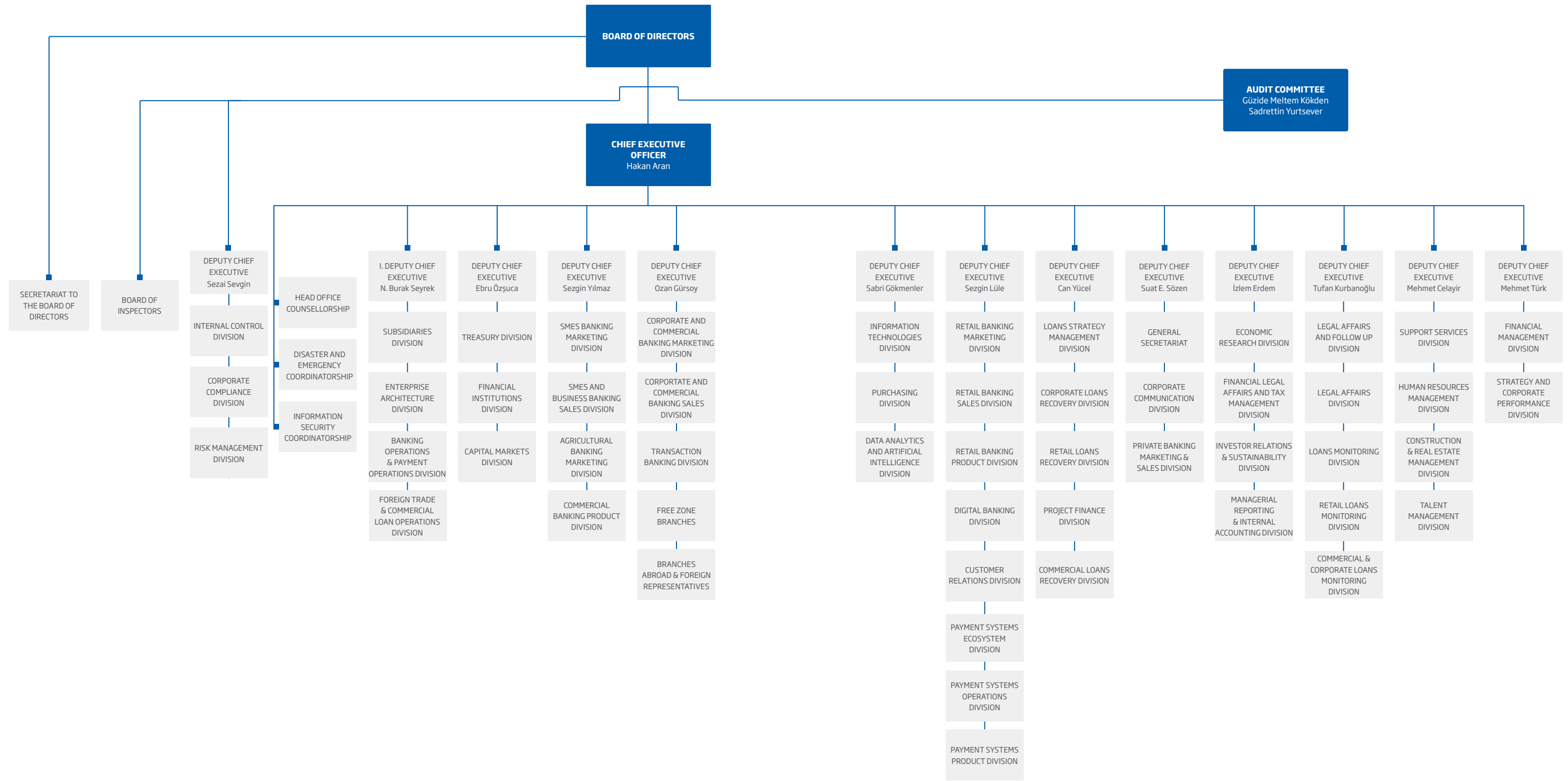
Mr. Mehmet Celayir graduated from Istanbul University, Faculty of Economics, Department of International Relations. Mr. Celayir started his career as an Officer at Elazığ Branch in 1996. After serving in various positions in the Bank, he was promoted to the Branch Manager of Cizre/Sırnak Branch in 2004. 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 14 December 2022.

14- Mehmet Türk Deputy Chief Executive

Mr. Mehmet Türk graduated from the Faculty of Engineering, Civil Engineering Department of the Middle East Technical University. He completed his master's degree in Business Administration at Virginia Polytechnic Institute and State University and his doctorate in Contemporary Management Studies at Işık University, Social Sciences Institute. He joined İşbank in 2000 as Assistant Specialist at the Fund Management Division and served as Assistant Manager in 2009 and as Unit Manager in 2016 in the Treasury Division. Mr. Türk was appointed as the Head of Treasury Division in 2017. He became the Branch Manager of Başkent Corporate/Ankara Branch in 2021. Mr. Türk participated in Harvard Business School Advanced Management Program (AMP) in 2024 and was appointed as Deputy Chief Executive on 11 December 2024.



Organization Chart*



*Last revised on 28 February 2025



Information on Board of Directors Meetings in 2024

İşbank Board of Directors meetings are presided over by the Chairperson, in the absence of whom the meeting is presided over by the Vice Chairperson; in the absence of both, the meetings are presided over by the most senior member.

Following the General Assembly, the annual schedule of the Board of Directors meetings is prepared and presented for the information of Board members. In general, Board meetings are held once a month, but interim meetings may be held if deemed necessary. Meeting agendas are prepared in accordance with the proposals of the 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. While the Board of Directors meets at least monthly at the address where the Bank is headquartered pursuant to Article 28 of the Articles of Association, the meeting can be convened elsewhere subject to the approval of more than half of its membership.

The meetings may also be held electronically provided that the requirements set forth in the applicable legislation shall have been fulfilled. Save for exceptional cases, the dates of Board meetings shall be notified by the Reporter to the Members at least five days in advance of each meeting. According to the Bank's Articles of Association and the Directive on the Working Procedures and Principles of the Board of Directors, more than half of the members must be present in order for the Board of Directors to hold a valid meeting. In order for the Board of Directors formed of 11 members to convene, six members (54.54%) must be present. Apart from the Chairperson, Vice Chairperson, Members and Reporter, Bank employees and other people deemed appropriate by the Board of Directors may also attend the meetings.

In 2024, 13 Board of Directors meetings were held, and all 13 meetings were fully attended. 975 pages of minutes were recorded for the said meetings, which lasted 47 hours in total. In the same year, a total of 178 files were reviewed, consisting of 164 files for loan allocation and 14 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 121 loan decisions. A total of 450 files were reviewed on non-credit matters, and 450 resolutions were passed.

Consequently, 769 Board resolutions were taken in 2024, including 198 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 2024 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 (İSEDES) 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 2024, the Audit Committee held 55 meetings with the full participation of its members and adopted 78 resolutions.



İşbank Committees

TRNC Internal Systems Committee

The TRNC Internal Systems Committee has been established within the framework of TRNC Banking Law and related regulations. The Committee was last reconstituted with the Board of Directors decisions dated 31 March 2023 and numbered 46224.

The TRNC Internal Systems 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 2024, the TRNC Internal Systems Committee held 9 meetings with the full participation of its members and adopted 12 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 Committee was last reconstituted with the Board of Directors decisions dated 29 March 2024 and numbered 46936.

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 Bahattin Özarslantürk

Alternate Member: Board Member Fazlı Bulut

Alternate Member: Board Member Şebnem Aydın

In 2024, 117 files under the authority of the Credit Committee were evaluated, and 84 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. The Committee was last reconstituted with the Board of Directors decisions dated 17 November 2023 and numbered 46593.

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

Member: Bahattin Özarslantürk

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 28 March 2024.

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.

Committee Structure

Chairperson: Board Member Sadrettin Yurtsever

Member: Board Member Fazlı Bulut

Member: Board Member Şebnem Aydın

Member: Investor Relations and Sustainability Division Head Nilgün Yosef Osman

Member: Investor Relations and Sustainability Division Unit Manager Özge Han Mercimekçi

In 2024, the Corporate Governance Committee held 2 meetings with the full participation of its members.

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

Member: Board Member Sadrettin Yurtsever;

Member: Board Member Şebnem Aydın

Member: Deputy Chief Executive Ozan Gürsoy

Member: Deputy Chief Executive Sezgin Yilmaz

Member: Deputy Chief Executive Sabri Gökmenler

Member: Deputy Chief Executive Sezgin Lüle

Member: Deputy Chief Executive Can Yücel

Member: Deputy Chief Executive Sezai Sevgin

Member: Deputy Chief Executive İzlem Erdem

Member: Deputy Chief Executive Suat Sözen

Member: Deputy Chief Executive Mehmet Celayir

Member: Deputy Chief Executive Mehmet Türk

Member: Risk Management Division Head Melih Emre Turan

Member: Investor Relations and Sustainability Division Head Nilgün Yosef Osman

As of year-end 2024, the Sustainability Committee held 2 meetings with less 4 members, adopted 2 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 Committee was last reconstituted with the Board of Directors decisions dated 31 March 2023 and numbered 46229.

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 2024, the Remuneration Committee held 8 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.

The Committee was last reconstituted with the Board of Directors decisions dated 31 March 2023 and numbered 46231.

Committee Structure

Chairperson: Chairperson of the Board of Directors Adnan Bali

Member: Board Member Durmuş Özbek

Member: Board Member Sadrettin Yurtsever

The Board of Directors Operating Principles Committee did not hold a meeting in 2024.

İşbank Committees

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 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.

Committee Structure

Chairperson: Chairperson of the Board of Directors and Chairperson of the Risk Committee Adnan Bali

Member: Vice Chairperson of the Board of Directors and Chairperson of the Audit Committee Güzide Meltem Kökden

Member: Board Member and Chairperson of the Corporate Governance Committee Sadrettin Yurtsever

Member: Chief Executive Officer and Chairperson of the Credit Committee Hakan Aran

Member: Deputy Chief Executive Sezai Sevgin

Member: Deputy Chief Executive Ebru Özsuca

Member: Deputy Chief Executive Mehmet Türk

Member: Deputy Chief Executive Can Yücel

Member: Risk Management Division Head Melih Emre Turan

Member: Internal Control Division Head Utku Ünsal

Member: Corporate Compliance Division Head Engin Yalçın

The Risk Committee, in a consolidated manner covering the Bank's financial and non-financial subsidiaries, contributes to the creation of group risk policies. The sessions held on a consolidated basis take place quarterly. The Risk Committee's activities on a consolidated basis are also attended by N. Burak Seyrek, Deputy Chief Executive responsible for the Subsidiaries Division, and Murat Doğan, the Division Head.

During the meetings held in 2024 within the first 12 months with the participation of all members of the Risk Committee, 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 24 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. The Committee meets at least twice a year, and its members are listed below.

Committee Structure

Chairperson: Vice Chairperson of the Board of Directors, Chairperson of the Operational Risk Committee and Audit Committee Güzide Meltem Kökden

Member: Board Member and Chairperson of the Corporate Governance Committee Sadrettin Yurtsever

Member: CEO and Credit Committee Chairperson Hakan Aran

Member: Deputy Chief Executive for Information Technology Sabri Gökmenler

Member: Deputy Chief Executive for Operations Sezgin Lüle

Member: Deputy Chief Executive for Corporate Architecture N. Burak Seyrek

Member: Deputy Chief Executive for Human Resources Mehmet Celayir

Member: Deputy Chief Executive for Internal Systems Sezai Sevgin

Member: Disaster and Emergency Coordinator, Ünal Tolga Esgin

Member: Chairperson of the Board of Inspectors Gürler Özkök

Member: Internal Control Division Head Utku Ünsal

Member: Corporate Compliance Division Head Engin Yalçın

Member: Risk Management Division Head Melih Emre Turan

Member: Information Security Coordinator S. Emrah Duran

Member: Risk Management Division Operational Risk Unit Manager Burcu Nasuhoğlu

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.

In 2024, the Operational Risk Committee held 3 meetings with the participation of all members and adopted 2 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 14% 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 Müge Nevşehirli Veziroğlu

In 2024, 8 positive decisions were taken in 6 meetings held with the participation of all members of the Corporate Social Responsibility Committee.

Committee Name	Number of Members*	Number of Meetings	Number of Decisions Taken
Audit Committee	2	55	78
TRNC Internal Systems Committee	2	9	12
Credit Committee	5	117 (number of files)	84
Credit Revision Committee	5	6	0
Corporate Governance Committee	5	2	0
Sustainability Committee	15	1	2
Remuneration Committee	2	8	14
Board of Directors Operating Principles Committee	3	0	0
Risk Committee	11	12	24
Operational Risk Committee	15	3	2
Corporate Social Responsibility Committee	8	6	8

* Committee member information is provided as of the publication date of the report.



Information on Risk Management Policies Applied per Risk Types

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 risk management process and its associated functions are among the primary responsibilities of the Board of Directors. Operating under the authority of the Board, the Risk Committee and the Operational Risk Committee, together with the Bank's Credit Committee and Asset-Liability Management Committee, support the Risk Management Division, which functions as an integral part of the Bank's risk management structure. In alignment with international best practices and within the framework of Basel regulations, the Risk Management Division carries out activities related to internal and regulatory capital adequacy. These include the development and validation of risk measurement methodologies, as well as efforts aimed at optimizing the capital adequacy management process.

Capital Adequacy Policy

The Capital Adequacy Policy defines the level of capital, on a consolidated and unconsolidated basis, that the Bank must hold against potential losses arising from financial risks associated with on and off-balance sheet items, as well as non-financial risks stemming from the Bank's operations. It also sets out the principles for ensuring the continuity and monitoring of minimum capital levels, determined in accordance with regulations and the Internal Capital Adequacy Assessment Process. The Capital Adequacy Policy is an integral part of the Risk Policies.

Credit Risk Policy

Credit risk is defined as the probability of the Bank having a loss due to the counterparty not fulfilling the obligation partially or fully on maturity as affirmed in the agreement. Credit Risk Policy sets the framework for credit risk management, control and monitoring, roles and responsibilities and credit risk limits.

İşbank maintains identification, measurement and management of credit risk across all products and activities as defined in the Article 48 of the Banking Law. The Board reviews credit risk policies and strategies annually at minimum. CEO, and the other chief executives and the division heads that are involved in the credit lifecycle are responsible for the execution of credit risk policies.

The credit risk profile of the Bank is continuously monitored. The trend of risk factors and the changes in these factors are reported to the senior management regularly. Avoiding concentration is essential in managing credit risk. Concentration in the credit portfolio is monitored by taking the

balance of earnings, riskiness and capital charges into account. To this end, limits specified by the Board of Directors based on counterparties, industry, credit type, collateral, country, maturity, currency etc. are implemented.

In managing credit risk, İşbank implements internal risk limits specified by the Board of Directors that restrict the maximum credit risk based on parameters such as risk groups and sectors in addition to the credit risk limits that are mandated by legal regulations. These internal limits are determined in a way that does not lead to risk concentrations.

İşbank employs internal credit risk rating systems in managing credit risk. Internal credit risk rating systems and artificial intelligence applications are employed with the capability to monitor credit risk on a portfolio basis; to calculate expected and unexpected credit losses and to assess credit risk correctly in credit pricing, performance management, sales and marketing. The assessment and management of the risks related to the models are done according to the Model Risk Management Policy.

Asset and Liability Management Risk Policy

Asset and liability management risk is defined as; the risk of loss caused by Bank's failure to effectively manage all financial risks arising from the bank's assets, liabilities and off-balance sheet transactions. Market risk of trading book, structural interest rate risk of banking book and liquidity risk are all within the scope of asset and liability management risk.

All principles and procedures related to constitution and management of Bank's asset-liability structure and Bank's risk appetite is established by the Board of Directors. Ensuring asset and liability management risk being maintained within the levels imposed by legislation and internal risk limits is the first priority. Within the Bank's risk appetite framework risk tolerance levels which aim to put a cap on the amount of risk undertaken by the Bank are determined by Board of Directors for each risk type on both bank-only and consolidated basis. In this process, liquidity, target income level and general expectations about the risk factors are taken into consideration.

Board of Directors and Audit Committee are obliged to track that Bank's capital is used optimally. For this purpose, they have to keep risks under control and ensure necessary actions being taken.

Asset-Liability Management Committee is responsible for governance of asset and liability management risk in accordance with the risk appetite framework and risk limits determined by Board of Directors and within the principles and procedures expressed in ALM risk policy.

Measuring asset and liability management risk, reporting the results and monitoring the compliance with the risk limits are the responsibilities of Risk Management Division. The level of the risk taken is reviewed under different scenarios. Measurement results are tested in terms of reliability and integrity. Asset and liability management risk is reported to Risk Committee and reported to the Board of Directors through Audit Committee.

Compliance with risk limits is closely and continuously monitored by Risk Management Division, Asset-Liability Management Committee and related business units. In the event of a breach in the risk limits, the breach and its reasons are instantly reported to Board of Directors through Audit Committee. Course of action needed to be taken in order to eliminate the breach is determined by the Board.

Asset and liability management processes and compliance with the policy rules are audited by internal audit system. The principles regarding the audit process, audit reports and fulfillment of action plans to eliminate the errors and gaps determined by internal audit are established by the Board of Directors.

Stress Testing Policy

The purpose of the Stress Testing Policy is to measure the significant risks and vulnerabilities that may arise from both bank specific adverse developments or from stress conditions on general economic and financial environment.

Stress testing program is defined as the collection of studies and analyses to assess the risks generated by Bank's activities and the program covers the methodologies, assumptions and scenarios related with those analyses. In order to ensure the validity and appropriateness of the results; stress testing program is regularly monitored and updated taking into consideration the current economical conjuncture and market conditions, Bank's products, strategies and technological capabilities and Bank's risk appetite framework.

Bank implements a stress testing program oriented to assess the risks both from a holistic view (i.e. bank-wide stress tests) and on the basis of the important risk types (i.e. individual stress tests) in accordance with the regulations and internal procedures and the results are reported to the senior management, Board of Directors and other related legal authorities.

The Board of Directors is responsible for conducting the stress testing program as a whole. The Board of Directors ensures that the outputs of the stress testing program are evaluated and used as an input for decision making on the relevant fields. Executing the analyses included in stress testing program, reporting the outputs of the stress tests and monitoring the compliance with respect to the risk limits are the responsibility of Risk Management Division. The scope of the stress testing program, the set of risk factors to be used in the analyses and the level of the stress parameters are determined by Risk Committee.

The processes related to stress testing and compliance with the policy rules are audited by internal audit system. The principles regarding the audit process, audit reports and fulfillment of action plans to eliminate the errors and gaps determined by internal audit are established by the Board of Directors.



Information on Risk Management Policies Applied per Risk Types

Operational Risk Policy

Operational risk is defined as “the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events”. This definition includes legal risk. Risk Management Division is responsible for the risk management activity on this particular risk. Operational risk management activities comprise defining, measuring, analyzing, monitoring and reporting, controlling of operational risks, following up the new techniques on management of operational risks besides regulatory and internal reporting. The fundamental principles and procedures of risk management are determined in Operational Risk Policy.

Categorization of inherited operational risks within the activities and processes is made possible by the Risk Catalogue. It serves as the basic document to define and classify the risks and is subject to alteration as conditions change. Risk Catalogue is modified in line with the improving risk management practices and changing regulations

Operational risk is managed on the basis of the three lines of defense approach within the framework of risk management policies approved by the Board. Risk appetite and affiliated internal limits which are determined by the Board for the operational risks are monitored periodically.

Internal and external factors that may affect banking operations negatively are considered in the process of determining operational risks. Operational risk management process combines both qualitative and quantitative approaches in measurement and assessment. In the process of measurement and assessment, risks are prioritized with respect to financial, legal, reputational and operational effects of operational risks that Bank is exposed to. Apart from the calculations executed within the scope of legislation, “internal measurement methods”, “impact - likelihood analysis”, “loss data analysis”, “scenario analysis”, “stress testing” and “key risk indicators” are utilized. Studies are reported to the Board through Risk Committee and Operational Risk Committee.

Operational risks that the Bank is exposed in the banking and information systems processes, risk levels of new product, service and activities, support and valuation services, operational risk related loss events and risk indicators are monitored regularly by Risk Management Division and reported periodically to the Risk Committee, Operational Risk Committee and the Board.

Employees have the understanding of the Bank’s objective to attain a working environment aiming to reduce the probability of loss, considering that the entire internal rules and procedures, led by operational risk policy, and act sensitively to the inherited operational risks and controls.

Reputational Risk Policy

Reputational risk is defined as loss of trust to the Bank or reputation impairment as a result of non-compliance with existing legal regulations or negative view of parties such as current or potential customers, partners, opponents and supervisory authorities and related studies are conducted by Risk Management Division. Reputational Risk Policy determines principles and procedures for definition, evaluation, control, monitoring, reporting and management activities of reputational risk sources.

Reputational risk sources are evaluated both individually and as a whole, appropriate systems and controls are established to manage risky elements efficiently. Risk Management Division is responsible for reporting reputational risk evaluations periodically to Risk Committee, Audit Committee and the Board of Directors. All the employees execute their functions with the responsibility of preserving the reputation of the Bank.

Consolidated Risk Policies

Compliance with risk management principles related to the Bank’s subsidiaries is monitored according to Bank’s Consolidated Risk Policies. Through Consolidated Risk Policies, subsidiaries identify their specific risk management policies which are approved by their boards that form the framework of their risk management systems and processes. Risk levels of subsidiaries are monitored closely by Risk Management Division and reported periodically to the Risk Committee and the Board.

Information Systems Management Policy

The purpose of the Information Systems Management Policy is to determine the principles regarding identification, measurement, monitoring, control, reporting and management of risks arising from information systems management. With this policy, it is intended to effectively manage information systems, which is a critical element for sustaining Bank’s activities, by considering information systems management as a part of corporate risk management practices. The provisions of this policy are applied in the management of the Bank’s information systems and all elements containing these systems.

Risks derived from information technologies are basically assessed within the scope of Bank’s operational risk management framework. It is essential that those risks which could be seen as multipliers of the other risks derived from activities of the Bank are measured, closely monitored and controlled within Bank’s integrated risk management framework.

Model Risk Management Policy

The purpose of the Model Risk Management Policy is to regulate the procedures and principles, regarding the model risk management by considering the end to end life cycle of the models used by the Bank. With the policy, it is aimed to manage the model risk, caused by errors, malfunctions or deficiencies in the life cycle of the models used in the activities of the Bank, with a holistic perspective.

In the Bank, model risk is managed by the three line of defense structure; first line of defense (model owner, model development team, model implementation team, model user), second line of defense (model risk management team, validation team, internal control) and the third line of defense (internal audit). Model risk management covers the entire model life cycle. The main activities in each step of the model life cycle and the responsibilities within the scope of these activities are determined in the policy.

Climate Change Risk Policy

Climate change includes “transition risks” that may be encountered due to the transition to a low carbon economy and “physical risks” that may arise due to the effects of climate change on nature. Bank’s Climate Change Risk Policy regulates the principles and procedures regarding the identification, definition, evaluation and/or measurement, monitoring, control, reporting and management of climate change risks that the Bank may be exposed to as a result of its activities.

Climate change risk, in addition to being a type of risk that the Bank may be directly exposed to, may also arise due to other risks that may occur during the execution of its operations. Therefore, 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 the compatibility of the Bank’s activities and practices with its climate change strategy. Responsibilities regarding climate change risk management, have been defined within the framework of the three line of defense. Tasks of the first line are to identify, evaluate and control climate change risks that may arise in activities which they are responsible and to ensure that credit decisions are made taking into account the risks of climate change throughout the lending process. The second line determines the working principles, rules, policies and requirements regarding climate change risk. The third line provides assurance to the Board of Directors that the structure described here is functioning properly.



Managers of Internal Systems

Second Line of Defense

	Name	Sezai Sevgin	Melih Emre Turan	Engin Yalçın	Utku Ünsal
	Duty	Deputy Chief Executive Responsible for Internal Systems	Head of the Risk Management Division	Head of the Corporate Compliance Division (Compliance Officer)	Head of Internal Control Division
	Term of Office	2 years 11 months	1 month	5 months	5 months
	Professional Experience	34 years	19 years	29 years	24 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	Risk Management Division	Board of Inspectors, Payment System Ecosystem Division, Deputy Chairperson of the Board of Inspectors, İş Merkezleri Yönetim ve İletişim A.Ş. Internal Control Division	Board of Inspectors, Human Resources Management Division, SMEs and Business Banking Marketing Division, Strategy and Corporate Performance Division
	Educational Status	Bachelor's Degree	Master's Degree in Türkiye	Bachelor's Degree	Master's Degree in Türkiye

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 11 months	31 years	Risk Management Division, 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

Reporting to the Board of Directors through the Audit Committee, the Board of Inspectors carries out its activities with the vision of supporting the sustainability of the values created by the Bank through risk-oriented auditing and high-value consultancy activities using modern methods and techniques and training qualified human resources with the knowledge and experience to lead the sector.

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 process for the preparation of solo and consolidated financial statements is reviewed. 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 audits aim to provide assurance regarding the compliance of the Bank’s activities with the Bank’s strategies, policies, principles and objectives as well as legal regulations. Within the framework of the activities of the first and second lines of defense, the work carried out in this direction prioritizes the identification of risks and the

assessment of the effectiveness and adequacy of controls, and audit plans are prepared by taking into account the risks that the Bank may face and the control environment. Audits are carried out on-site or remotely in accordance with international quality standards, utilizing the strength of the Board of Inspectors’ deep-rooted audit culture and advanced information technologies, with a modern and risk-oriented approach, according to business needs, using an agile working methodology.

The inspection reports prepared as a result of the inspection activities are submitted to the Audit Committee and the Bank’s Senior Management, and the plans made and measures taken in response to the findings are monitored by the Board of Inspectors. The Board of Directors closely monitors and directs the work of the Internal Audit Division through monthly and annual activity reports submitted through the Audit Committee.

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 are carried out on compliance matters.

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 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.

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

The Bank's Compliance Risk Management Policy and Anti-Financial Crimes and Sanctions Policy are available in Turkish and English on the Bank's website at www.isbank.com.tr under "Investor Relations/Corporate Governance". The Bank's compliance program and its policies and procedures within this scope are subject to annual internal and external independent audits.

Officers, Assistant Inspectors 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 and My Managerial Career Training Program" for employees promoted to the position of Assistant Manager II, 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 Program 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

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, Kharon/CRDF correspondent banks, data providers, various authorities, or other institutions. In partnership with the Civilian Research and Development Foundation (CRDF) and Moody's, a physical and online training on "Awareness Workshop on Sanctions" was provided to 16 employees of different Divisions, mainly employees of the Board of Inspectors, Financial Institutions Division, Banking Core Operations Division, Corporate Compliance Division, Subsidiaries Division and Risk Management Division.

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, 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 findings of the reviews are analyzed by the Internal Control Division, which ensures that existing deficiencies are addressed, develops recommendations to prevent recurrence of issues, and carries out monitoring and follow-up activities. The Board of Directors is informed on a monthly basis regarding the activities conducted by the Internal Control Division, and the findings resulting from these activities are reported to the Audit Committee at six-month intervals.

The internal control activities implemented in 2024 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 Division employee 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.

Effective 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. An internal audit is conducted each year by the Board of Inspectors regarding the activities of the Risk Management Division.

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 (BRSA). 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 (ICAAP). The risk appetite framework is designed to clearly articulate, by risk type, the level of risk that senior management is willing to undertake, including comparable indicators. It aims to present, to the extent possible, the Bank's risk capacity, risk appetite, risk tolerance (limits), and risk profile on business unit, Bank, and group (consolidated) levels.

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.



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

With the aim of disseminating an effective risk management approach across the organization, enhancing employees’ risk management skills, and increasing awareness on the subject, a digital training program titled “Risk Culture in Our Bank” has been implemented since 2021. Additionally, to raise employees’ knowledge and awareness of the concept of climate change risk and the Bank’s related risk management policies, a digital training titled “Climate Change Risk” was launched in 2024. Furthermore, risk culture surveys are conducted to assess employees’ awareness of risk culture.

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.

Management of Non-Financial Risks

Aside from financial risks, non-financial risks such as climate change risks, environmental management risks, internal behavior/culture and ethics risks, and employee practice and employee relations risks, operational risks are defined in the Bank’s Risk Catalog and addressed through risk management activities.

In the assessment of operational risks, various tools are utilized including risk evaluations aimed at prioritizing risks, impact-likelihood analysis, loss event data analysis, scenario analysis, stress testing, and risk indicators. The risks

defined in the Risk Catalogue, whose management principles are detailed in the risk policies, are reviewed regularly -at least annually- to ensure that related definitions and principles are kept up to date. In addition, new products, services, and practices offered by the Bank are subjected to the Risk Control Compliance Analysis process before being launched. Within this process, potential risks related to the new product, service, or practice are identified, and corresponding risk mitigation measures are taken.

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 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

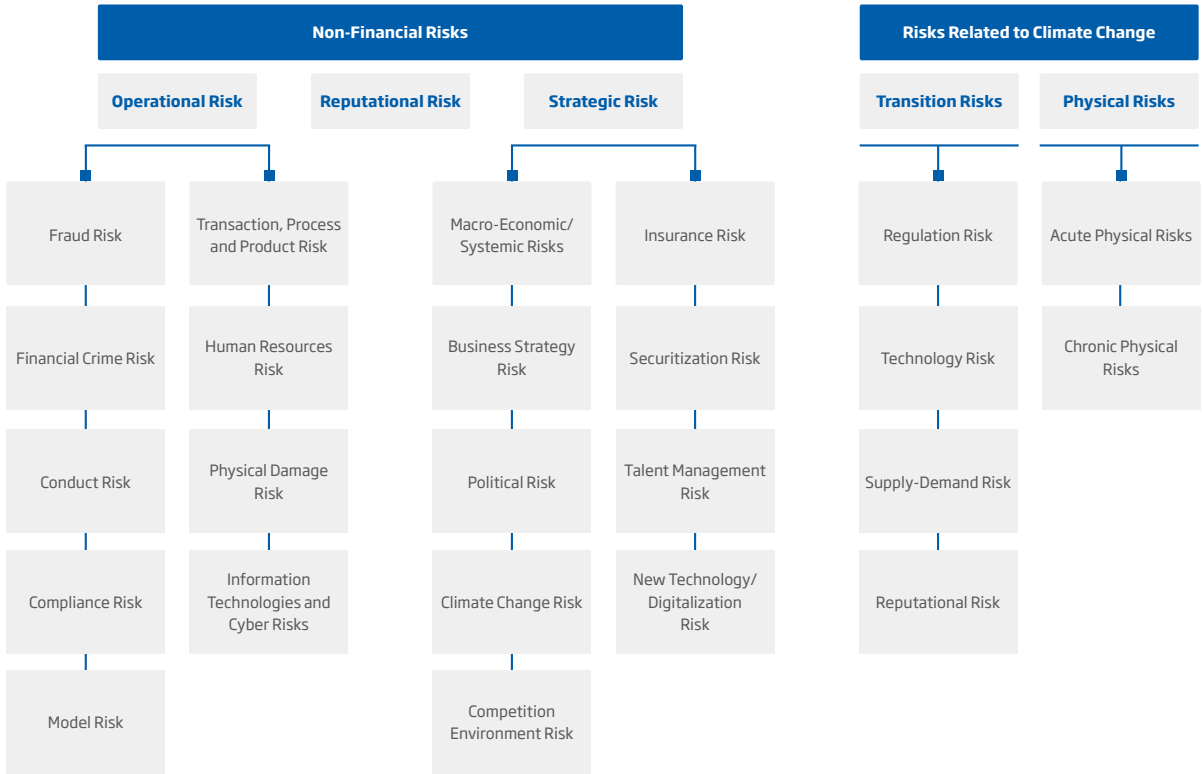
Reputational Risk is defined as a potential loss arising from negative perceptions or opinions held by current or potential customers, partners, investors, employees, competitors, media, social media users, market analysts, regulators, or supervisory authorities, or from non-compliance with existing legal regulations, which could lead to a loss of trust or damage to the Bank’s reputation.

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.

The factors that may impact reputational risk are categorized under four main groups:

- **Operations:** This category covers risks arising from internal processes, system deficiencies, human errors, and external disruptions that may affect the Bank’s operational efficiency, service delivery capacity, and customer satisfaction.

- **Communication Activities:** This includes risks embedded in the Bank’s internal and external communication processes. Areas such as public relations, media interaction, crisis communication, employee engagement, and customer communications are considered in evaluating reputational exposure.
- **Financial Performance and Risk Management:** Factors under this category relate to the Bank’s financial stability, capital adequacy, and the robustness of its risk management framework. Inadequate performance in these areas may pose reputational challenges.
- **Environmental, Social, Governance (ESG) and Sustainability:** This category includes the Bank’s responsibilities and performance related to environmental, social, and governance issues. These risks pertain to the Bank’s progress toward sustainability goals, environmental impact, social responsibilities, and governance practices.





Business Ethics

İşbank's way of doing business is based on high business ethics standards. With this understanding, the "Ethical Principles and Code of Conduct" prepared in line with the Principles of Banking Ethics of the Banks Association of Türkiye, "Human Rights and Human Resources Policy" and İşbank's Collective Labor Agreement serve as the basic guidelines in this area.

The Ethical Principles and Code of Conduct was enforced upon its approval by the Board of Directors on 26 October 2021. An Ethics Hotline has been set up for employees, customers, and other related parties to report any violation of the Code of Conduct. The Board of Inspectors monitors all notifications and reports submitted through the Ethics Hotline, implying that any employee might be involved in bribery or corruption or a similar act. Complaints communicated to the Board of Inspectors through the Ethics Hotline are separately reported in monthly activity reports. In 2024, the Board of Inspectors received 15 complaints concerned with 12 different topics through the Ethics Hotline.

For acts established to be in violation of the Bank's policy rules, the appropriate disciplinary action, up to and including termination of the employment contract, is taken according to the applicable provisions and procedures of the Human Resources Regulation and the Collective Labor Agreement. Where legally required, such violations are also reported to judicial authorities.

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 referred to the Customer Relations Platform and followed up on the relevant platform. Of these complaints, those requiring to be handled by the

Board of Inspectors are transferred to the Board of Inspectors 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 2024, 33 complaints were reported to the Audit Committee.

The Bank organizes trainings to raise employee awareness on business ethics. The "Getting to Know Our Bank" course, which is part of the "Starting My Career" trainings for new hires, underlines that disciplinary regulations and "Ethical Banking Principles" must be abided by. The training sessions given to Assistant Inspector Trainees address "Ethical Principles" and "Anti-Bribery and Anti-Corruption". Under the Branch Managers Development Program, As I Rise in My Career and My Career as a Manager training programs provided to managers and management trainees, the "Internal Audit" course given by the Board of Inspectors dwell on ethical banking principles.

Employees were given the "Ethical Principles and Code of Conduct" training digitally, which offered detailed information about the Bank's ethical principles and code of conduct; quality, compliance, and risk policies; the principles on combating financial crimes and implementation of sanctions, for compliance with the competition law and ensuring information security, as well as information on the "Ethics Hotline" which will be used to report any actual or suspected violations of ethical principles.

As for human rights, the "Getting to Know Our Bank" course which is part of the "Starting My Career" trainings for new hires focuses on the principles set out in the Bank's Human Rights and Human Resources Policy.

The "Internal Audit" training given as part of the Branch Managers Development Program tackled ethical banking principles, whereas the attendants were offered awareness raising information regarding fundamental human rights in the "Equality for All" seminar organized on 8 March International Women's Day as part of the Management Development Conferences.

In order to inform the employees about domestic violence against women, what to do in the event of violence, and the rights of the violence victims, the Bank provided "Fighting Domestic Violence Handbook" published by the Directorate General on the Status of Women and "Fighting Domestic Violence" video training co-produced with the Bayındır Healthcare Group, both addressing the topics mentioned above.

It is a top priority for the Bank to achieve full compliance with competition law rules in all its dealings with the customers, suppliers, competitors, business partners, and regulatory agencies during the course of its activities. The Compliance Undertaking distributed to employees for this reason, as well as the "Competition Compliance Program" introduced at the end of 2021 demonstrate the emphasis placed on this topic. As part of the program, an online seminar was held which was participated by Head Office division heads. In addition to the seminar, 86.91% of the target audience completed the "Competition Law Compliance Guide" digital training in 2024, one of the legal compliance trainings required of all employees.

In 2024, no lawsuits were brought against the Bank on account of anti-competitive acts, antitrust, or monopolistic activities. A new judicial process has not been initiated in 2024 in relation to the judicial process that was adjudged in favor of the Bank in 2023.

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 Code of Conduct" and "Anti-Bribery and Anti-Corruption Policy" serve as reference for fighting 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 as part of internal audit. The Human Resources Committee determines the principles for the execution of action plans to address audit findings.

Bribery and corruption risk is defined as a benefit derived, directly or indirectly, by any Bank employee through misuse of the power vested in him/her for the performance of his/her duties in his/her role at the Bank, and the risk of loss that the Bank may suffer as a result of any Bank employee's failure 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 incident data analysis, and scenario analysis activities.

The Board of Inspectors conducts routine audits in accordance with the 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 according to 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, solutions are suggested for their elimination, and the entire process is

monitored. If any violations of anti-corruption policies are discovered during the audits, appropriate action is taken in line with internal discipline regulations and legal regulations.

All findings, reports, and customer complaints involving corruption 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 necessary action. In line with the regulatory requirements, the Bank's important processes and a substantial part of its credit portfolio are audited each year, including for corruption risk, and risk analyses concerning employees are also carried out. In 2024, the scale of activities reviewed for corruption risks was found to be negligible compared to the Bank's total assets.

For acts deemed to be in violation of the Bank's policies, the appropriate disciplinary action, up to and including 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.

"Starting My Career" training program offered to new hires employed in clerk and assistant specialist position at İşbank and promotion training offered to employees rising to supervisor and II. manager roles incorporate "Compliance Program with the Policy for Combating Financial Crimes and Sanctions" lesson, during which information about anti-bribery and anti-corruption is provided.

In "My Career as a Specialist Trainee Program" designed to support the career progress of employees in senior assistant specialist role, the Corporate Compliance Division addresses "Financial Crimes", "Sanctions and International Obligations" and "Regulatory Compliance".

Intended to communicate the sanction concept to employees, the framework of international sanctions and actions that need to be taken to avoid the violation of a sanction, "International Sanctions" digital training was developed in cooperation with the Corporate Compliance Division and made available for use by employees on 9 November 2023. The digital training, which also talks about the responsibilities of employees with respect to sanction risk management, was completed by 5,337 employees in 2024.

148 employees participated in the "Sanctions Awareness Workshop", a 2.5 hours-long program co-organized by the Civilian Research and Development Foundation (CRDF) and Moody's for the Head Office employees.

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.



Human Rights

İşbank takes the utmost care to fulfill the requirements of international conventions that our country is a party to, primarily the United Nations Universal Declaration of Human Rights and the United Nations' and International Labor Organization (ILO)'s fundamental principles, with a particular focus on labor rights, children's rights, human rights and social justice.

Regarding respect for human rights an integral part of its way of doing business, the Bank voluntarily signed the UN Global Compact and transparently discloses its social and environmental performance in keeping with its commitment to the ten principles that address all aspects of sustainability, including human rights. Furthermore, being a signatory to the Principles for Responsible Banking (PRB) spelled out by the United Nations Environment Program Finance Initiative (UNEP FI), İşbank pledged to integrate environmental and social factors in its business processes in the sustainable development pathway.

Seeking to achieve compliance with the United Nations Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework, the Bank assessed the human rights risk with respect to its own operations, customers, supply chain and society. The Bank has established various policies including, mainly, "[Human Rights and Human Resources Policy](#)" and "[Ethical Principles and Code of Conduct](#)" concerned with fundamental human rights including human trafficking, forced labor, child labor, freedom of association and the effective recognition of the right to collective bargaining, equal pay for equal work and anti-discrimination.

Other Related Policies of İşbank

Bank Operations

[Gender Equality Policy](#)

[Remuneration Policy](#)

[Occupational Health and Safety Policy](#)

[Board Diversity Policy](#)

Customers

[Environmental and Social Impacts Policy](#)

[Personal Data Protection Policy](#)

[Anti-Bribery and Anti-Corruption Policy](#)

[Customer Satisfaction Policy](#)

[ISO 9001 Quality Policy](#)

[Confidentiality Policy](#)

[Disclosure Policy](#)

Suppliers

[Supplier Code of Conduct](#)

[Precious Metals Responsible Supply Chain Compliance Report](#)

Society

[Environmental and Social Impacts Policy](#)

[İşbank Donation and Contribution Principles](#)

[İşbank Declaration on Women's Empowerment](#)

[Artificial Intelligence Ethical Principles](#)

The human rights risk is a matter that İşbank attaches importance to along its entire value chain. The Bank's risk catalogue incorporates Human Resources and Human Rights risk, takes into consideration human rights and social impact in its investment and

lending activities, and compels actions to eliminate human rights violations and negative social impact. The risk assessment model employed for human rights and social impact entails variables concerned with such topics as child and forced labor, community health and occupational health and safety, working conditions, employment conditions, OHS management systems, forced resettlement, loss of livelihoods, stakeholder communication, gender equality, sexual harassment, and discrimination. The Bank expects prospective suppliers to pursue policies that respect human rights, avoid discrimination in any form, and take care to offer equal opportunities to employees pursuant to its Supplier Management Principles; the Bank may audit suppliers in cases it deems necessary.

As an indication of the value it attaches to human rights, employee engagement and satisfaction make one of the strong muscles of İşbank, which makes a basic foothold of the Bank's business success. The Bank regularly administers questionnaires to measure employee engagement and satisfaction. The outcomes of these questionnaires conducted in relation to training activities, performance management, career management, recruitment process, remuneration and rewarding and intended to enhance employee satisfaction are reviewed by executives, thus enabling necessary improvements. 86% of the Bank's employees responded to the employee engagement and satisfaction questionnaire conducted in 2024 by an independent company. The questionnaire, which also incorporated questions regarding human rights, measured employee engagement at 65%. Furthermore, "Gender Equality",

"Fundamental Human Rights", "Unconscious Biases" and "Recognizing Violence" programs covered in the "Awareness" digital training series made available on the Learning World on 29 November 2024 are intended to help the Bank employees develop a more informed, sensitive and inclusive perspective in their business and social lives.

İşbank regards customer feedback as an opportunity for continuous improvement of its products and services, and uses a variety of channels to collect customer feedback, which include the corporate website ([www.isbank.com.tr](#)), Online Banking, İŖCep, Call Center, branches, e-mail, fax, letters, government institutions and agencies, and social networks. Customer submissions to the Bank are handled by the Customer Relations Platform (in Turkish: MİP), spending best efforts for their resolution in the fastest manner possible. The contents and distribution of customer demands and complaints received by the Bank and statistical data and explanations regarding the responses provided to customers are reported to the senior management quarterly. In 2024, the Bank received 406 complaints concerned with violation of customer data privacy and data loss. Forty-eight were duplicates, and hence, were not responded to. In 2024, the Bank was not subjected to any fines for non-compliance with customer information regulations.

Expert employees working in the Purchasing Division annually evaluate suppliers as part of the supplier performance management survey, using the questions directed to the related business unit, paying due regard to sustainability targets and the importance of the issue. The sustainability survey comprised of 35

questions under four main headings, which were Employee and Human Rights, Environment, Sustainable Procurement and Ethics. In 2024, the survey covered 74 suppliers, 68 of which took part in the study that corresponded to 48% of procurements. Out of 68 respondent companies, 29 responded positively to the question "Do you consider human rights issues in your business activities? If yes, please provide a brief description." Furthermore, based on the answers given, out of 68 suppliers, 41 carry out various efforts against climate risks, 44 have anti-corruption policies, whereas 29 undertake human rights evaluation. Forty suppliers have a policy against child labor. While data for women employee ratios vary, 65% of suppliers stated that they have gender equality policy. In addition, 40 suppliers claimed that they have practices that support work-life balance.

The Board of Inspectors, which reports to İşbank Board of Directors, aims to provide assurance at regular intervals concerning the compliance of the Bank's activities with the regulatory framework governing human rights among other matters, the Bank's strategies, policies, principles and goals. Preliminary inquiry, investigation and interrogation activities about suspected internal crimes are also carried out by the Board of Inspectors. In addition, the Board of Inspectors also audit the customer complaints handling process; moreover, complaints that are directly received by the Board of Inspectors through various channels including the Ethics Hotline are examined on a case-by-case basis. During 2024, 15 complaints concerned with 12 different topics were received through the Ethics Hotline. Out of these 12 complaint topics associated with human rights that fell under corruption

and bribery, discrimination and harassment, customer privacy, conflicts of interest, money laundering and insider trading, it has been established that nine do not constitute a violation. As for the remaining three complaints, one was addressed under discrimination and harassment, whereas two were addressed under customer privacy. Efforts spent along this line prioritize assessment of the effectiveness of risk identification and development of the necessary controls within the frame of the activities of the first and second lines of defense.

İşbank has in place a Bank-wide, solid human rights policy in place that backs its commitment to fundamental human rights such as decent working place conditions, equal pay for equal work, discrimination, gender equality, freedom of association and the right to collective bargaining, human rights violations (human trafficking, forced labor, child labor and so on), personal data privacy, anti-bribery and anti-corruption, money laundering, business ethics and so on.

Contribution to Social Welfare

RELATED STAKEHOLDERS

- Employees
- Customers
- NGOs and Media
- University Students

While contributing to economic development on the one hand, İşbank undertakes initiatives for the progress of the society in line with the needs of the country and the society on the other.

Carrying out social responsibility initiatives targeted at reaching large audiences and making a difference, the Bank implements a number of projects, mainly in the fields of education, environment, culture and arts, that will contribute to the lives of future generations.

MATERIAL TOPICS

- Contribution to Social Welfare

Risks

- » Loss of reputation due to failed projects and challenges in partner selection
- » Weakened 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 the society's needs
- » Contribution to Sustainable Development Goals through projects
- » Direct communication with customers thanks to increased financial literacy
- » Contribution to corporate reputation

CONTRIBUTED SDGs



RELATED CAPITALS

- Social-Relational Capital

Key Performance Indicators

	2022	2023	2024
Contribution to equal opportunities in education: 81 Students from 81 Cities	Total number of graduates reached 361 in 2022	Total number of graduates reached 428 in 2023	Total number of graduates reached 497 in 2024
Helping with the upbringing of generations that read and question, and supporting the cognitive and cultural development of children: Number of books donated during the “Show Your Report Card, Get Your Book” Campaign	In the 15 th edition of the campaign, 500,000 printed books titled “The Adventures of Sherlock Holmes” were gifted to students; a digital version of the book was also made available to children on the kumbaradergisi. com portal together with the book “Secret Garden”	In the 16 th edition of the campaign, “Çocuklar Soruyor Tarih Dede Anlatıyor” (Children Ask and Grandpa History Explains) was printed in 500,000 copies and was also distributed digitally to children through the kumbaradergisi. com portal	In the 17 th edition of the campaign, “Çocuklar Soruyor Tarih Dede ve Bilge Öğretmen Anlatıyor” (Children Ask, Grandpa History and Teacher the Wise Explain) and “Aklıma Bir Soru Geldi” (I Have a Question) books were distributed to students. The books were also offered to the children in digital version via the kumbaradergisi. com portal
Helping with the upbringing of generations who read and question, and supporting the cognitive and cultural development of children: Number of books donated to schools and libraries	The number of books donated reached 56,000 which were distributed to 2,167 schools as of year-end 2022	The number of books donated reached 167,213 which were distributed to 4,084 schools as of year-end 2023	The number of books donated reached 141,400 which were distributed to 3,522 schools and 13 libraries as of year-end 2024

Targets

2024 Target	2024 Realizations	Targets for 2025 and Beyond
“Show Your Report Card, Get Your Book” campaign will be carried on, distributing both printed and digital versions of the books	Printed books were sent to all domestic and TRNC Bank branches and museums. The books were also made available to children digitally via the kumbaradergisi. com portal	“Show Your Report Card, Get Your Book” campaign will be carried on in 2025 covering the distribution of both printed and digital books
81 Students from 81 Cities project will be carried on in cooperation with the Darüşşafaka Society	Total number of graduates reached 497 including 69 students who graduated in 2024	81 Students from 81 Cities project will continue in cooperation with the Darüşşafaka Society



Projects in the Field of Education

Education Projects

İşbank carries out long-lasting education projects and support initiatives with the target of upbringing generations that embrace Atatürk’s principles and will play a part in promoting the nation to a modern society.

Chess

The main sponsor of the Turkish Chess Federation since 2005, İşbank contributes to chess education targeted at children with the goal of helping make chess a widely-practiced, mass sport in our country.

İşbank Chess Classes

İşbank chess classes are set up in primary and secondary schools to encourage students to play chess, focus teachers’ and parents’ attention on this sport, and address the absence of equipment in schools with limited resources.

During 2024, 1,258 chess classes were opened in primary and secondary schools, bringing the number of chess classes opened since 2005 that marks the inception of the Bank’s sponsorship of the Turkish Chess Federation to 40,000.

Under the Little Moves project, chess classes opened in nursery schools in 2024 was 1,498, bringing the total number of these classes to 1,582.

Cooperation with the Northern Cyprus Chess Federation

Besides the Turkish Chess Federation, İşbank is the main sponsor of the Northern Cyprus Chess Federation since 2013.

İşbank continued to sponsor the Age Group Chess Tournament organized in Northern Cyprus in 2024 and provided additional support for the development of successful chess players living in the TRNC.

2024 Turkish Juniors and Stars Chess Championship

The “Turkish Juniors and Stars Chess Championship”, which is held in Antalya every January, attracted the participation of a total of 2,500 players in the 7-12 and 13-18 age groups from all 81 provinces of Türkiye and from the TRNC in 2024.

Türkiye School Sports Chess Tournament

The 2024 Türkiye School Sports Group Competitions took place in Afyonkarahisar, Çanakkale, Uşak, Çorum, Van, Eskişehir, Gaziantep, and Sivas between 2-6 April 2024. Approximately 700 players competed in the finals that were held in Rize between 13-17 May 2024.

81 Students from 81 Cities

The project “81 Students from 81 Cities” has been ongoing uninterruptedly since 2008-2009 academic year as a joint project by İşbank and Darüşşafaka Society.

The initiative is one of the most comprehensive and longest-lived education initiatives in our country. In 2024, 69 İşbank scholarship holders graduated from Darüşşafaka, bringing the total number of scholarship holders to 497. In 2024, the Bank started sponsoring 100 students.

İşbank scholarship holders who succeed in the university admission exams and qualify to be placed in a faculty after graduation and fulfill the higher education scholarship criteria set by Darüşşafaka receive the Bank’s support also throughout their university education.

Three Darüşşafaka alumni İşbank scholarship holders, who were placed in the top 20,000 in the university admission exam and chose Koç University, currently pursue their studies at the university with the Bank’s contribution within the scope of “Anadolu Scholarship Holders” program.

Show Your Report Card, Get Your Book

Launched by İşbank at the end of the 2007-2008 academic year, “Show Your Report Card, Get Your Book” is one of the largest book campaigns ever organized in Türkiye.

In the 17th edition of the campaign held in the 2023-2024 academic year, “Çocuklar Soruyor Tarih Dede ve Bilge Öğretmen Anlatıyor” (Children Ask, Grandpa History and the Wise Teacher Explain) and “Aklıma Bir Soru Geldi” (I Have a Question) books were gifted to children to memorialize the Centennial of the Bank. Furthermore, Braille books were continued to be sent to visually-impaired students within the scope of the project.

In addition, books were continued to be sent to the children in regional boarding schools, children’s homes, and closed prisons for children and minors. The number of books sent to this group was 132,560, which is higher than last year’s figure (2023: 64,480 books), as two different titles were delivered.

Book Donation to Schools and Libraries

As part of social responsibility initiatives designed to contribute to education, books published by İş Bankası Kültür Yayınları are distributed to schools and public libraries across the country.

In 2024, 140,880 books were sent to schools and 520 to libraries for a total of 141,400 books. Books were selected according to the level of the recipient schools, and the collection covered scientific works, memoirs, poetry, history, children’s literature, modern classics and works from the Turkish and world literature.

In 2024, books were donated to 3,522 schools and 13 libraries for a total of 3,535 institutions.

Kumbara Magazine

A social responsibility project by İşbank, the Kumbara Magazine dates back to 1931, when it was started to be published under the name İş Kumbara Dergisi intended to instill an awareness of saving up in children in the first years of the Turkish republic.

The Kumbara Magazine continued to be published from 1931 until 2010, although with sporadic pauses, and started to be published digitally from 2016, becoming available free-of-charge to all children.

“Kumbara” and “Mini Kumbara” platforms prepared in two distinct types of content for children aged 3-6 and 7-14 to provide high-quality, educational, and amusing content, achieved 65% and 20% increase in the number of visitors in 2024 as compared to the previous year.

In 2024, Kumbara Magazine provided contents that mainly dealt with the questions received from the children, and addressed various topics such as “If not us, then who is polluting the environment?”, “Why does it not snow in every city?”, “Why don’t we feel the rotation of the world?”, “What would happen if there were more birds?” and so on. The contents focused on environmental consciousness and getting to know our world better.

In this framework, it is planned to carry on with contents such as science and life, culture and the arts, intelligence and skills, and experiment videos.

Golden Youth Award

Every year since 1971, İşbank has given the “Golden Youth” award to students succeeding in the university admissions exam. In 2024, 108 students received the Golden Youth award.

Artificial Intelligence Application and Research Center

The “Artificial Intelligence Application and Research Center” was co-established by 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.

Launched last year as a collaborative initiative of Koç University and İş Mekan, Bizim için Bilim: Yapay Zekâdan Öyküler (Science for Us: Stories by AI) AI seminars continued to be organized. Support will continue in the coming period for national and international initiatives to be undertaken by the Center.

In our 100th Anniversary Year, the Internet for 100 Villages Project

In today’s quickly digitalizing world, the Internet that has firmly established itself at the heart of life has grown in importance in various areas such as access to information, transformation of education, and agricultural and production efficiency. İşbank introduced the “Internet for 100 Villages” Project via its subsidiary İşNet to promote economic and social development in rural areas.

Increasing access to information and communication technology takes place within SDGs (Goal 9, Target C); the villages covered in the “Internet for 100 Villages in our 100th Year Project” were identified according to several criteria including absence of internet connectivity in a given village, lack of a cabled internet infrastructure, remaining out of the coverage area of any mobile operator or having very limited access, and having access to electricity and transportation means. Under the project, internet connectivity is provided via satellite through installations made in common areas such as schools and mukhtar offices in villages, thus extending support to transform villages into marketplaces.

Infectious Diseases Application and Research Center

In 2024, “Infectious Diseases Application and Research Center (KUISCID)”, operating in collaboration with İşbank and Koç University, held the “Türkiye Infectious Diseases Report” meeting which was intended to map the infectious diseases in our country and participated by researchers and public health administrators.

The Center organized consortium meetings in 2024 at various cities bringing together academics from the related fields that dealt with topics affecting community health such as Antibiotic Resistance, West Nile fever and Crimean-Congo hemorrhagic fever.

In the coming period, KUISCID envisages to:

- Develop diagnostic kits and hold international scientific meetings and consortiums for Western Nile Fever and Crimean-Congo Hemorrhagic Fever diseases,
- Carry out initiatives to raise awareness of antibiotic resistance among physicians and patients,
- Update the Türkiye Infectious Diseases Report at certain intervals, create a scientific network, keep working on publications and on training scientists.

The advisory committee to the Center that maintains collaborations with related institutions on national and international levels is populated by local and foreign scientists.

Science Generation Workshops

The “Science Generation Workshops” project was launched as a collaborative initiative of İşbank and Petrol Ofisi, which is intended to bring up inquisitive children who can think freely, possess a scientific perspective, ask questions and explore, popularize science among children starting with the region affected by the earthquakes of 6 February 2023, and act as a facilitator in letting future generations lead science and technology. Under the project, it is targeted to familiarize a total of 750,000 children with science through science generation workshops by the end of 2025.

GençBizz Tech

GençBizz Tech, science and technology based entrepreneurship project for high schools, was launched as a collaborative initiative of İşbank and Junior Achievement Educational Foundation to enable students in the 13-18 age group studying at state science high schools develop start-ups focused on technology and science. From amongst the submissions of 352 start-up teams from 49 science high schools located in 28 provinces, the finalist teams at GençBizz Tech presented their ideas to the jury on 8-9 June 2024 at İşbank Auditorium.



Projects in the Environmental Field

İşbank aims to create a more livable environment, support the conservation of natural resources, draw attention to environmental problems associated with deforestation, and promote environmental awareness in society, especially among children through the projects developed in collaboration with non-governmental organizations.

The Seas are Ours, the Future is Ours

İşbank carries out various projects under the theme “The Seas are Ours, the Future is Ours”.

Future of the Seas: Seagrass Meadows

İşbank, in collaboration with the Turkish Marine Research Foundation (TÜDAV), initiated the “Future of the Seas: Seagrass Meadows” project concerning the Posidonia oceanica seagrass that is critical for the Sea of Marmara.

Locations of seagrass meadows were mapped, and two new seagrass meadow sites were discovered in the first year of the project. This discovery has been a pleasing development for the Sea of Marmara as it is running out of oxygen.

In the 100th year of the Bank, buoying was carried out to protect the seagrass meadow locations in İstanbul Strait and the Sea of Marmara. Seawater temperature data, which will be regularly obtained thanks to temperature measurement devices attached to the buoys, are anticipated to contribute significantly to understand the effects of climate change. The vaults to which the buoys are anchored are expected to create habitats for various marine life over time. The buoys installed to mark the seagrass meadow locations are intended to raise awareness and keep the seagrass meadows unharmed by the activities

(fishing, diving, water sports, and marine vessel passages, etc.) carried out in the area.

Under the project “The Future of the Seas: Seagrass Meadows”, awareness training on seagrasses was provided to 4,285 students in 30 schools across Marmara Island, Avşa, and the central districts and villages of Erdek. In addition, a public workshop and coastal cleanup event were held in Erdek, Balıkesir, hosted by the Erdek District Governor’s Office and Erdek Municipality in 2024.

METU Institute of Marine Sciences- Explorer of the Seas

Led by METU Institute of Marine Sciences, Türkiye’s first-ever underwater glider, Explorer of the Seas, continues underwater research in the Mediterranean Sea to support academic and scientific studies.

Recent findings from the Explorer of the Seas show that:

- The Mediterranean is one of the seas most affected by climate change and The Sea of Marmara is increasingly deteriorating due to human impact;
- Pollution intensifies starting from the Mediterranean through the Sea of Marmara to the Black Sea;
- Below 25 meters in the Sea of Marmara, oxygen depletion and intense pollution persist;
- Türkiye’s coastlines are among the regions most visibly impacted by climate change.

Marmara Active Fault Hazard and Risk Application and Research Center (İTU-MATAM)

Marmara Active Fault Hazard and Risk Application and Research Center (MATAM) was co-established by İşbank and İstanbul Technical University (İTÜ). The Center’s work will concentrate on developing dynamic, digital, and interactive hazard and risk mapping techniques focused on Türkiye’s active fault zones -especially in the Marmara Region- and contribute to national and international earthquake research.

İşbank’s “81 Forests in 81 Cities” Project Relaunched in our 100th Anniversary Year

In honor of İşbank’s 100th anniversary, the reactivation of the “81 Forests in 81 Cities” project in cooperation with the General Directorate of Forestry and TEMA Foundation began in 2024.

Under the “81 Forests in 81 Cities” project relaunched in cooperation with the General Directorate of Forestry and TEMA Foundation in honor of İşbank’s 100th anniversary, sapling planting started in 2024. The first sapling planting ceremony took place in Samsun, where Atatürk, the founder of our country and İşbank, launched the War of Independence. Plantings continued with ceremonies in Erzincan, Konya, Balıkesir, and Manisa. İşbank employees, TEMA Foundation volunteers, and local citizens participated in the ceremonies in cities where saplings were planted.

Intended to protect the nature by increasing forested areas in our country and to promote environmental awareness, the project will serve to planting 2.2 saplings across all 81 provinces within five years.

Projects in the Field of Culture and Art

İşbank contributes to the enrichment of Türkiye’s cultural and artistic life through its various projects, and helps bring international works to local audiences. The Bank extends long-lasting support to scientific efforts to preserve the country’s cultural heritage for future generations.



Kültür Yayınları

İşbank’s publishing arm, Kültür Yayınları carries on with its activities in keeping with its principles to support the development of the Turkish language, high-quality publishing, and early reading habits. In 2024, it released 2,679 titles-316 new and 2,363 reprints.

In 2024, the Contemporary World Literature Series continued to feature works that won or were nominated for major awards, and globally successful works translated into many languages, including The Book of Goose (PEN/ Faulkner winner) and Orbital (Booker Prize winner).

Launched in 2024, the Guidebook Series continues to expand with easy-to-read reference books that give an introduction to major scientific disciplines and research fields, discuss and explain key principles and concepts, and deal with groundbreaking thinkers and scientists.

Introduced in 2024, the new “Thinking with Young Adults” series in the youth-adult category teaches how to ask the right questions to find own answers instead of offering direct answers, and describes the concepts thinkers, artists and scientists use when contemplating about these questions. The series provides young adults aged 18 and above a starting point to make sense of a complex world and to shape life.

The popular “Our World” series, published abroad in 2020, was reprinted in 2024.

For the first time, a TV spot campaign was aired during the January school break in 2024 on children’s channels.

Having reached nearly 100 titles in the audiobook format, Türkiye İş Bankası Kültür Yayınları added three popular works by Selçuk Altun to its audiobook portfolio in the reporting period. The publishing house will continue to present favorite books to readers in audiobook format.

İş Sanat

On behalf of İşbank, İş Sanat engages in various disciplines with a special focus on performing arts, plastic arts, museology, archaeology, and history, in a bid to support our country’s social development and to enhance knowledge in these disciplines by offering opportunities for the public to interact with art. Through its activities that address broad audiences, İş Sanat implements sustainable projects based on a long-term perspective.

Performing Arts

In 2024, İş Sanat continued to stage performing arts using physical and digital platforms. Numerous activities that featured Turkish and foreign artists performing in various disciplines such as storytelling and poetry readings, as well as concerts, were hosted at various venues and principally at İş Towers Hall.

As part of the activities in honor of the Bank’s centenary, “Beethoven and Beyond” concert conducted by the famous violinist Aleksey Igudesman took place at the AKM Opera Hall in April 2024, and featured the Romanian Youth Symphony Orchestra, prominent Turkish artists, and the Boğaziçi Jazz Choir. In the Gala Concert at the Volkswagen Arena in May, Borusan Philharmonic Orchestra conducted by Carlo Tenan accompanied the world-renowned tenor Plácido Domingo, Turkish tenor Murat Karahan, and soprano Elena Stikhina.

The Friday After Work Concerts continued throughout 2024.



Projects in the Field of Culture and Art

Museology and Institutional History Studies

Originally opened in 2007, the **İşbank Museum** underwent a comprehensive makeover in 2024 to feature a new permanent exhibition titled “100 Years of İş.” Addressing the Bank’s century-long history with a contemporary museology perspective, the exhibition emphasized the Bank’s mission in Türkiye’s economic development and its pioneering role in the banking industry, alongside İşbank’s today, technological transformation, start-up programs, social responsibility and cultural and artistic initiatives using modern exhibition techniques.

The exhibition, which was hung on 24 August 2024, attracted over 107 thousand visitors until the year’s end. In 2024, over 210,000 people visited the İşbank Museum, which was closed for five months due to preparations for the exhibition. More than 11,000 students participated in workshops and guided tours at the Museum.

The historical building in Ulus, one of Ankara’s landmarks that served as İşbank’s third headquarters for many years, opened its doors as **İşbank Museum of Economic Independence** on 2 May 2019 and showcased documents and mementos about Türkiye’s economic developments for the visitors.

For the Bank’s centennial in 2024, a new permanent exhibition, “A Century with Türkiye’s Bank: Security for Your Future,” was launched on 15 August 2024. The exhibition presents a rich selection highlighting İşbank’s social responsibility projects in education, environment, science, sports, history, culture and arts since its inception to date.

In 2024, the Museum of Economic Independence hosted more than 137 thousand visitors, while workshops and guided tours were organized for approximately 24 thousand students throughout the year.

On 26 August 2024 that marked the Bank’s 100th birthday, a library dedicated to Ghazi Mustafa Kemal Atatürk, the founder of our country and İşbank, opened on the 4th floor of İşbank Museum of Economic Independence. The library’s collection reached over 4,000 printed books as of year-end 2024. In addition, the library gives readers access to more than 29,000 e-books, over 7,000 periodicals in Turkish and foreign languages, 2,500 academic journals and databases containing a total of 45,000 documents that also include Ottoman works. The library is open to all visitors.

Opened on 29 October 2023 in honor of the centennial of the Turkish Republic, **İşbank Painting and Sculpture Museum** launched its first temporary exhibition titled “The Image of İstanbul”, which ran until 5 September 2024.

The museum’s second temporary exhibition, “Taste and Art: Delicious Paintings”, curated by Prof. Dr. Gül İrepoğlu, opened on 28 September 2024. The exhibition features over 200 works by 90 artists, primarily focusing on food and drink themes, mainly still life.

The museum also hosted a conference series participated by experts in art history, museology, opera, and literature in its multipurpose BlackBox hall.

During 2024, İşbank Painting and Sculpture Museum welcomed nearly 100,000 visitors and organized workshops and guided tours for 7,500 students.



Within the scope of **Institutional History Studies**, the Institutional History Unit coordinated the publication of two important books to observe the centennial of the Bank. The first one is the product of a long-lasting toil carried on since 2018 - İş’in 100 Yılı: Zekâ, Dikkat ve İffet (100 Years of İş: Wisdom, Caution, and Virtue) authored by Assoc. Prof. Y. Doğan Çetinkaya. Penned by architect Seda Özen, the book titled Memleketin İktisadi Binası Türkiye İş Bankası (The Country’s Economic Build: İşbank) defines İşbank’s place in the history of architecture and offers a rich inventory that resulted from more than two years of meticulous research.

Its first edition organized by İşbank in 2023 on the occasion of the Republic’s 100th year, the international conference titled “Rethinking Atatürk’s Pioneer Vision Towards the Second Century of the Turkish Republic” was held for the second time on the 100th anniversary of the Bank.

At the conference inaugurated with the keynote speech of the Minister of Culture and Tourism, Mehmet Nuri Ersoy, İşbank’s Chairperson of the Board of Directors Adnan Bali provided an anecdotal account of the 100-year journey of İşbank that was incorporated with the target of economic independence. The conference, during which İşbank’s CEO Hakan Aran conveyed his evaluations, was participated by many notable speakers including Prof. Daron Acemoğlu, 2024 laureate of the Nobel Prize in Economics, and journalist & author Malcolm Gladwell.

The docudrama “A 100-Year Gift”, produced by İş Sanat to celebrate the Bank’s centennial, hit the theaters on 26 August 2024.

Art Galleries

At **Kibele Art Gallery**, 2024 featured a retrospective of painter Hamit Görele and the exhibition “Written-Drawn by Latif Demirci”, showcasing the works of the late cartoonist Latif Demirci.

The Gallery also mounted the themed exhibit “People We Know” from the broader exhibition “Mustafa Tavioloğlu: A Collector’s Story”, displayed across seven venues sponsored by İş Sanat.

In **Ankara Art Gallery**, a retrospective of Oktay Anılanmert opened the year, followed by a curated selection from “The Image of İstanbul”, the first temporary exhibition of İşbank Painting and Sculpture Museum.

The “Latif Demirci” exhibition was also displayed in the other exhibit hall on the 5th floor of the Museum of Economic Independence, attracting nearly 30,000 visitors until the end of the year.



Contributions in the Field of Archaeology

İşbank supports archaeological research aimed at unearthing and preserving Türkiye’s rich archeological heritage and understanding of civilization through scientific work.

In 2024, the Bank supported excavations at:

- House of Muses in the ancient city of Zeugma in Nizip, Gaziantep
- Ancient city of Patara in Kaş, Antalya
- Ancient city of Teos in Seferihisar, İzmir
- Kalehöyük, Yassıhöyük, and Büklükale in Kaman, Kırşehir
- Ancient city of Nysa and Nysa Theater in Sultanhisar, Aydın
- Ancient city of Stratonikeia in Yatağan, Muğla

Academic publications by excavation directors are published by Türkiye İş Bankası Kültür Yayınları and İş Sanat. In 2024, “Stratonikeia - From Antiquity to Modern Times” was released in both English and Turkish, joining previous titles on Zeugma, Patara, Teos, and Nysa.

Additional Highlights from 2024

In 2024, the Bank sponsored the 21st Bodrum International Ballet Festival by the State Opera and Ballet, the movie “A Song of the Republic” about the making of “Özsoy” opera, the first opera of the Turkish Republic, “Refik Anadol Studio’s Large Nature Model Project - Türkiye”, and the Lucerne Festival Strings & Maria João Pires concert at the 52nd İstanbul Music Festival.

Donations and Sponsorships

In 2024, the Bank donated TL 328.9 million in total for the projects of different institutions and organizations.



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 compliance with the mandatory principles of the Communiqué on Corporate Governance (Communiqué) published by the Capital Markets Board (CBM).

The Bank’s practices regarding the non-mandatory 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.

There are no changes required in the Bank’s governance practices within the framework of the principles specified in the Communiqué. Efforts to further enhance the Bank’s implementation of Corporate Governance Principles have continued throughout the year.

In addition, under 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						
Not						
	Yes	Partial	No	Exempted	Applicable	Explanation
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	
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.



Corporate Governance Compliance Report

Company Compliance Status						
Not						
	Yes	Partial	No	Exempted	Applicable	Explanation
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					
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					

Company Compliance Status						
Not						
	Yes	Partial	No	Exempted	Applicable	Explanation
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 as beneficiaries of the İşbank Personnel Supplementary Pension Fund, which is a 38.59% shareholder of the Bank. In addition, in our buildings with 50 or more Bank employees, Occupational Health and Safety Board meetings are held in accordance with the Occupational Health and Safety Law No . 6331, and employee representatives take part in these boards. Employee representatives are elected from the workplace employee representatives of the Basisen Union of our Bank.
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					
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					



Corporate Governance Compliance Report

Company Compliance Status						
Not						
	Yes	Partial	No	Exempted	Applicable	Explanation
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					
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					

Company Compliance Status						
Not						
	Yes	Partial	No	Exempted	Applicable	Explanation
4.2.7 - The board of directors ensures that the Investor Relations division 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					
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.



Corporate Governance Compliance Report

Company Compliance Status						
Not						
	Yes	Partial	No	Exempted	Applicable	Explanation
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 PROVIDED TO MEMBERS OF THE BOARD OF DIRECTORS AND EXECUTIVES WITH ADMINISTRATIVE RESPONSIBILITIES						
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 2024, İşbank participated 11 conferences for stock and bond investors. In these events, a total of 145 meetings were conducted. In addition to 4 investor events in teleconference format, where investors participated via remote access, 162 meetings were held.
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/1254620
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 Communiqué 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 Communiqué 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/270321
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 2024.
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	38.59%
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.	-
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	-



Corporate Governance Information Form

General Assembly Meetings	
General Meeting Date	29.03.2024
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	81.45%
Percentage of shares directly present at the GSM	0.05%
Percentage of shares represented by proxy	81.40%
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	517
The link to the related PDP general shareholder meeting notification	https://www.kap.org.tr/tr/Bildirim/1254619-1264589-1267542
2. DISCLOSURE AND TRANSPARENCY	
2.1. Corporate Website	
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 2024
c) 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 2024 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	İşbank and its subsidiaries do not have such a service procurement agreement.
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	
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	Non
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.
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	İşbank employees participate in the management as beneficiaries of the İşbank Personnel Supplementary Pension Fund, which is a 38.59% shareholder of the Bank. In addition, in our buildings with 50 or more Bank employees, Occupational Health and Safety Board meetings are held in accordance with the Occupational Health and Safety Law No. 6331, and employee representatives take part in these boards. Employee representatives are elected from the workplace employee representatives of the Basisen Union of our Bank.
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	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



Corporate Governance Information Form

4. BOARD OF DIRECTORS-I	
4.2. Activity of the Board of Directors	
Date of the last board evaluation conducted	22.11.2024
Whether the board evaluation was externally facilitated	No
Whether all board members released from their duties at the GSM	No
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	106
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 Systems 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 announcement 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%

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 the Independent Director Considered By The Nomination Committee	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	1.04.2011		Not applicable		Yes
GÜZİDE MELTEM KÖKDEN	Non-executive	Independent director	30.03.2023		Not considered	No	Yes
HAKAN ARAN	Executive	Not independent director	1.04.2021		Not applicable		Yes
FAZLI BULUT	Non-executive	Not independent director	29.03.2019		Not applicable		Yes
DURMUŞ ÖZTEK	Non-executive	Not independent director	31.03.2020		Not applicable		Yes
RECEP HAKAN ÖZYILDIZ	Non-executive	Not independent director	31.03.2020		Not applicable		Yes
MUSTAFA RIDVAN SELÇUK	Non-executive	Not independent director	31.03.2020		Not applicable		Yes
AHMET GÖKHAN SUNGUR	Non-executive	Independent director	31.03.2020	www.kap.org.tr/tr/Bildirim/916723	Considered	No	Yes
SADRETTİN YURTSEVER	Non-executive	Independent director	31.03.2020		Not considered	No	Yes
ŞEBNEM AYDIN	Non-executive	Not independent director	30.03.2023		Not applicable		Yes
BAHATTİN ÖZARSLANTÜRK	Non-executive	Not independent director	07.03.2024/46875 : 2024/46875		Not applicable		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				13 physical			
Director average attendance rate at board meetings				100.00%			
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/262623			



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	Bahattin Özarslantürk	No	Board member
Other	Credit Committee	Şebnem Aydın (Alternate member)	No	Board member
Other	Credit Committee	Fazlı Bulut (Alternate member)	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	Credit Revision Committee	Bahattin Özarslantürk	No	Board member
Other	Corporate Social Responsibility Committee	Sadrettin Yurtsever	No	Board member
Other	Corporate Social Responsibility Committee	Şebnem Aydın	No	Board member
Other	Corporate Social Responsibility Committee	Fazlı Bulut	No	Board member
Other	Corporate Social Responsibility Committee	Durmuş Öztek	No	Board member
Other	Corporate Social Responsibility Committee	Sezgin Yılmaz	No	Not 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	Müge Nevşehirli Veziroğlu	No	Not board member

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	Adnan Bali	Yes	Board member
Other	Risk Committee	Güzide Meltem Kökden	No	Board member
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	Mehmet Türk	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	Melih Emre Turan	No	Not board member
Other	Risk Committee	Utku Ünsal	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	Ünal Tolga Esgin	No	Not board member
Other	Operational Risk Committee	Utku Ünsal	No	Not board member
Other	Operational Risk Committee	Engin Yalçın	No	Not board member
Other	Operational Risk Committee	Melih Emre Turan	No	Not board member
Other	Operational Risk Committee	Süleyman Emrah Duran	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	Mehmet Türk	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
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	Melih Emre Turan	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



Corporate Governance Information Form

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 Committee 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 Committee which was established within the context of the related legislation is presented in “İşbank Committees” section of the Annual Report.
4.6. Financial Rights Provided to the Board Members and Executive Officers	
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%	2 online	-
Audit Committee		100%	100%	55	12
Remuneration Committee		100%	50%	8	-
Other	Credit Committee	80%	-	-	-
Other	Turkish Republic of Northern Cyprus Internal Systems Committee	100%	100%	9	2
Other	Credit Revision Committee	100%	40%	6 physical	1
Other	Corporate Social Responsibility Committee	50%	14%	1 physical, 5 online	12
Other	Risk Committee	64%	18%	10 physical, 2 online	14
Other	Operational Risk Committee	53%	13%	3 physical	-
Other	Sustainability Committee	33%	7%	1	-
Other	Board of Directors Operating Principles Committee	100%	33%	-	-



Sustainability Principles Compliance Framework

CAPITAL MARKETS BOARD - 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.					Home Page > About Us > Sustainability > Our Policies
	YES					
A1.1	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					Home Page > About Us > Sustainability > Our Policies
	YES					
A1.2	Short and long- term targets set within the scope of ESG policies were disclosed to the public.					Global Tendencies, Risks, Opportunities and Foresights, page 29-34 Value Creation Model, page 40-43 Reliable Financial Actor, page 69-148 Responsible Operations, page 149-182 Good Corporate Citizen page 183-255
	YES					2024 CDP Report , page 157-172
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.					Home Page > About Us > Sustainability > Our Organization İşbank Committees, Sustainability Committee, page 203
	YES					2024 CDP Report , page 64-70
A2.1	Activities carried out within the scope of policies by the responsible committee and/ or unit were reported to the board of directors at least once a year.					2024 CDP Report , page 64-70
	YES					
A2.2	Creates and discloses implementation and action plans aligned with ESG targets.					Value Creation Model, page 40-43 Reliable Financial Actor, page 69-148 Responsible Operations, page 149-182 Good Corporate Citizen page 183-255
	YES					2024 CDP Report , page 110-111
A2.3	The ESG Key Performance Indicators (KPI) and the level of reaching these indicators on a yearly basis were disclosed to the public.					Key Performance Indicators, page 151
	YES					
A2.4	Discloses efforts for improving sustainability performance with respect to work processes or products and services.					Responsible Banking, page 93-95 Products and Services Contributing to a Green Economy, page 115-119 Financial Inclusion, page 96-100
	YES					Home > About Us > Sustainability > Responsible Products and Services >
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					Global Tendencies, Risks, Opportunities and Foresights, page 29-34 How Do We Create Value? Sustainability at İşbank, page 44 Reliable Financial Actor, page 69-148 Responsible Operations, page 149-182 Good Corporate Citizen, page 183-255
	YES					

CAPITAL MARKETS BOARD - SUSTAINABILITY PRINCIPLES COMPLIANCE FRAMEWORK						
	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					Contribution to Sustainable Development Goals, page 61-64
	YES					
A3.3	Makes disclosures regarding the lawsuits filed and/ or concluded 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					https://www.kap.org.tr/tr/Bildirim/977504-973221-952353-947832-945276-928647-1012970-1031025-1038508-1053513-1065379-1070878 https://www.kap.org.tr/tr/Bildirim/1102646-1065379-1070878
	YES					
A4. Verifications						
A4.1	ESG Key Performance measurements are verified by an independent third party and publicly disclosed.					Non-Financial Data Reporting Guide and Independent Assurance Report, page 568-582
	YES					
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					Reducing the Negative Impacts of our Operations, page 150-159
	YES					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.					About the Report, page 6 Non-Financial Data Reporting Guide and Independent Assurance Report, page 568-582
	YES					2024 CDP Report , page 6-8
B3	It's stated in A2.1.					2024 CDP Report , page 77-81
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.					Sustainability Management, page 45
	YES					Home > About Us > Investor Relations > Corporate Governance > Remuneration Policy
B5	How the priority environmental issues are integrated into business goals and strategies has been publicly disclosed.					How Do We Create Value? Sustainability at İşbank, page 44 Global Tendencies, Risks, Opportunities and Foresights, page 29-34 Reliable Financial Actor, page 69-148 Responsible Operations, page 149-182 Good Corporate Citizen, page 183-255
	YES					2024 CDP Report , page 100-109
B6	It's stated in A2.4					Responsible Supply Chain Management, page 158-159
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.					Home > About Us > Sustainability > Our Policies > Supplier Code of Conduct 2024 CDP Report , page 121-124
	YES					
B8	Whether relevant organizations and non- governmental organizations on the environment are involved in					Initiatives Supported in the Field of Sustainability, page 66-67 Corporate Memberships, page 551
	YES					Home > About Us > Sustainability > Memberships and Initiatives 2024 CDP Report , page 92-96



Sustainability Principles Compliance Framework

CAPITAL MARKETS BOARD - SUSTAINABILITY PRINCIPLES COMPLIANCE FRAMEWORK						
	COMPLIANCE STATUS					DEFINITION
	YES	NO	PARTIAL	IRRELEVANT	EXPLANATION	
B9	YES					Reducing the Negative Impacts of our Operations, page 150-159 Home > About Us > Sustainability > Memberships and Initiatives 2024 CDP Report , page 128-145
						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)
B10	YES					Reducing the Negative Impacts of our Operations, page 150-159 Non-Financial Data Reporting Guide and Independent Assurance Report, page 568-582 Decarbonizations Targets, page 104-106 2024 CDP Report , page 100, 136-142, 162, 180, 182
B11	YES					Reducing the Negative Impacts of our Operations, page 150-159 Home > About Us > Sustainability > Responsible Banking > Our Environmental Impact 2024 CDP Report , page 150, 151, 155, 156
B12	YES					Reducing the Negative Impacts of our Operations, page 150-159 2024 CDP Report , page 157-161
B13	YES					Climate Action, page 102-119 Home > About Us > Sustainability > Responsible Banking > Combating Climate Change Home > About Us> Sustainability> Our Reports 2024 CDP Report , page 110-111
						Climate Action, page 102-119 Home > About Us > Sustainability > Responsible Products and Services > Products Contributing to the Green Economy
B14	YES					Responsible Supply Chain Management, page 158-159 Home > About Us > Sustainability > Our Policies > Supplier Code of Conduct 2024 CDP Report , page 121-124
						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. 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.

CAPITAL MARKETS BOARD - SUSTAINABILITY PRINCIPLES COMPLIANCE FRAMEWORK						
	COMPLIANCE STATUS					DEFINITION
	YES	NO	PARTIAL	IRRELEVANT	EXPLANATION	
B15	YES					Reducing the negative impacts of our operations, page 150-159 2024 CDP Report , page 160-161
B16	YES					Reducing the Negative Impacts of our Operations, page 150-159 Home > About Us > Sustainability > Responsible Banking > Our Environmental Impact
B17	YES					Reducing the Negative Impacts of our Operations, page 150-159 Home > About Us > Sustainability > Responsible Banking > Our Environmental Impact
B18	YES					Reducing the Negative Impacts of our Operations, page 150-159
B19	YES					Reducing the Negative Impacts of our Operations, page 150-159 Home > About Us > Sustainability > Responsible Banking > Our Environmental Impact
B20	YES					Reducing the Negative Impacts of our Operations, page 150-159 Home > About Us > Sustainability > Responsible Banking > Our Environmental Impact
B21	YES					Reducing the Negative Impacts of our Operations, page 150-159 Home > About Us > Sustainability > Responsible Banking > Our Environmental Impact Non-Financial Data Reporting Guide and Independent Assurance Report, page 568-582
B22				IRRELEVANT		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.
						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).



Sustainability Principles Compliance Framework

CAPITAL MARKETS BOARD - SUSTAINABILITY PRINCIPLES COMPLIANCE FRAMEWORK						
COMPLIANCE STATUS						
	YES	NO	PARTIAL	IRRELEVANT	EXPLANATION	DEFINITION
B23		NO			In line with its goal to reduce greenhouse gas emissions, the Bank had disclosed its targets 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). The Bank has achieved its 2025 and 2030 targets ahead of schedule by starting to use renewable energy in all feasible operational locations and has therefore moved its goal of making its operations carbon neutral from 2035 to 2026. The bank is primarily focused on reducing its direct and indirect emissions and may consider purchasing carbon credits in the future to offset the residual emissions.	
					Information on carbon credits accumulated or purchased during the reporting period has been disclosed to the public.	
B24		NO			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.	
					Discloses the details if carbon pricing is applied within the company	

CAPITAL MARKETS BOARD - SUSTAINABILITY PRINCIPLES COMPLIANCE FRAMEWORK						
COMPLIANCE STATUS						
	YES	NO	PARTIAL	IRRELEVANT	EXPLANATION	DEFINITION
B25		YES			The platforms where the partnership discloses its environmental information are publicly disclosed.	Initiatives Supported in the Field of Sustainability, page 66-67 2024 CDP Report Our Environmental Impact Türkiye İş Bankası (isbank.com.tr)
C. Social Principles						
C1. Human Rights and Employee Rights						
C1.1		YES			Forms a Human Rights and Employee Rights Policy with a commitment to fully comply with the Universal Declaration of Human Rights, ILO Conventions which Türkiye has confirmed and the legal framework and regulations governing the operation of corporate life in Türkiye. Discloses the policy in question and the roles and responsibilities associated with its implementation.	Home > About Us > Sustainability > Our Policies > Human Rights And Human Resources Policy
C1.2		YES			Incorporates equitable workforce, improvement of working standards, women's employment and inclusion (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.	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		YES			Describes the measures taken throughout the value chain for the protection of groups sensitive to certain economic, environmental, social factors (low-income groups, women, etc.) or securing minority rights/equal opportunities.	Home > About Us > Sustainability > Our Policies > Supplier Code of Conduct Responsible Supply Chain Management, page 158-159 Financial Inclusion, page 96-100 Equal Opportunity and Diversity and Gender Equality, page 169-170
C1.4		YES			Reports developments regarding discrimination, inequality, human rights violations, forced labor and corrective practices. Explain the regulations to prevent child labor.	Equal Opportunity and Diversity and Gender Equality, page 169-170 GRI Content Index, page 583-591



Sustainability Principles Compliance Framework

CAPITAL MARKETS BOARD - SUSTAINABILITY PRINCIPLES COMPLIANCE FRAMEWORK						
COMPLIANCE STATUS						
	YES	NO	PARTIAL	IRRELEVANT	EXPLANATION	DEFINITION
C1.5						Decent Work, page 160-181 Home > About Us > Investor Relations > Corporate Governance > Remuneration Policy Home > About Us > Investor Relations > Corporate Governance > Ethical Principles and Code of Conduct
	YES				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.	
	YES				Determines the dispute resolution processes by establishing mechanisms for employee complaints and resolution processes.	Compliance with Operating Principles, page 167-168 Home > About Us > Investor Relations > Corporate Governance > Ethical Principles and Code of Conduct
C1.6						Decent Work, page 160-181
	YES				Explains the activities to ensure employee satisfaction within the reporting period.	
	YES				Establishes and discloses occupational health and safety policies.	Home > About Us > Sustainability > Our Policies > Occupational Health and Safety Policy
C1.7						Employee Health and Safety, page 172-173 Human Resources Data, page 555-560
	YES				Discloses the measures taken to prevent workplace accidents and for protecting occupational health along with statistical data on accidents.	Home > Privacy Policy
C1.8	YES				Establishes and discloses personal data protection and data security policies.	Home > About Us > Investor Relations > Corporate Governance > Personal Data Protection Policy
C1.9	YES				Establishes and discloses a code of ethics.	Home > About Us > Investor Relations > Corporate Governance > Ethical Principles and Code of Conduct
C1.10						Contribution to Social Welfare, page 220-227 Financial Inclusion, page 96-100
	YES				Explains the work within the scope of social investment, social responsibility, financial inclusion and access to finance.	Talent Management, page 175-181 Equal Opportunity and Diversity and Gender Equality, page 169-170 Human Resources data, page 555-560

CAPITAL MARKETS BOARD - SUSTAINABILITY PRINCIPLES COMPLIANCE FRAMEWORK						
COMPLIANCE STATUS						
	YES	NO	PARTIAL	IRRELEVANT	EXPLANATION	DEFINITION
C2. Stakeholders, International Standards and Initiatives						
C2.1						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 89-92 Stakeholders, page 46-48
	YES				Establishes and discloses a customer satisfaction policy for management and resolution of customer complaints.	
	YES				Information about the communication with stakeholders (which stakeholder, subject and frequency) is publicly disclosed.	
C2.3						About the Report, page 6 Initiatives Supported in the Field of Sustainability, page 66-67 2024 CDP Report , page 97
	YES				Explains the international reporting standards adopted in its reporting.	
C2.4						Initiatives Supported in the Field of Sustainability, page 66-67 İşbank’s Sustainability Journey, page 38 Home > About Us > Sustainability > Members and Initiatives
	YES				Discloses the principles adopted regarding sustainability, international organizations, committees and principles that it is a signatory or member of.	
C2.5	YES				Makes improvements and conducted studies in order to to qualify for inclusion in sustainability indices of Borsa Istanbul and/or international index providers.	Initiatives Supported in the Field of Sustainability, page 66-67
D. Corporate Governance Principles						
D1	YES				Seeks stakeholders’ opinions while determining the measures and strategies related with sustainability.	How Do We Create Value? Sustainability in İşbank, page 44 Transparent and Ethical Management, page 184-219
D2	YES				Implications on raising the awareness of sustainability and its importance through conducting social responsibility projects, awareness activities and training programs.	Contribution to Social Welfare, page 220-227

Dividend Distribution Policy

İşbank's principles of dividend distribution are set by article 58 of the Articles of Incorporation. According to this article, after deducting all general expenses from the income arising from the operations of the Bank within a year, including premiums and 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 contingency reserves and partly distributed in the order, manner and at the rates indicated below:

- a) 1- 5% to statutory reserve fund,
- 2- 5% as provision for probable future losses,
- 3- 10% as first contingency reserve

If the cause for setting aside of a provision and fund for a probable future loss and/or risk doesn't exist anymore, the remaining fund will be added to first contingency reserve (a/3) after distribution of net profit referred to in paragraph (a).

- b) From the balance of the net profit after the reserve fund referred to in paragraph (a) above have been set aside, an amount equal to 6% of the paid up capital represented by Group A, B and C share certificates, shall be distributed to shareholders as the "first dividend".

Should the profit realized in any year be insufficient to provide for the first dividend of 6% referred to above, the balance shall be made up and distributed out of the contingency reserve fund. Provided, however, that any amount thus taken out of the reserve fund shall constitute a charge to be made up out of the profits to be realized in the subsequent years.

- c) After the reserved fund and the first dividend referred to in paragraphs (a) and (b) above have been provided for, the balance of the net profit shall be set aside and distributed as follows:

10% for founder shares (limited to the portion of TL 250 thousand -two hundred and fifty thousand- of paid capital)

20% to the employees of the Bank, and 10% as second contingency reserve.

- d) After the amounts set forth in paragraphs (a), (b) and (c) have been set aside and distributed, the balance shall be distributed to the shareholders as "second dividend" in the manner stated below and taking into consideration paragraph (e).

- 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 be 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, twice the amount of the paid up capital represented by Group (A) shares the actual amount of the capital represented by Group (B) shares, and the 5/6 (five sixth) amount of the capital represented by Group (C) shares shall be taken as the basis, and, total dividends to be paid to the three Groups of shares shall be calculated separately in the distribution of the second dividend.

- 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, or carried over to the following year, or up to 80% of such amount be distributed to the shareholders by dividing of 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, due to the reason that 20 Group (A) shares each with a nominal value of TL 500 (this amount is related to the period prior to the Law regarding the Monetary Unit of the Turkish Republic (No:5083) on which the rate of change has not been applied) have been changed with 1 Group (A) share with a nominal value of 1Kurus, 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.

The dividends are distributed within the scope of the related legislation in a manner and at a time determined by General Assembly.

Profit Distribution Proposal

İşbank posted TL 45,517,444,917.65 in net profit for the period on its 2024 operations and TL 857,448,212.96 arose in prior year profit under various regulatory provisions.

Furthermore, since a portion of the net profit for the fiscal is distributed as profit share to employees pursuant to Article 58 of the Bank's Articles of Association, a provision for TL 1,000,000,000.00 has already been set aside in 2024 for profit share to be distributed to employees according to certain assumptions in view of our dividend distribution policy, past practices and applicable legislation within the frame of TAS 19 - Employee Benefits accounting standard.

Accordingly, it is proposed as follows:

- distributable balance sheet profit be determined as TL 46,374,893,130.61, which is the sum of the net profit for the period and TL 857,448,212.96 followed up under prior year profits;
- TL 100,340,563.00 portion of the balance sheet profit derived on income from real estate sales be transferred to relevant reserves to be retained in a special fund account and be added to the capital when needed;
- TL 1,000,000,000.00, which is set aside for dividend to be distributed to employees be added to the distributable amount;
- 10% of the distributable amount to be calculated as above, which needs to be set aside as first extraordinary reserves, be increased as per the provisions of the Banking Law and the Turkish Commercial Code, and the distributable amount of TL 47,274,552,567.61, which includes the total allocation of TL 8,927,423,650.80 to first extraordinary reserves, be distributed as detailed in the table below pursuant to the provisions of applicable legislation and Article 58 of İşbank's Articles of Association.

TL		
PROFIT FOR THE PERIOD	45,517,444,917.65	
PRIOR YEAR PROFITS	857,448,212.96	
NET BALANCE SHEET PROFIT	46,374,893,130.61	
RETAINED EARNINGS	-100,340,563.00	
AMOUNT ADDED TO DISTRIBUTABLE PROFIT	1,000,000,000.00	
DISTRIBUTABLE AMOUNT	47,274,552,567.61	
I. FIRST ALLOTMENT		
(Articles of Association Art. 58/a-b)		
- 5% Legal Reserves	2,363,727,628.38	
- First Extraordinary Reserves	38,437,413,909.83	
- First Dividends		
To Group A Shares	60.00	
To Group B Shares	1,740.00	
To Group C Shares	1,499,998,200.00	42,301,141,538.21
		4,973,411,029.40
II. SECOND ALLOTMENT		
(Articles of Association Art.58/c-d-e)		
- To Founder Shares	4,973.41	
- 20% to Bank Personnel	994,682,205.88	
- 10% to Legal Reserves	429,642,720.59	
- 10% to Second Extraordinary Reserves	497,341,102.94	
- Second Dividends		
To Group A Shares	292.97	
To Group B Shares	4,248.02	
To Group C Shares	3,051,735,485.59	4,973,411,029.40
		0.00

If the proposal is approved by the General Assembly, dividend payout to the Bank's shareholders will commence on 28 March 2025, and gross dividends will be paid out to each share group with a nominal value of TL 1 and to each founder share as shown in the table below.

Type of Share	Gross TL
To Group A shares each with a nominal value of TL 1	0.3529700
To Group B shares each with a nominal value of TL 1	0.2064834
To Group C shares each with a nominal value of TL 1	0.1820695
To Each Founder Share	2.0233564



Summary Report of the Board of Directors

Esteemed Shareholders,

Welcome to our Bank's 101st Ordinary General Assembly Meeting.

As we present the Board of Directors' Report, the Balance Sheet and Income Statement covering the results of our activities in fiscal year 2024 for your review and approval, we respectfully greet all of you here today.

The tight monetary policy stance maintained by central banks around the world, particularly in developed countries, for a substantial part of the year caused global economic activity to stay under pressure in 2024. The decisions of central banks, geopolitical developments and the US presidential elections were influential on the course of global markets.

The Turkish economy lost momentum and grew by 3.2% in 2024 due to the lagging effects of the tightened monetary policy that became apparent particularly in the second and third quarters of the year. The contribution of consumption and investment expenses to growth declined in this period, while net exports made a positive contribution to growth. As the risk perception towards Türkiye continued to improve, international rating agencies upgraded Türkiye's credit rating.

The tight monetary policy stance maintained throughout 2024 and backed by macroprudential measures have been influential on the performance of the banking sector. In such an environment, the sector continued to support economic activity.

According to the Weekly Bulletin published by the Banking Regulation and Supervision Agency (BRSA), TL loan volume, including the loans extended to the financial sector, increased by 29.2% yoy to TL 9,423 billion as of 27 December 2024. In USD terms, FC loan volume rose by 28.3% yoy and became USD 156 billion in the same period. Thus, total loan volume expanded by 36.9% yoy and was realized as TL 14,872 billion as of 27 December 2024. According to exchange rate adjusted figures, the expansion in the total credit volume was 28.9% in the reporting period.

As of 27 December 2024, TL deposits including banks' deposits increased by 42.5% compared to the same period of 2023 and reached TL 11,836 billion. In USD terms, FC deposit volume decreased by 8.8% yoy to USD 175 billion in the same period. Hence, total deposit volume increased by 28.8% yoy and reached TL 17,927 billion as of 27 December 2024. Foreign exchange rate adjusted annual increase in total deposit volume was 21.8%. FX-Protected Deposit volume fell to TL 1.1 trillion as of 27 December 2024.

- As of 31.12.2024 compared to the end of the previous year,
- Our loans increased by 41.4% to TL 1,622.5 billion,
 - Our deposits expanded by 28.0% to TL 2,127.1 billion,
 - Our total assets grew by 35.5% to TL 3,323.8 billion,
 - Shareholders' equity rose by 18.9% to TL 318.3 billion.

In 2024, 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. While maintaining its leadership among private banks in total deposits, İşbank 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 19,7% at the end of 2024, well above the legal limit. The Bank generated a net profit of TL 45.5 billion in 2024, while return on average equity and return on assets were 15.8% and 1.6%, respectively.

Our Esteemed Shareholders,

We hereby submit our Annual Report, the Balance Sheet and Income Statement pertaining to our activities during 2024 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.

TÜRKİYE İŞ BANKASI A.Ş.
BOARD OF DIRECTORS

Agenda of the Ordinary General Assembly

- 1) Opening Ceremony, establishment of the Council of Chairmanship
2. Discussion of 2024 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 members of the Board of Directors from their responsibilities for the transactions and accounts of the year 2024
4. Decision of allotment of 2024 dividends which is subject to the permits to be obtained and the completion of procedures
5. Determination of the allowance for the members of the Board of Directors
6. Selection of the Audit Company
7. Permitting the Members of the Board of Directors as per articles 395 and 396 of the Turkish Commercial Code
8. Amendment of the articles 5, 29 and 38 of the Articles of Incorporation
9. Presenting information to the shareholders about the donations
10. Presenting information to the shareholders on the subjects held in Capital Markets Board Corporate Governance Communiqué principle no. 1.3.6
11. Presenting information about disposal of buy-back shares
12. Presenting information about our Bank's decarbonization plan

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 Thursday, 27 March 2025, at 11:00 at the İş Towers Head Office Auditorium, 34330 Levent/İstanbul



Financial Reports

İşbank Financial Statements as at and for the Year Ended 31 December 2024 with Independent Auditor’s Report

Independent Auditor’s Report

To the General Assembly of Türkiye İş Bankası Anonim Şirketi

A. Audit of the Unconsolidated Financial Statements

1. Qualified Opinion

We have audited the accompanying unconsolidated financial statements of Türkiye İş Bankası Anonim Şirketi (“the Bank”), which comprise the statement of unconsolidated balance sheet as at 31 December 2024, unconsolidated statement of profit or loss, unconsolidated statement of profit or loss and other comprehensive income, unconsolidated statement of changes in shareholders’ equity, unconsolidated statement of cash flows for the year then ended, and the notes to the unconsolidated financial statements and a summary of significant accounting policies and unconsolidated financial statement notes.

In our opinion, except for the effect of the matter on the unconsolidated financial statements described in the basis for the qualified opinion section below, the unconsolidated financial statements present fairly, in all material respects, the unconsolidated financial position of the Bank as at 31 December 2024, and its unconsolidated financial performance and its unconsolidated 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 Board and circulars and interpretations published by BRSA and Turkish Financial Reporting Standards (“TFRS”) for those matters not regulated by the aforementioned regulations.

2. Basis for Qualified Opinion

As mentioned in Section Five Part II.i.4 .4 and IV.d of Explanations and Notes to the unconsolidated Financial Statements, the free provision amounting to TL 10,000,000 thousand, which was fully provided in prior years outside of the requirements of BRSA Accounting and Financial Reporting Legislation, was reversed in the current year by the Bank management as at 31 December 2024 in the accompanying unconsolidated financial statements. Had this free provision not been accounted for in prior years and not been reversed in the current year, net profit and prior periods’ profit would have decreased by TL 10,000,000 thousand and increased by TL 10,000,000 thousand respectively for the year ended 31 December 2024

Our audit was conducted in accordance with the “Regulation on Independent Audit of Banks” published by the BRSA on the Official Gazette No.29314 dated 2 April 2015 and the Standards on Independent Auditing (the “SIA”) that are part of Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority (the “POA”). Our responsibilities under these standards are further described in the “Auditor’s Responsibilities for the Audit of the Unconsolidated Financial Statements” section of our report. We hereby declare that we are independent of the Bank in accordance with the Ethical Rules for Independent Auditors (Including Independence Standards) (the “Ethical Rules”) and the ethical requirements regarding independent audit in regulations issued by POA that are relevant to our audit of the unconsolidated financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our qualified opinion.

3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, 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 independent 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 key audit matters to be communicated in our report.



Independent Auditor’s Report

Key Audit Matters	How the key audit matter was addressed in the audit
Expected credit losses for loans The Bank has total provision for expected credit losses amounting to TL 51,015,300 thousand in respect to total loans amounting to TL 1,656,913,422 thousand which represent a significant portion of the Bank’s total assets in its unconsolidated financial statements as of 31 December 2024. Explanations and notes regarding expected credit losses on loans are represented in Notes VII of Section Three, VIII of Section Three, II of Section Four, XI.c of Section Four, I.f of Section Five of the accompanying unconsolidated financial statements as at 31 December 2024. The Bank recognizes provision for expected credit losses in accordance with “TFRS 9 Financial Instruments” requirements in line with the “Regulation on the Procedures and Principles for Classification of Loans and Provisions to be Provided” as published in the Official Gazette dated 22 June 2016 with number 29750. TFRS 9 is a complex accounting standard which requires considerable judgement and interpretation. These judgements and interpretations are key in the development of the financial models built to measure the expected credit losses on loans recorded at amortized cost. Furthermore, in order to determine expected credit losses, the Bank performs both quantitative and qualitative assessments and identifies significant increases in credit risk and default events for stage classifications of loans. In addition, the operation of the models requires large data inputs that are generated through more than one system and the accuracy and completeness of data are key in the determination of expected credit losses on loans. Expected credit losses are calculated on a collective basis for portfolios of loans of a similar nature and on individual basis for significant loans taking into account Management’s best estimate at the balance sheet date and historical losses incurred. Our audit was focused on this area due to existence of complex estimates and information used in the assessment of expected credit losses such as macroeconomic expectations, current conditions, historical loss experiences; the significance of the loan balances; the correct and timely stage classification of loans as in accordance with applicable regulation and the importance of determination of the associated impairment allowances. The correct classification of loans, timely and correctly identification of loss event and the other judgements and estimations made by the management have significant impacts on the amount of impairment provisions for loans. Therefore, this area is considered as key audit matter.	Within our audit procedures, we have assessed policies, procedures and principles established by the Bank management with respect to classifications of loans as per their stages and calculation of expected credit losses in accordance with TFRS-9. We tested the design and operating effectiveness of relevant controls implemented in line with these principles. We checked the appropriateness of the matters considered in the methodology applied by the Bank for the classification of loans and measurement of provisions with the requirements of TFRS 9. For forward-looking assumptions used by the Bank’s management in its expected credit loss calculations, we held discussions with management and evaluated these assumptions using publicly available information and expert opinions. Regarding the methodology on expected credit losses, we assessed and tested together with our financial risk experts the appropriateness of model segmentation, lifetime probability of default, exposure at default, loss given default models, and approaches related to the projection of macroeconomic expectations. We tested the reliability and completeness of the data used in the calculation of the expected credit losses. For a selected sample, we have evaluated the appropriateness expected credit losses provided for loans based on individual assessment as per the Bank’s policies by using supportable data and through discussions with the Bank’s management. We have carried loan review on a selected sample of loans with the objective to identify whether the classification of loans is performed appropriately in accordance with the applicable regulation, whether the loss event had occurred and whether the provision for impairment has been recognized in a timely manner within the TFRS 9 framework. We reviewed the consistency and adequacy of disclosures related to loan impairment in the Bank’s financial statements.

Key Audit Matters	How the key audit matter was addressed in the audit
Valuation of Pension Fund obligations The Bank has recognised a provision of TL 21,100,818 thousand for the pension fund obligations related to Türkiye İş Bankası A.Ş. Mensupları Emekli Sandığı Vakfı (the “Fund”) in the unconsolidated financial statements as at 31 December 2024. Explanations regarding the Fund and the recognised provision are disclosed in Note II.i.4.1 of Section Five and Note XVII.2 of Section Three of the accompanying unconsolidated financial statements prepared as of 31 December 2024. The Fund was established in accordance with the Social Security Law numbered 506 article No 20 and is within the scope of Funds whose members’ rights are to be transferred to the Social Security Institution (SSI). The President of the Republic of Türkiye is authorized to determine the date of transfer. The calculation of the Fund’s obligations and the selection of appropriate assumptions require significant judgment and technical expertise. The Bank’s management uses external actuaries for the purpose of valuations of Fund obligations. During our audit, we determined this area to be a key audit matter, considering the fundamental assumptions and estimates used in the calculation of the Fund’s obligations, the uncertainty regarding the transfer date, the technical interest rate applied in the present value calculation being determined in accordance with the law governing the transfer conditions, and the significant impact that may arise from possible changes in these assumptions on the Fund’s obligations.	Within our audit, we tested, on a sample basis, the accuracy of the retiree and employee data provided by the Bank’s management to the external actuarial firm for the calculation of the Fund’s obligations. Additionally, we tested the existence and valuation of the assets reported in the Fund’s balance sheet. We assessed whether there were significant changes in the actuarial assumptions used in the calculation, employee benefits provided during the period, plan assets and liabilities, and regulatory requirements related to valuations. With the assistance of our actuarial specialists, we evaluated the reasonableness of the assumptions and valuations applied by external actuaries in the calculation of the obligations. Additionally, we reviewed the disclosures related to pension fund obligations in the Bank’s unconsolidated financial statements.

4. Other Matter

The audit of unconsolidated financial statements of the Bank as at and for the year ended 31 December 2023 were conducted by another audit firm who expressed qualified opinion on 13 February 2024 due to free provision accounted, in the unconsolidated financial statements.

5. Responsibilities of Management and Those Charged with Governance for the Unconsolidated Financial Statements

The Bank management is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with the BRSA Accounting and Financial Reporting Legislation, and for such internal control as management determines is necessary to enable the preparation of unconsolidated financial statements that are 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.

6. Auditor’s Responsibilities for the Audit of the Unconsolidated Financial Statements

Responsibilities of independent auditors in an independent audit are as follows:

Our aim is to obtain reasonable assurance about whether the unconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor’s report that includes our opinion. Reasonable assurance expressed as a result of an independent audit conducted in accordance with “Regulation on Independent Audit of Banks” published by the BRSA on the Official Gazette No.29314 dated 2 April 2015 and SIA is a high level of assurance but does not guarantee that a material misstatement will always be detected. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated financial statements.



Independent Auditor’s Report

As part of an independent audit conducted in accordance with “Regulation on Independent Audit of Banks” published by the BRSA on the Official Gazette No.29314 dated 2 April 2015 and SIA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in 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.
- Assess the 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 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 independent 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 unconsolidated 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 provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence. We also 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.

B. Other Responsibilities Arising From Regulatory Requirements

- 1) No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code (“TCC”) No. 6102 and that causes us to believe that the Bank’s bookkeeping activities concerning the period from 1 January to 31 December 2024 period are not in compliance with the TCC and provisions of the Bank’s articles of association related to financial reporting.
2. In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.

Additional Paragraph for Convenience Translation

BRSA Accounting and Financial Reporting Legislation explained in detail in Section Three differ from International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board including the application of IAS 29 - Financial Reporting in Hyperinflationary Economies as of 31 December 2024. Accordingly, the accompanying unconsolidated financial statements are not intended to present fairly the unconsolidated financial position, results of operations, changes in equity and cash flows of the Bank in accordance with IFRS.

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.

Talar Gül, SMMM
Independent Auditor

Istanbul, 12 February 2025

Türkiye İş Bankası A.Ş. The Unconsolidated Financial Report As At And For The Year Ended December 31, 2024 (Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”))

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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

Hürdoğan Irmak

Head of Financial Management Division

Mehmet Türk

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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Notes To The Unconsolidated Financial Statements For The Year Ended December 31, 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

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, 2024, the shareholder structure of the Bank is as follows:

- 38.59% of the shares are owned by the Türkiye İş Bankası A.Ş. Members' Supplementary Pension Fund Foundation (December 31, 2023:38.20%).
- 28.09% of the shares belong to Atatürk and, in accordance with his will, are represented by the Republican People's Party (CHP) (December 31, 2023:28.09%). As stipulated in Atatürk's will, the dividend income from these shares is allocated to the Turkish Language Association and the Turkish Historical Society, and dividend payments are made to these institutions in accordance with the provisions of the will and applicable legal regulations.
- 33.32% is free float (December 31, 2023: 33.71%).

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
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, Member of the Operational Risk 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, Substitute Member of the Credit Committee
Recep Hakan Özyıldız	Director
Mustafa Ridvan Selçuk	Director
Ahmet Gökhan Sungur	Director
Bahattin Özarslantürk	Director, Member of the Credit Committee

Notes To The Unconsolidated Financial Statements For The Year Ended December 31, 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

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, Core Banking Operations, Foreign Transactions and Commercial Credit Operations, Affiliates, Corporate Architecture, Information Systems Strategy Committee, Risk Committee, Member of Operational Risk Committee
Ebru Özşuca	Financial Institutions, Treasury, Capital Markets, Member of the Risk Committee
Ozan Gürsoy	Transaction Banking, Corporate and Commercial Banking Marketing, Corporate and 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, Procurement, Artificial Intelligence, Member of Operational Risk Committee, Sustainability Committee, and Information Technologies Strategic Committee
Sezgin Lüle	Retail Banking Marketing, Sales and Product, Digital Banking, Customer Relations, Payment Systems Ecosystem, Product and Operations, Member of Operational Risk Committee and Sustainability Committee
Can Yücel	Credit Strategy Management, Retail, Commercial and Corporate Loans Underwriting, Project Finance, Member of the Corporate Social Responsibility Committee, Member of the Risk Committee and Sustainability Committee
Sezai Sevgin	Internal Control, Corporate Compliance, Risk Management, Natural Member of the Risk Committee, Information Technologies Strategic Committee, Member of Risk Committee and Sustainability Committee
İzlem Erdem	Economic Research, Financial Law and Tax Management Consultancy, Investor Relations and Sustainability, Management Reporting and Internal Accounting, Member of Risk Committee and Sustainability Committee
Suat E. Sözen	General Secretariat, Corporate Communications, Private Banking Marketing and Sales, Member of the Corporate Social Responsibility Committee and Member of the Sustainability Committee
O. Tufan Kurbanoğlu	Legal Affairs and Follow-Up, Legal Counsellorship, Credit Monitoring, Retail Loans Recovery, Commercial and Corporate Loans and Retail Loans Proceeding
Mehmet Celayir	Support Services, Human Resources Management, Construction and Real Estate Management, Talent Management, Consumer Relations Coordination Officer, Member of Operational Risk and Sustainability Committee.
Mehmet Türk	Financial Management, Strategy and Corporate Performance Management, Member of Information Systems Strategy and Sustainability Committee

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)	9,647,873	38.59%	9,647,873	
Cumhuriyet Halk Partisi - Republican People's Party - (Atatürk's Shares)	7,023,013	28.09%	7,023,013	

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.



Unconsolidated Balance Sheet (Statement Of Financial Position)
As Of December 31, 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

SECTION TWO: UNCONSOLIDATED FINANCIAL STATEMENTS

		Foot- notes	THOUSAND TL					
			CURRENT PERIOD			PRIOR PERIOD		
			(31/12/2024)			(31/12/2023)		
ASSETS		TL	FC	Total	TL	FC	Total	
I.	FINANCIAL ASSETS (NET)		531,071,035	565,058,489	1,096,129,524	335,832,075	526,004,974	861,837,049
1.1	Cash and Cash Equivalents		287,944,087	394,061,828	682,005,915	167,328,854	399,143,819	566,472,673
1.1.1	Cash and Balances with Central Bank	V-I-a	278,449,213	351,017,445	629,466,658	165,816,798	357,686,072	523,502,870
1.1.2	Banks	V-I-ç	9,652,098	43,277,226	52,929,324	1,556,897	41,702,439	43,259,336
1.1.3	Money Market Placements		-	-	-	-	-	-
1.1.4	Expected Credit Loss (-)		157,224	232,843	390,067	44,841	244,692	289,533
1.2	Financial Assets at Fair Value Through Profit or Loss	V-I-b	6,350,265	26,792,268	33,142,533	3,967,140	19,307,990	23,275,130
1.2.1	Government Debt Securities		424,160	26,324,829	26,748,989	290,882	18,649,966	18,940,848
1.2.2	Equity Securities		29,526	467,439	496,965	17,029	658,024	675,053
1.2.3	Other Financial Assets		5,896,579	-	5,896,579	3,659,229	-	3,659,229
1.3	Financial Assets at Fair Value Through Other Comprehensive Income	V-I-d	233,858,928	130,957,084	364,816,012	164,070,992	89,048,452	253,119,444
1.3.1	Government Debt Securities		233,697,936	125,499,089	359,197,025	163,659,781	86,035,890	249,695,671
1.3.2	Equity Securities		160,992	3,131,760	3,292,752	160,992	1,845,500	2,006,492
1.3.3	Other Financial Assets		-	2,326,235	2,326,235	250,219	1,167,062	1,417,281
1.4	Derivative Financial Assets	V-I-c-i	2,917,755	13,247,309	16,165,064	465,089	18,504,713	18,969,802
1.4.1	Derivative Financial Assets at Fair Value Through Profit or Loss		2,917,755	13,247,309	16,165,064	465,089	18,504,713	18,969,802
1.4.2	Derivative Financial Assets at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
II.	Financial Assets Measured at Amortised Cost (Net)		1,256,744,271	604,895,924	1,861,640,195	911,625,628	418,720,754	1,330,346,382
2.1	Loans	V-I-e	1,063,165,284	593,748,138	1,656,913,422	760,295,619	411,995,305	1,172,290,924
2.2	Lease Receivables	V-I-i	-	-	-	-	-	-
2.3	Factoring Receivables		-	-	-	-	-	-
2.4	Other Financial Assets Measured at Amortised Cost (Net)	V-I-f	230,338,871	25,571,906	255,910,777	176,381,503	19,641,458	196,022,961
2.4.1	Government Debt Securities		226,873,977	9,220,942	236,094,919	175,798,169	4,485,146	180,283,315
2.4.2	Other Financial Assets		3,464,894	16,350,964	19,815,858	583,334	15,156,312	15,739,646
2.5	Expected Credit Loss (-)		36,759,884	14,424,120	51,184,004	25,051,494	12,916,009	37,967,503
III.	ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	V-I-n	29,674	-	29,674	1,540,497	97	1,540,594
3.1	Held for Sale		29,674	-	29,674	1,540,497	97	1,540,594
3.2	Discontinued Operations		-	-	-	-	-	-
IV.	EQUITY INVESTMENTS		182,543,271	21,640,096	204,183,367	126,780,321	17,672,815	144,453,136
4.1	Investments in Associates (Net)	V-I-g	630,092	-	630,092	475,064	-	475,064
4.1.1	Associates Accounted by using Equity Method		-	-	-	-	-	-
4.1.2	Unconsolidated Associates		630,092	-	630,092	475,064	-	475,064
4.2	Subsidiaries (Net)	V-I-ğ	181,913,179	21,640,096	203,553,275	126,305,257	17,672,815	143,978,072
4.2.1	Unconsolidated Financial Subsidiaries		77,205,132	21,640,096	98,845,228	49,792,804	17,672,815	67,465,619
4.2.2	Unconsolidated Non-Financial Subsidiaries		104,708,047	-	104,708,047	76,512,453	-	76,512,453
4.3	Joint Ventures (Net)	V-I-h	-	-	-	-	-	-
4.3.1	Joint Ventures Accounted by using Equity Method		-	-	-	-	-	-
4.3.2	Unconsolidated Joint Ventures		-	-	-	-	-	-
V.	TANGIBLE ASSETS (Net)	V-I-j	53,571,172	108,067	53,679,239	34,144,908	85,878	34,230,786
VI.	INTANGIBLE ASSETS (Net)	V-I-k	11,307,641	11,039	11,318,680	6,385,519	13,135	6,398,654
6.1	Goodwill		-	-	-	-	-	-
6.2	Other		11,307,641	11,039	11,318,680	6,385,519	13,135	6,398,654
VII.	INVESTMENT PROPERTY (Net)	V-I-l	-	-	-	-	-	-
VIII.	CURRENT TAX ASSET		-	-	-	-	-	-
IX.	DEFERRED TAX ASSET	V-I-m	28,969,422	-	28,969,422	12,090,016	-	12,090,016
X.	OTHER ASSETS	V-I-o	59,187,368	8,638,968	67,826,336	49,288,424	13,598,258	62,886,682
	TOTAL ASSETS		2,123,423,854	1,200,352,583	3,323,776,437	1,477,687,388	976,095,911	2,453,783,299

Unconsolidated Balance Sheet (Statement Of Financial Position)
As Of December 31, 2024)

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

		Foot- notes	THOUSAND TL					
			CURRENT PERIOD			PRIOR PERIOD		
			(31/12/2024)			(31/12/2023)		
LIABILITIES		TL	FC	Total	TL	FC	Total	
I.	DEPOSITS	V-II-a	1,215,866,946	911,250,240	2,127,117,186	880,582,226	781,596,468	1,662,178,694
II.	FUNDS BORROWED	V-II-c	39,722,918	171,370,181	211,093,099	3,321,720	117,444,390	120,766,110
III.	MONEY MARKETS		243,127,704	95,279,915	338,407,619	73,959,957	49,220,735	123,180,692
IV.	SECURITIES ISSUED (Net)	V-II-ç	5,276,541	50,329,132	55,605,673	1,297,610	67,188,434	68,486,044
4.1	Bills		1,356,385	-	1,356,385	389,926	735,314	1,125,240
4.2	Asset Backed Securities		-	-	-	-	-	-
4.3	Bonds		3,920,156	50,329,132	54,249,288	907,684	66,453,120	67,360,804
V.	FUNDS		-	-	-	-	-	-
5.1	Borrower Funds		-	-	-	-	-	-
5.2	Other		-	-	-	-	-	-
VI.	FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		-	-	-	-	-	-
VII.	DERIVATIVE FINANCIAL LIABILITIES	V-II-b-g	262,474	10,522,645	10,785,119	570,750	6,642,628	7,213,378
7.1	Derivative Financial Liabilities at Fair Value Through Profit or Loss		262,474	10,522,645	10,785,119	570,750	6,642,628	7,213,378
7.2	Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
VIII.	FACTORING PAYABLES		-	-	-	-	-	-
IX.	LEASE PAYABLES (Net)	V-II-f	5,385,180	166,652	5,551,832	3,122,464	144,579	3,267,043
X.	PROVISIONS	V-II-ğ	35,179,471	2,358,429	37,537,900	37,199,142	2,721,737	39,920,879
10.1	Restructuring Provisions		-	-	-	-	-	-
10.2	Reserve for Employee Benefits		6,258,365	-	6,258,365	5,644,817	-	5,644,817
10.3	Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4	Other Provisions		28,921,106	2,358,429	31,279,535	31,554,325	2,721,737	34,276,062
XI.	CURRENT TAX LIABILITY	V-II-h	9,610,498	323,648	9,934,146	9,380,726	227,171	9,607,897
XII.	DEFERRED TAX LIABILITY	V-II-h	-	-	-	-	-	-
XIII.	LIABILITIES RELATED TO ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS	V-II-i	-	-	-	-	-	-
13.1	Held for Sale		-	-	-	-	-	-
13.2	Discontinued Operations		-	-	-	-	-	-
XIV.	SUBORDINATED DEBT	V-II-i	2,340,183	44,645,150	46,985,333	2,324,411	37,546,571	39,870,982
14.1	Loans		-	-	-	-	-	-
14.2	Other Debt Instruments		2,340,183	44,645,150	46,985,333	2,324,411	37,546,571	39,870,982
XV.	OTHER LIABILITIES	V-II-e	141,701,790	20,718,968	162,420,758	89,075,939	22,418,157	111,494,096
XVI.	SHAREHOLDERS' EQUITY	V-II-j	319,332,430	(994,658)	318,337,772	269,335,765	(1,538,281)	267,797,484
16.1	Paid-in capital		25,000,000	-	25,000,000	10,000,000	-	10,000,000
16.2	Capital Reserves		4,794,906	204	4,795,110	1,305,333	204	1,305,537
16.2.1	Share Premium		98,673	204	98,877	110,060	204	110,264
16.2.2	Share Cancellation Profits		-	-	-	-	-	-
16.2.3	Other Capital Reserves		4,696,233	-	4,696,233	1,195,273	-	1,195,273
16.3	Accumulated Other Comprehensive Income or Loss Not Reclassified Through Profit or Loss		69,017,785	193	69,017,978	44,925,817	-	44,925,817
16.4	Accumulated Other Comprehensive Income or Loss Reclassified Through Profit or Loss		12,752,071	(995,055)	11,757,016	29,752,683	(1,538,485)	28,214,198
16.5	Profit Reserves		161,392,775	-	161,392,775	110,787,175	-	110,787,175
16.5.1	Legal Reserves		14,795,605	-	14,795,605	10,567,141	-	10,567,141
16.5.2	Status Reserves		-	-	-	-	-	-
16.5.3	Extraordinary Reserves		146,597,170	-	146,597,170	100,220,034	-	100,220,034
16.5.4	Other Profit Reserves		-	-	-	-	-	-
16.6	Profit or Loss		46,374,893	-	46,374,893	72,564,757	-	72,564,757
16.6.1	Prior Periods' Profit or Loss		857,448	-	857,448	299,959	-	299,959
16.6.2	Current Period Profit or Loss		45,517,445	-	45,517,445	72,264,798	-	72,264,798
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			2,017,806,135	1,305,970,302	3,323,776,437	1,370,170,710	1,083,612,589	2,453,783,299



Unconsolidated Statement Of Off-Balance Sheet Items
As Of December 31, 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

		THOUSAND TL						
		CURRENT PERIOD			PRIOR PERIOD			
		(31/12/2024)			(31/12/2023)			
	Foot- notes	TL	FC	Total	TL	FC	Total	
A. OFF-BALANCE SHEET CONTINGENCIES and COMMITMENTS (I+II+III)		V-III	1,461,335,740	1,644,079,812	3,105,415,552	944,903,668	1,360,649,227	2,305,552,895
I.	GUARANTEES AND SURETYSHIPS		283,802,597	298,899,765	582,702,362	166,361,635	261,009,169	427,370,804
1.1	Letters of Guarantee		261,805,646	195,223,113	457,028,759	156,795,251	163,158,878	319,954,129
1.1.1	Guarantees Subject to State Tender Law		2,241,617	2,241,930	4,483,547	1,508,058	1,770,160	3,278,218
1.1.2	Guarantees Given for Foreign Trade Operations		26,821,882	79,158,186	105,980,068	16,505,345	65,374,380	81,879,725
1.1.3	Other Letters of Guarantee		232,742,147	113,822,997	346,565,144	138,781,848	96,014,338	234,796,186
1.2	Bank Acceptances		20,465,688	6,343,217	26,808,905	9,435,050	6,365,084	15,800,134
1.2.1	Import Letter of Acceptance		-	2,823,457	2,823,457	-	2,860,295	2,860,295
1.2.2	Other Bank Acceptances		20,465,688	3,519,760	23,985,448	9,435,050	3,504,789	12,939,839
1.3	Letters of Credit		1,531,263	91,631,581	93,162,844	131,334	85,253,610	85,384,944
1.3.1	Documentary Letters of Credit		1,182,121	63,843,522	65,025,643	116,178	53,169,024	53,285,202
1.3.2	Other Letters of Credit		349,142	27,788,059	28,137,201	15,156	32,084,586	32,099,742
1.4	Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5	Endorsements		-	-	-	-	-	-
1.5.1	Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2	Other Endorsements		-	-	-	-	-	-
1.6	Purchase Guarantees for Securities Issued		-	-	-	-	-	-
1.7	Factoring Guarantees		-	-	-	-	-	-
1.8	Other Guarantees		-	5,701,854	5,701,854	-	6,231,597	6,231,597
1.9	Other Suretyships		-	-	-	-	-	-
II.	COMMITMENTS		1,003,399,364	75,046,089	1,078,445,453	555,279,115	64,038,994	619,318,109
2.1	Irrevocable Commitments		999,805,062	60,232,106	1,060,037,168	552,192,438	56,358,660	608,551,098
2.1.1	Forward Asset Purchase Commitments		7,556,201	27,161,425	34,717,626	2,642,935	25,460,753	28,103,688
2.1.2	Forward Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3	Capital Commitments to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4	Loan Granting Commitments		232,701,080	3,782,785	236,483,865	118,244,588	3,632,293	121,876,881
2.1.5	Securities Underwriting Commitments		-	-	-	-	-	-
2.1.6	Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7	Commitments for Cheque Payments		15,115,800	-	15,115,800	9,204,813	-	9,204,813
2.1.8	Tax and Fund Liabilities from Export Commitments		1,096,921	-	1,096,921	22,019	-	22,019
2.1.9	Commitments for Credit Card Expenditure Limits		737,663,382	-	737,663,382	417,894,567	-	417,894,567
2.1.10	Commitments for Credit Cards and Banking Services Promotions		2,267,499	-	2,267,499	1,085,145	-	1,085,145
2.1.11	Receivables from Short Sale Commitments		-	-	-	-	-	-
2.1.12	Payables for Short Sale Commitments		-	-	-	-	-	-
2.1.13	Other Irrevocable Commitments		3,404,179	29,287,896	32,692,075	3,098,371	27,265,614	30,363,985
2.2	Revocable Commitments		3,594,302	14,813,983	18,408,285	3,086,677	7,680,334	10,767,011
2.2.1	Revocable Loan Granting Commitments		3,594,302	14,813,983	18,408,285	3,086,677	7,680,334	10,767,011
2.2.2	Other Revocable Commitments		-	-	-	-	-	-
III.	DERIVATIVE FINANCIAL INSTRUMENTS		174,133,779	1,270,133,958	1,444,267,737	223,262,918	1,035,601,064	1,258,863,982
3.1	Derivative Financial Instruments Held for Risk Management		-	-	-	-	-	-
3.1.1	Fair Value Hedges		-	-	-	-	-	-
3.1.2	Cash Flow Hedges		-	-	-	-	-	-
3.1.3	Net Foreign Investment Hedges		-	-	-	-	-	-

Unconsolidated Statement Of Off-Balance Sheet Items
As Of December 31, 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

		THOUSAND TL					
		CURRENT PERIOD			PRIOR PERIOD		
		(31/12/2024)			(31/12/2023)		
Foot- notes	TL	FC	Total	TL	FC	Total	
3.2	Derivative Financial Instruments Held for Trading	174,133,779	1,270,133,958	1,444,267,737	223,262,918	1,035,601,064	1,258,863,982
3.2.1	Forward Foreign Currency Buy/Sell Transactions	27,706,508	96,003,977	123,710,485	42,825,798	144,959,423	187,785,221
3.2.1.1	Forward Foreign Currency Buy Transactions	15,522,723	46,382,451	61,905,174	30,202,278	64,272,380	94,474,658
3.2.1.2	Forward Foreign Currency Sell Transactions	12,183,785	49,621,526	61,805,311	12,623,520	80,687,043	93,310,563
3.2.2	Currency and Interest Rate Swaps	135,032,219	1,047,294,894	1,182,327,113	149,898,697	741,715,311	891,614,008
3.2.2.1	Currency Swap Buy Transactions	8,165,998	270,332,661	278,498,659	2,037,254	209,617,080	211,654,334
3.2.2.2	Currency Swap Sell Transactions	102,131,687	250,150,793	352,282,480	138,999,761	109,982,177	248,981,938
3.2.2.3	Interest Rate Swap Buy Transactions	12,367,267	263,405,720	275,772,987	4,430,841	211,058,027	215,488,868
3.2.2.4	Interest Rate Swap Sell Transactions	12,367,267	263,405,720	275,772,987	4,430,841	211,058,027	215,488,868
3.2.3	Currency, Interest Rate and Security Options	10,043,383	43,509,732	53,553,115	29,527,399	83,633,384	113,160,783
3.2.3.1	Currency Call Options	5,946,178	15,627,296	21,573,474	19,595,726	31,548,029	51,143,755
3.2.3.2	Currency Put Options	4,097,205	16,223,410	20,320,615	9,931,673	40,567,339	50,499,012
3.2.3.3	Interest Rate Call Options	-	5,829,513	5,829,513	-	5,759,008	5,759,008
3.2.3.4	Interest Rate Put Options	-	5,829,513	5,829,513	-	5,759,008	5,759,008
3.2.3.5	Securities Call Options	-	-	-	-	-	-
3.2.3.6	Securities Put Options	-	-	-	-	-	-
3.2.4	Currency Futures	1,351,669	1,204,350	2,556,019	1,011,024	983,012	1,994,036
3.2.4.1	Currency Buy Futures	513,974	781,970	1,295,944	1,010,147	854	1,011,001
3.2.4.2	Currency Sell Futures	837,695	422,380	1,260,075	877	982,158	983,035
3.2.5	Interest Rate Futures	-	-	-	-	-	-
3.2.5.1	Interest Rate Buy Futures	-	-	-	-	-	-
3.2.5.2	Interest Rate Sell Futures	-	-	-	-	-	-
3.2.6	Other	-	82,121,005	82,121,005	-	64,309,934	64,309,934
B. CUSTODY AND PLEDGES RECEIVED (IV+V+VI)		2,271,458,103	2,762,728,509	5,034,186,612	1,673,186,185	2,463,785,186	4,136,971,371
IV.	ITEMS HELD IN CUSTODY	168,684,043	308,629,051	477,313,094	117,089,792	252,495,098	369,584,890
4.1	Customers' Securities Held	-	-	-	-	-	-
4.2	Investment Securities Held in Custody	65,458,518	4,921,305	70,379,823	41,835,247	4,612,715	46,447,962
4.3	Cheques Received for Collection	91,950,060	145,504,571	237,454,631	68,211,213	122,389,192	190,600,405
4.4	Commercial Notes Received for Collection	6,972,471	74,645,434	81,617,905	4,872,304	59,509,381	64,381,685
4.5	Other Assets Received for Collection	-	-	-	-	-	-
4.6	Assets Received for Public Offering	-	-	-	-	-	-
4.7	Other Items Under Custody	4,302,994	83,557,741	87,860,735	2,171,028	65,983,810	68,154,838
4.8	Custodians	-	-	-	-	-	-
V.	PLEDGED ITEMS	2,102,774,060	2,454,099,458	4,556,873,518	1,556,096,393	2,211,290,088	3,767,386,481
5.1	Marketable Securities	94,798,512	1,823,478	96,621,990	86,209,507	2,892,895	89,102,402
5.2	Guarantee Notes	2,467,456	71,281,123	73,748,579	2,675,646	59,365,740	62,041,386
5.3	Commodity	429,580,049	342,841,658	772,421,707	333,823,180	299,866,550	633,689,730
5.4	Warranty	-	-	-	-	-	-
5.5	Real Estates	1,203,553,399	1,489,539,369	2,693,092,768	825,270,280	1,429,400,134	2,254,670,414
5.6	Other Pledged Items	372,374,644	548,613,830	920,988,474	308,117,780	419,764,769	727,882,549
5.7	Pledged Items-Depository	-	-	-	-	-	-
VI.	ACCEPTED BILL, GUARANTEES AND SURETIES	-	-	-	-	-	-
TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)		3,732,793,843	4,406,808,321	8,139,602,164	2,618,089,853	3,824,434,413	6,442,524,266



Türkiye İş Bankası A.Ş.

Unconsolidated Statement Of Profit Or Loss
As Of December 31, 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

		THOUSAND TL	
		CURRENT PERIOD	PRIOR PERIOD
		(01/01-31/12/2024)	(01/01-31/12/2023)
INCOME STATEMENT			
I.	INTEREST INCOME	530,914,982	222,485,981
1.1	Interest Income on Loans	351,037,829	149,492,535
1.2	Interest Income on Reserve Deposits	38,906,546	774,829
1.3	Interest Income on Banks	3,678,579	809,161
1.4	Interest Income on Money Market Placements	6,809	651,664
1.5	Interest Income on Marketable Securities Portfolio	136,747,075	70,564,918
1.5.1	Financial Assets At Fair Value Through Profit or Loss	652,599	423,512
1.5.2	Financial Assets At Fair Value Through Other Comprehensive Income	69,392,640	42,160,970
1.5.3	Financial Assets At Measured at Amortised Cost	66,701,836	27,980,436
1.6	Financial Lease Income	-	-
1.7	Other Interest Income	538,144	192,874
II.	INTEREST EXPENSE (-)	496,464,280	155,412,822
2.1	Interest on Deposits	365,123,914	122,026,589
2.2	Interest on Funds Borrowed	19,081,206	7,034,230
2.3	Interest on Money Market Funds	94,486,490	7,964,658
2.4	Interest on Securities Issued	11,724,979	7,409,098
2.5	Financial Lease Expense	1,048,779	595,082
2.6	Other Interest Expenses	4,998,912	10,383,165
III.	NET INTEREST INCOME (I - II)	34,450,702	67,073,159
IV.	NET FEES AND COMMISSIONS INCOME	91,410,738	42,437,948
4.1	Fees and Commissions Received	111,177,290	51,584,591
4.1.1	Non-cash Loans	5,445,187	3,677,579
4.1.2	Other	105,732,103	47,907,012
4.2	Fees and Commissions Paid	19,766,552	9,146,643
4.2.1	Non-cash Loans	1,772	1,680
4.2.2	Other	19,764,780	9,144,963
V.	DIVIDEND INCOME	102,016	65,258
VI.	TRADING INCOME/(LOSS) (Net)	(8,861,710)	12,223,362
6.1	Gains/(Losses) on Securities Trading	21,591,560	7,319,325
6.2	Derivative Financial Transactions Gains/Losses	(55,996,915)	(6,033,727)
6.3	Foreign Exchange Gains/(Losses)	25,543,645	10,937,764
VII.	OTHER OPERATING INCOME	23,950,005	13,586,616
VIII.	GROSS OPERATING INCOME (III+IV+V+VI+VII)	141,051,751	135,386,343
IX.	EXPECTED CREDIT LOSS (-)	23,479,808	15,906,083
X.	OTHER PROVISION EXPENSES (-)	148,449	4,164,824
XI.	PERSONNEL EXPENSE (-)	46,194,223	25,307,024
XII.	OTHER OPERATING EXPENSES (-)	70,955,262	46,921,938
XIII.	NET OPERATING INCOME/(LOSS) (VIII-IX-X-XI-XII)	274,009	43,086,474
XIV.	AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER	-	-
XV.	PROFIT/LOSS FROM ASSOCIATES ACCOUNTED FOR USING THE EQUITY METHOD	37,899,758	33,996,027
XVI.	NET MONETARY POSITION GAIN/LOSS	-	-
XVII.	PROFIT/LOSS ON CONTINUING OPERATIONS BEFORE TAX (XIII+...+XVI)	38,173,767	77,082,501
XVIII.	TAX PROVISION FOR CONTINUING OPERATIONS (±)	(7,343,678)	4,817,703
18.1	Current Tax Provision	1,538,046	10,215,857
18.2	Deferred Tax Income Effect (+)	10,537,912	4,790,964
18.3	Deferred Tax Expense Effect (-)	19,419,636	10,189,118
XIX.	NET PERIOD PROFIT/LOSS FROM CONTUNUING OPERATIONS (XVI±XVIII)	45,517,445	72,264,798
XX.	INCOME ON DISCONTINUED OPERATIONS	-	-
19.1	Income on Assets Held for Sale	-	-
19.2	Gain on Sale of Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures)	-	-
19.3	Other Income on Discontinued Operations	-	-
XXI.	EXPENSE ON DISCONTINUED OPERATIONS (-)	-	-
20.1	Expense on Assets Held for Sale	-	-
20.2	Loss on Sale of Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures)	-	-
20.3	Other Expense on Discontinued Operations	-	-
XXII.	PROFIT/LOSS ON DISCONTINUED OPERATIONS BEFORE TAX (XX-XXI)	-	-
XXIII.	TAX PROVISION FOR DISCONTINUED OPERATIONS (±)	-	-
22.1	Current Tax Provision	-	-
22.2	Deferred Tax Expense Effect (+)	-	-
22.3	Deferred Tax Income Effect (-)	-	-
XXIV.	NET PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)	-	-
XXV.	NET PERIOD PROFIT/LOSS (XIX+XXIV)	45,517,445	72,264,798
	Earnings per Share ^(*)	1.8207	2.8906

(*) Presentation of the earnings/losses per share corresponding to each share with a nominal value of 1 TL.

Türkiye İş Bankası A.Ş.

Unconsolidated Statement Of Profit Or Loss And
Other Comprehensive Income As Of December 31, 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

		THOUSAND TL	
		CURRENT PERIOD	PRIOR PERIOD
		(01/01-31/12/2024)	(01/01-31/12/2023)
PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME			
I.	PROFIT/LOSS FOR THE PERIOD	45,517,445	72,264,798
II.	OTHER COMPREHENSIVE INCOME	8,283,670	13,043,373
2.1	Other comprehensive income that will not be reclassified to profit or loss	24,740,852	24,738,825
2.1.1	Revaluation Surplus on Tangible Assets	13,759,361	13,720,641
2.1.2	Revaluation Surplus on Intangible Assets	-	-
2.1.3	Gains/(Losses) on remeasurements of Defined Benefit Plans	(1,174,023)	88,357
2.1.4	Other Income/Expense Items of Other Comprehensive Income not to be Reclassified to Profit Or Loss	13,902,205	11,006,113
2.1.5	Taxes Relating To Components Of Other Comprehensive Income not to be Reclassified To Profit Or Loss	(1,746,691)	(76,286)
2.2	Other Income/Expense Items not be Reclassified to Profit or Loss	(16,457,182)	(11,695,452)
2.2.1	Exchange Differences on Translation	2,211,396	6,240,721
2.2.2	Valuation and/or Reclassification Profit or Loss from Financial Assets at Fair Value through Other Comprehensive Income	(32,491,830)	(30,300,163)
2.2.3	Income/(Loss) Related with Cash Flow Hedges	-	-
2.2.4	Income/(Loss) Related with Hedges of Net Investments in Foreign Operations	(1,691,123)	(1,121,189)
2.2.5	Other Income/Expense Items of Other Comprehensive Income to be Reclassified to Other Profit or Loss	5,222,328	5,636,528
2.2.6	Taxes Relating To Components Of Other Comprehensive Income to be Reclassified To Profit Or Loss	10,292,047	7,848,651
III.	TOTAL COMPREHENSIVE INCOME (I+II)	53,801,115	85,308,171

Türkiye İş Bankası A.Ş.

Unconsolidated Statement Of Changes In Shareholders’ Equity

As Of December 31, 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”))

		THOUSAND TL							THOUSAND TL							
		Accumulated Other Comprehensive Income That will not be Reclassified in Profit/(Loss)							Accumulated Other Comprehensive Income That will be Reclassified in Profit/(Loss)							
		Tangible assets accumulated revaluation reserve Increase/ (Decrease)							Accumulated gains/(losses) on remeasurements of defined benefit plans							
		Share Certificate Cancellation Profits							Exchange differences on translation reserve							
		Other Capital Reserves							Accumulated gains/(losses) due to revaluation and/or reclassification of financial assets measured at fair value through other comprehensive income							
		Other ⁽¹⁾							Other ⁽²⁾							
CHANGES IN SHAREHOLDERS' EQUITY		Foot- notes	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
PRIOR PERIOD (31/12/2023)		V-V														
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 ⁽³⁾															
	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
CURRENT PERIOD (31/12/2024)																
I.	Beginning Balance		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	72,564,757		267,797,484
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	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	72,564,757		267,797,484
IV.	Total Comprehensive Income						11,660,463	(821,816)	13,902,205	2,211,396	(22,707,120)	4,038,542			45,517,445	53,801,115
V.	Capital Increase in Cash															
VI.	Capital Increase Through Internal Reserves		15,000,000										(15,000,000)			
VII.	Paid-in-Capital inflation adjustment difference															
VIII.	Convertible Bonds															
IX.	Subordinated Debt															
X.	Increase/(Decrease) Through Other Changes			(11,387)		3,500,960	(648,691)						267,322	648,691		3,756,895
XI.	Profit Distribution												65,338,278	(72,356,000)		(7,017,722)
11.1	Dividend Paid													(7,017,722)		(7,017,722)
11.2	Transfer to Reserves												65,338,278	(65,338,278)		
11.3	Other															
	Ending Balance (III+IV+.....+X+XI)		25,000,000	98,877		4,696,233	34,784,735	(3,323,365)	37,556,608	13,744,205	(20,936,864)	18,949,675	161,392,775	857,448	45,517,445	318,337,772

⁽¹⁾The accumulated amounts of items that will not be classified in profit or loss from other comprehensive income for investments valued using the equity method.

⁽²⁾The accumulated amounts of items that will be classified in profit or loss from other comprehensive income for investments valued using the equity method, along with gains/losses from hedging against the net investment risk related to foreign operations.

⁽³⁾ This includes the effects of changes made within the framework of the compliance of the group companies with the accounting policies applied in the preparation of the Bank’s unconsolidated financial statements.



Unconsolidated Statement Of Cash Flows
As Of December 31, 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

		THOUSAND TL	
		CURRENT PERIOD	PRIOR PERIOD
		(01/01-31/12/2024)	(01/01-31/12/2023)
A.	CASH FLOWS FROM BANKING OPERATIONS		
1.1	Operating Profit Before Changes in Operating Assets and Liabilities	(602,988)	32,546,281
1.1.1	Interest Received	467,555,143	182,278,174
1.1.2	Interest Paid	(482,789,489)	(131,447,615)
1.1.3	Dividend Received	3,637,573	2,423,241
1.1.4	Fees and Commissions Received	111,319,686	51,446,184
1.1.5	Other Income	28,184,844	11,287,992
1.1.6	Collections from Previously Written Off Loans and Other Receivables	5,949,434	4,952,565
1.1.7	Cash Payments to Personnel and Service Suppliers	(92,313,298)	(51,530,123)
1.1.8	Taxes Paid	(11,791,309)	(10,269,161)
1.1.9	Other	V-VI (30,355,572)	(26,594,976)
1.2	Changes in Operating Assets and Liabilities	192,025,246	394,991,417
1.2.1	Net (Increase)/Decrease in Financial Assets at Fair Value Through Profit or Loss	(186,310)	(2,147,721)
1.2.2	Net (Increase)/Decrease in Due From Banks	(74,428,590)	(41,918,417)
1.2.3	Net (Increase)/Decrease in Loans	(408,634,933)	(302,252,747)
1.2.4	Net (Increase)/Decrease in Other Assets	(728,434)	(12,891,920)
1.2.5	Net Increase/(Decrease) in Bank Deposits	(32,717,461)	82,791,486
1.2.6	Net Increase/(Decrease) in Other Deposits	388,992,428	543,610,294
1.2.7	Net Increase/(Decrease) in Financial Liabilities at Fair Value Through Profit or Loss	-	-
1.2.8	Net Increase/(Decrease) in Funds Borrowed	67,981,334	13,276,407
1.2.9	Net Increase/(Decrease) in Matured Payables	-	-
1.2.10	Net Increase/(Decrease) in Other Liabilities	V-VI 251,747,212	114,524,035
I.	Net Cash Provided From Banking Operations	191,422,258	427,537,698
B.	CASH FLOWS FROM INVESTING ACTIVITIES		
II.	Net Cash Provided from Investing Activities	(167,908,110)	(173,244,562)
2.1	Cash Paid for the Purchase of Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures)	(4,143,863)	(9,250,000)
2.2	Cash Obtained from Sale of Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures)	-	-
2.3	Cash Paid for the Purchase of Tangible Asset	(5,878,554)	(3,394,099)
2.4	Cash Obtained from the Sale of Tangible Asset	1,570,154	125,706
2.5	Cash Paid for Purchase of Financial Assets at Fair Value Through Other Comprehensive Income	(209,151,741)	(123,991,414)
2.6	Cash Obtained from Sale of Financial Assets at Fair Value Through Other Comprehensive Income	90,070,605	48,350,817
2.7	Cash Paid for Purchase of Financial Assets Measured at Amortised Cost	(122,095,482)	(120,829,692)
2.8	Cash Obtained from Sale of Financial Assets Measured at Amortised Cost ⁽¹⁾	88,787,421	39,873,429
2.9	Other	V-VI (7,066,650)	(4,129,309)
C.	CASH FLOWS FROM FINANCING ACTIVITIES		
III.	Net cash provided from financing activities	(29,877,227)	5,862,857
3.1	Cash obtained from funds borrowed and securities issued	60,267,816	36,594,109
3.2	Cash used for repayment of funds borrowed and securities issued	(84,957,945)	(17,363,092)
3.3	Equity Instruments	-	-
3.4	Dividends Paid	(7,017,722)	(12,056,191)
3.5	Payments for Finance Leases	(2,239,176)	(1,311,969)
3.6	Other	V-VI 4,069,800	-
IV.	Effect of change in foreign exchange rate on cash and cash equivalents	V-VI 1,527,701	5,094,705
V.	Net increase in cash and cash equivalents	(4,835,378)	265,250,698
VI.	Cash and cash equivalents at beginning of the period	359,864,700	94,614,002
VII.	Cash and cash equivalents at end of the period	355,029,322	359,864,700

⁽¹⁾ It also includes financial assets measured at amortized cost.

Unconsolidated Statement Of Profit Distribution Table
As Of December 31, 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

		THOUSAND TL	
		CURRENT PERIOD	PRIOR PERIOD
		(31/12/2024)	(31/12/2023)
I.	DISTRIBUTION OF CURRENT YEAR PROFIT ⁽¹⁾		
1.1	CURRENT PERIOD PROFIT ⁽²⁾	38,173,767	79,287,460
1.2	TAXES AND DUES PAYABLE (-)	-7,343,678	4,817,703
1.2.1	Corporate Tax (Income Tax)	901,131	9,929,002
1.2.2	Income Tax Withholding	636,915	286,855
1.2.3	Other Taxes and Dues Payable ⁽³⁾	-8,881,724	-5,398,154
A.	NET PROFIT FOR THE PERIOD (1.1-1.2)	45,517,445	74,469,757
1.3	PRIOR YEARS' LOSSES (-)	0	0
1.4	FIRST LEGAL RESERVES (-)	0	4,453,157
1.5	OTHER STATUTORY RESERVES (-)	0	1,165,806
B.	NET PROFIT ATTRIBUTABLE TO [(A-(1.3+1.4+1.5))]	45,517,445	68,850,794
1.6	FIRST DIVIDEND TO SHAREHOLDERS (-)		1,500,000
1.6.1	To Owners of Ordinary Shares	0	1,499,998
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	1,903,117
1.8	DIVIDENDS TO THE BOARD OF DIRECTORS (-)	0	0
1.9	SECOND DIVIDEND TO SHAREHOLDERS (-)	0	5,726,480
1.9.1	To Owners of Ordinary Shares	0	5,726,449
1.9.2	To Owners of Privileged Shares	0	21
1.9.3	To Owners of Preferred Shares	0	10
1.9.4	To Profit Sharing Bonds	0	0
1.9.5	To Holders of Profit / Loss Share Certificates	0	0
1.10	STATUTORY RESERVES (-)	0	0
1.11	EXTRAORDINARY RESERVES	0	59,721,197
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 (-)		
III.	EARNINGS PER SHARE		
3.1	TO OWNERS OF ORDINARY SHARES ⁽⁴⁾	1.8207	2.8906
3.2	TO OWNERS OF ORDINARY SHARES (%)	182	289
3.3	TO OWNERS OF PREFERRED SHARES ⁽⁴⁾	0	0
3.4	TO OWNERS OF PREFERRED SHARES (%)	0	0
IV.	DIVIDEND PER SHARE		
4.1	TO OWNERS OF ORDINARY SHARES ⁽⁴⁾	0	0.2891
4.2	TO OWNERS OF ORDINARY SHARES (%)	0	28.91
4.3	TO OWNERS OF PREFERRED SHARES ⁽⁴⁾	0	6.8493
4.4	TO OWNERS OF PREFERRED SHARES (%)	0	684.93

⁽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 1,905,000 allocated for the profit share to be distributed to the personnel in 2023 and added to the profit distribution base of the same year, and TL 299,959 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.



Notes To The Unconsolidated Financial Statements For The Year Ended December 31, 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”))

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.

The format and content of the unconsolidated financial statements, as well as the explanations and footnotes, have been prepared in accordance with the “Communiqué on Financial Statements to be Disclosed to the Public by Banks and the Explanations and Footnotes Related to Them”, published in the Official Gazette No. 28337 on June 28, 2012, and the “Communiqué on Public Disclosure of Risk Management by Banks”, published in the Official Gazette No. 29511 on October 23, 2015, as well as the amendments and additions made to these communiqués. The Bank prepares its accounts in Turkish currency in accordance with the provisions of the Banking Law, the Turkish Commercial Code and the Turkish Tax Law.

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 December 31,2023 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, POA 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 December 31,2023 will not be subject to the inflation adjustment required within the scope of TMS 29. 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 December 31,2024. In addition, according to the decision of the Banking Regulation and Supervision Agency (BDDK) dated December 5, 2024, number 11021, it was decided that banks, as well as financial leasing, factoring, financing, savings financing and asset management companies will not apply inflation accounting in 2025.

TFRS 17 “Insurance Contracts” standard, published by POA on 16 February 2019 to be applied for accounting periods starting after 31 December 2022, 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 January 1, 2024. Based on the POA's letter dated 15 February 2024, and numbered 22667, the effective date of TFRS 17 has been postponed to 1 January 2025. On the other hand, the effective date of TFRS 17 was postponed from January 1, 2024, to January 1, 2025, due to an amendment made by the Insurance and Pension Regulation and Supervision Authority (SEDDK) in Article 13, paragraph (a) of the “Regulation Amending the Regulation on Financial Reporting of Insurance and Reinsurance Companies and Pension Companies”. In this regard, in a letter dated February 15, 2024, sent by KGK to the Turkish Banking Association, it was stated that the application of TFRS 17 for insurance companies, reinsurance companies, pension companies, banks with investments/partnerships in these companies and other companies with investments/partnerships in these companies has been postponed to January 1, 2025. As a result, the standard will not be applied in the financial statements for the period ending December 31, 2024.Furthermore, the SEDDK has changed the effective date of TFRS 17 to January 1, 2026, by a letter published in the Official Gazette No. 32765 on December 27, 2024. Accordingly, in a letter dated January 14, 2025, sent by KGK to the Turkish Banking Association, it was stated that the application of TFRS 17 in the consolidated and separate financial statements of insurance companies, reinsurance companies, pension companies, banks with investments/partnerships in these companies and other companies with investments/partnerships in these companies has been postponed to January 1, 2026.

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.

Notes To The Unconsolidated Financial Statements For The Year Ended December 31, 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”))

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 maker banks) and using liquidity facilities of the Central Bank of Republic of Türkiye (“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 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, 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

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 431 million in its subsidiary Isbank AG, headquartered in Germany and whose functional currency is the Euro, which it accounts for using the equity method, 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”.



Notes To The Unconsolidated Financial Statements For The Year Ended December 31, 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

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.

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 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 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 considering 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.

Notes To The Unconsolidated Financial Statements For The Year Ended December 31, 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

The Bank has three different business models for classification of financial assets:

- Business model aimed at holding financial assets 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 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, but the financial asset is also 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.



Notes To The Unconsolidated Financial Statements For The Year Ended December 31, 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”))

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.

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 amortized 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 inflation 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 is measured at an amount equal to the instrument’s lifetime expected credit loss. 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 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 based on 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 based on the product and the probability of default exceeds the thresholds determined on the basis of the product.

Notes To The Unconsolidated Financial Statements For The Year Ended December 31, 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”))

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 estimates include the Industrial Production Index, Employment Rate 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. 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 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 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, considering 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.

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.



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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 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.

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 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.

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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 benefit 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 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, lease liabilities are calculated by discounting future lease payments using the Bank's borrowing rate at the inception or contract date. The interest expense relating to the lease liability for each period is the amount determined by applying a fixed periodic interest rate to the remaining balance of the lease liability. Interest expense on lease liabilities and exchange differences are recognized in the income 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 fulfil 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 fulfil 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 November 30, 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 May 8, 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 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 was 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.

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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, 2024. 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-i-4.1.

On the other hand, within the scope of the temporary article added to the Social Insurance and General Health Insurance Law dated May 31, 2006 and numbered 5510, with the Law No. 7438 published in the Official Gazette dated March 1, 2023 and numbered 32121, among those who request pension after the effective date of the relevant article, those who will be granted an old-age or retirement pension according to the relevant regulations, are provided with the opportunity to benefit from old-age and retirement pensions if they meet the 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.

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 July 1,2022 and being valid for the corporate earnings for the taxation period starting from July 1, 2022. On the other hand, the Law No. 7456 published in the Official Gazette No. 32249 dated July 15, 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 October 1, 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, 2024, 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 July 15, 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 July 15, 2023. The 50% rate will be applied as 25% for the real estate sales earnings to be made after July 15, 2023.



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Additionally, with Presidential Decree No. 9160 published in the Official Gazette dated November 27, 2024, and numbered 32735, the exemption rate for gains arising from the sale of participation shares, founder’s shares, usufruct shares, and pre-emptive rights has been reduced to 50%.

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 January 29, 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 December 31, 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 December 31, 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 revalue 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.

On July 16, 2024, Turkey began adopting the OECD’s Global Minimum Tax (Pillar 2) regulations through a Bill submitted to the Grand National Assembly of Turkey. These regulations entered into force with Law No. 7524, published in the Official Gazette No. 32620 on August 2, 2024. The implementation in Turkey is largely aligned with the OECD’s Pillar 2 Model Rules, showing similarities in terms of scope, exemptions, consolidation, tax calculations, and reporting deadlines. However, secondary legislation detailing the calculation methods and implementation approach has not yet been published, and specific issues such as Turkey’s unique circumstances and existing incentives are expected to be clarified through the Ministry’s secondary regulations. These changes have not had a significant impact on the Group’s financial position or performance.

Additionally, Article 36 of Law No. 7524 has introduced Article 32/C, titled “Domestic Minimum Corporate Tax,” into the Corporate Tax Law. According to this regulation, the corporate tax calculated under Articles 32 and 32/A cannot be less than 10% of the corporate income before applying deductions and exemptions. This regulation entered into force upon publication and will apply to corporate income for the 2025 tax period. Furthermore, Communiqué No. 23 on Corporate Tax was published in the Official Gazette No. 32676 on September 28, 2024, regarding this matter.

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 calculated over the tax rates that are valid or nearly effective in the period when the assets are realized, or the 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 associated with equity in the same or a different period.

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According to the amendment to Article 32 of the Corporate Tax Law made by Law No. 7394, the corporate tax rate was set at 25% for tax periods starting from 1 January 2022 and for tax returns due from 1 July 2022 onwards. Furthermore, as per the amendment to Article 32 of the Corporate Tax Law introduced by Law No. 7456, published in the Official Gazette No. 32249 on 15 July 2023, the corporate tax rate has been adjusted to 30% for tax periods beginning on or after 1 October 2023, applicable to corporate earnings for 2023 and subsequent tax periods. The bank has used the 30% rate for its deferred tax calculations.

According to the temporary Article 33 of the Tax Procedure Law, the tax effects arising from the inflation adjustment of corporate tax have been included in the deferred tax calculation in the financial statements.

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 are subject to 25% corporate tax in England. 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. Respect to the current year, if the tax base calculated in accordance with the country legislation is within a certain range, the 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 four 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 must 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”.



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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.

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

Transaction costs related to the issuance of shares are accounted for as expenses. Dividend income related with the equity shares are determined by the Parent Bank's General Assembly of the Shareholders. Dividends to be distributed are calculated independently of earnings/loss per share.

According to the "IAS 33 Earnings per Share" standard, the calculation of earnings per share considers the weighted average number of shares. In cases where the number of shares increases due to bonus issues resulting from capital increases via internal sources, earnings per share calculations for comparative periods are adjusted by recalculating the previously determined weighted average number of shares. This adjustment assumes that the bonus issue occurred at the beginning of the comparative period. If such changes in the number of shares occur after the balance sheet date but before the financial statements are approved for publication, earnings per share calculations are also based on the new number of shares.

The Bank's paid-in capital is 25,000,000 TL, which corresponds to a total of 625,002,250 shares divided into A, B, and C groups. This consists of 1 TL in A group shares, each with a nominal value of 1 Kuruş, 29,000 TL in B group shares, each valued at 1 Kuruş, and 24,999,970 TL in C group shares, each with a nominal value of 4 Kuruş. For comparability with the previous period's calculations, which was based on 625,002,250 shares, the earnings per share, calculated per 1 nominal TL using a total of 25,000,000 shares that make up the paid-in capital, is presented below in its updated version.

	Current Period	Prior Period
Profit distributable to shareholders	45,517,445	72,264,798
Number of shares in nominal TL equivalent (thousands)	25,000,000	25,000,000
Earnings per share - (in full TL)	1.8207	2.8906

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.

Notes To The Unconsolidated Financial Statements For The Year Ended December 31, 2024

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SECTION FOUR: INFORMATION ON THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK

I. Explanations on Shareholders' Equity

The capital adequacy standard ratio of the bank is 19.65%. (December 31,2023: 21.60%). 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 decision dated 12 December 2023, numbered 10747. Within the scope of the Board decision, the amount subject to credit risk has been calculated by using the CBRT exchange rates as of 26 June 2023, and the shareholders' equity has been calculated without considering the negative effects of financial assets in the portfolio of "Financial Assets Through Other Comprehensive Income" acquired before the Board decision dated 1 January 2024.

	Current Period	Prior Period
COMMON EQUITY TIER I CAPITAL	26,615,938	11,615,938
Paid-in Capital to be Entitled for Compensation after All Creditors	98,877	110,264
Share Premium	160,246,295	109,918,946
Legal Reserves	120,514,647	87,102,784
Other Comprehensive Income according to TAS	46,374,893	72,564,757
Profit	45,517,445	72,264,798
Net Current Period Profit	857,448	299,959
Prior Period Profit		
Bonus Shares from Associates, Subsidiaries and Joint-Ventures not Accounted in Current Period's Profit	353,850,650	281,312,689
Common Equity Tier I Capital Before Deductions		
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	11,847,806	8,064,503
Leasehold improvements on operational leases	385,276	155,355
Goodwill Netted with Deferred Tax Liabilities		
Other Intangible Assets Netted with Deferred Tax Liabilities Except Mortgage Servicing Rights	10,585,468	6,146,456
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	3,861,893	
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	305,613	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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(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

	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	26,986,056	14,896,621
Total Common Equity Tier I Capital	326,864,594	266,416,068
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)	326,864,594	266,416,068
TIER II CAPITAL		
Debt Instruments and the Related Issuance Premiums Defined by the BRSA	38,110,000	35,660,250
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)	22,090,464	16,914,796
Tier II Capital Before Total Deductions	60,200,464	52,575,046
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		

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	Current Period	Prior Period
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	60,200,464	52,575,046
Total Equity (Total Tier I and Tier II Capital)	387,065,058	318,991,114
Deductions from Total Equity (Tier I Capital and Tier II Capital)	6,269	3,230
Loans Granted against the Articles 50 and 51 of the Banking Law	6,269	3,230
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		
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 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)	387,058,789	318,987,884
Total Risk Weighted Assets	1,969,489,752	1,477,106,016
CAPITAL ADEQUACY RATIOS		
Common Equity Tier I Capital Ratio (%)	16.60	18.04
Tier I Capital Ratio (%)	16.60	18.04
Capital Adequacy Ratio (%)	19.65	21.60
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 (%) ⁽¹⁾	0.00	0.00
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 (%)	10.60	12.04



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(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

	Current Period	Prior Period
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	554,844	453,026
Remaining Mortgage Servicing Rights		
Net Deferred Tax Assets arising from Temporary Differences	25,107,529	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)	28,429,516	20,559,215
General Loan Provisions for Exposures in Standard Approach Limited by 1,25% of Risk Weighted Assets	22,090,464	16,914,796
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		
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		

^(*) The systemic important bank buffer ratio is reported as '0.00' in the unconsolidated financial report, as it must be filled out by systemic important banks that are not required to prepare consolidated financial statements under Article 4, paragraph 4 of the Regulation on Systemically Important Banks.

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(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

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)	10,500	26,250
Par value of instrument	17,500	26,250
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.	Following the approval of the BRSA, the Bank exercised its redemption option on January 22, 2025 and all bonds were repaid on that date.
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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(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

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)	440	640	280
Nominal value of instrument (TL Million)	1.100	800	280
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	5 years after the issuance, at the earliest	5 years after the issuance, at the earliest	5 years after the issuance, at the earliest
Subsequent call dates, if applicable	5 years after the issuance, at the earliest	5 years after the issuance, at the earliest	5 years after the issuance, at the earliest
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			
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.



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(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

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.

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(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

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	318,337,772	341,697,231
Leasehold improvements on operational leases	385,276	(385,276)
Goodwill and intangible assets	11,318,680	(10,585,468)
Provision	28,429,516	22,090,464
Subordinated debt	46,985,333	38,110,000
Deductions from shareholders' equity	3,868,162	(3,868,162)
Capital		387,058,789

^(*) 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 and the amount of credit risk calculated in accordance with the regulation dated 12 December 2023 and numbered 10747.

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.

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. 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 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.



Notes To The Unconsolidated Financial Statements For The Year Ended December 31, 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Amount subject to credit risk ^(*)	Current Period Risk Amount	Average Risk Amount ^(**)
Risk Classifications		
Exposures to central governments or central banks	1,127,048,572	1,027,907,683
Exposures to regional governments or local authorities	1,979,114	586,869
Exposures to administrative bodies and non-commercial undertakings	904,935	504,485
Exposures to multilateral development banks	1,221,610	1,254,839
Exposures to international organizations		
Exposures to banks and brokerage houses	139,634,840	131,922,113
Corporates exposures	953,072,919	853,896,894
Retail exposures	627,845,159	480,569,301
Exposures secured by residential real estate property	87,076,333	70,761,772
Exposures secured by commercial real estate property	74,728,282	54,410,904
Past due items	9,473,334	7,526,003
Items in regulatory high-risk categories	2,130,685	140,165,037
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	6,104,760	5,164,326
Other items	134,932,851	125,675,045
Share Certificate Investment	202,798,581	179,081,910

^(*) 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.

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.

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 23%, 30%, respectively (December 31, 2023: 27%, 35%).

(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 40%, 51% respectively (December 31, 2023: 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 13%, 17%, respectively (December 31, 2023: 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.

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(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

7. The total value of the stage 1 and stage 2 expected credit loss allocated for credit risk stands at TL 26,067,614 (December 31, 2023: TL 18,941,570).

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	56.02%	54.21%
Standard	33.70%	38.36%
Below Standard	10.28%	7.43%

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.

	Current Period			Prior Period		
	Commercial			Commercial		
Type of Collateral	Personal	and Corporate	Credit Cards	Personal	and Corporate	Credit Cards
Real Estate Mortgage ^(*)	3,846,312	10,550,465		1,830,376	7,773,099	
Cash Collateral (Cash, securities pledge, etc.)	170,788	216,638		61,142	593,167	
Pledge on Wages and Vehicles	9,209,580	2,185,368		4,716,955	542,740	
Cheques & Notes		1,544			1,993	
Other (Suretyship, commercial enterprise under pledge, commercial papers, etc.)	815,936	50,152,244		387,930	52,014,318	
Non-collateralized	20,362,097	7,892,021	42,206,705	11,255,463	7,018,934	14,807,864
Total	34,404,713	70,998,280	42,206,705	18,251,866	67,944,251	14,807,864

^(*) 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.

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 ^(*)	4,581,852	4,581,852	6,228,200	6,228,200
Cash Collateral	3,955	3,955	1,406	1,406
Vehicle Pledge	1,023,276	1,023,276	258,097	258,097
Other (Suretyship, commercial enterprise under pledge, commercial papers, etc.)	9,729,332	9,729,332	9,126,176	9,126,176

^(*) 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	628,836	765,539	1,394,375
Consumer Loans	1,956,886	890,325	2,847,211
Credit Cards	6,570,018	2,438,003	9,008,021
Total	9,155,740	4,093,867	13,249,607

^(*) The loans classified as closely monitored that are not past due or past due for less than 31 days is TL 128,447,710.

^(**) 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 2,701,827 and TL 3,210,554 respectively.



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Prior 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.

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	1,100,079,405	7			494,693	26,474,467			1,127,048,572
Contingent and Non-Contingent Receivables from Regional Government or Domestic Government	1,979,083					31			1,979,114
Contingent and Non-Contingent Receivables from Administrative Units and Non-Commercial Enterprises	904,780					155			904,935
Contingent and Non-Contingent Receivables from Multilateral Development Banks		209,385	1,012,225						1,221,610
Contingent and Non-Contingent Receivables from International Organizations									
Contingent and Non-Contingent Receivables from Banks and Intermediaries	59,117,380	26,036,071	40,974,464	665,780	7,334,257	5,506,888			139,634,840
Contingent and Non-Contingent Corporate Receivables	919,003,417	2,884,522	12,066,227	1,979,319	70,534	17,068,900			953,072,919
Contingent and Non-Contingent Retail Receivables	618,302,038	1,348,174	564,625	5,810	207,233	7,417,279			627,845,159
Contingent and Non-Contingent Receivables Secured by Residential Property	160,607,376	353,651	211,133	2,983	82,649	546,823			161,804,615
Non-Performing Receivables	9,350,391	48,130	25,861	66	10,702	38,184			9,473,334
Receivables are identified as high risk by the Board	2,130,636	28	9			12			2,130,685
Secured Marketable Securities									
Short-term Receivables and Short-term Corporate Receivables from Banks and Intermediaries									
Investments as Collective Investment Institutions	6,104,760								6,104,760
Other Receivables	134,608,432		324,419						134,932,851
Share Certificate Investments						202,798,581			202,798,581
Total	3,012,187,698	30,879,968	55,178,963	2,653,958	8,200,068	57,052,739	202,798,581		3,368,951,975

(*) 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	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

(*) 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)	TL	FC	Total
Sectors/Counterparty (*)																	
Agricultural	77,010		38				13,448,473	35,229,817	2,284,153	163,683	376				46,029,345	5,174,205	51,203,550
Farming and Raising																	
Livestock	75,074		38				9,551,899	35,012,195	2,240,461	162,083	372				45,632,449	1,409,673	47,042,122
Forestry	1,768						63,799	113,623	16,527	1,593	1				197,213	98	197,311
Fishing	168						3,832,775	103,999	27,165	7	3				199,683	3,764,434	3,964,117
Industry	5,193,866		1,686				429,518,478	37,563,051	28,886,651	1,157,908	311,167		80,680,556	288,159,139	295,154,224		583,313,363
Mining	127,592						7,735,631	566,337	641,562	3,195	136				5,120,980	3,953,473	9,074,453
Production	5,043,690						346,367,274	36,462,498	27,160,245	929,711	308,451		80,680,556	265,738,597	231,213,828		496,952,425
Electricity, gas, and water	22,584		1,686				75,415,573	534,216	1,084,844	225,002	2,580				17,299,562	59,986,923	77,286,485
Construction	532,632		8,614				81,844,099	19,075,363	12,955,019	1,286,021	1,099,539				71,255,130	45,546,157	116,801,287
Services	528,462,307		820,636	1,221,610	139,571,941	370,496,530	172,751,587		64,913,698	2,159,413	93,807	5,763,025	399,123	118,987,710	849,580,240	556,061,147	1,405,641,387
Wholesale and Retail Trade	1,990,803						158,314,112	99,592,486	32,734,608	1,464,263	46,055			345,567	243,004,615	51,483,279	294,487,894
Hotel, Food and Beverage																	
Services	139,882						16,647,393	12,384,930	10,012,838	139,060	363				22,426,498	16,897,968	39,324,466
Transportation and																	
Telecommunication	137,279						81,067,489	39,671,545	6,090,116	316,330	44,217			187,231	69,803,010	57,711,197	127,514,207
Financial Institutions	525,903,303		15	1,221,610	139,571,941	56,734,967	2,395,779		1,424,759	5,630	78	5,763,025	399,123	118,454,912	465,262,534	386,612,608	851,875,142
Real Estate and Renting																	
Services	33,136		603,350				28,977,085	6,493,177	11,680,844	108,226	208				24,669,713	23,226,313	47,896,026
Self-Employment Services	55,703		213,657				3,457,749	4,936,791	1,018,933	88,873	228				9,134,560	637,374	9,771,934
Education Services	50,122		2,326				3,322,442	1,674,825	407,072	11,659	59				3,323,481	2,145,024	5,468,505
Health and Social Services	152,079		1,288				21,975,293	5,602,054	1,544,528	25,372	2,599				11,955,829	17,347,384	29,303,213
Other	592,782,757	1,979,114	73,961			62,899	57,765,339	363,225,341	52,765,094	4,706,309	625,796	341,735	134,533,727	3,130,316	1,034,015,305	177,977,083	1,211,992,388
Total	1,127,048,572	1,979,114	904,935	1,221,610	139,634,840	953,072,919	627,845,159		161,804,615	9,473,334	2,130,685	6,104,760	134,932,850	202,798,582	2,289,039,159	1,079,912,816	3,368,951,975

⁽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 Classified as High Risk by the Board

⁽¹²⁾ Investments in Collective Investment Schemes

⁽¹³⁾ Other receivables

⁽¹⁴⁾ Stock Investment

^(*) 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:

Risk Groups ^(*)	Time to Maturity					Total
	1 Month	1-3 Months	3-6 Months	6-12 Months	Over 1 Year	
Receivables from Central Governments or Central Banks	26,480,476	12,602,196	38,591,494	30,589,637	499,525,617	607,789,420
Receivables from Regional Governments or Domestic Governments	18,666	5,997	54,176	120,254	365,131	564,224
Receivables from Administrative Units and Non-Commercial Enterprises	95,743	1,059	2,029	572,089	100,196	771,116
The multilateral development banks and non-contingent receivables		116,462	175,676	99,848	829,624	1,221,610
Receivables from Banks and Intermediaries	77,665,334	9,761,678	16,937,095	11,833,280	12,124,989	128,322,376
Corporate Receivables	55,101,946	126,291,964	125,064,527	285,044,780	309,072,573	900,575,790
Retail Receivables	11,979,346	14,146,529	31,726,100	102,773,326	121,545,296	282,170,597
Collateralized Receivables with Real Estate Mortgages	4,414,303	5,854,110	16,034,775	31,629,122	87,195,409	145,127,719
Receivables are identified as High Risk by the Board	108,633	188,255	95,424	138,799	702,315	1,233,426
Total	175,864,447	168,968,250	228,681,296	462,801,135	1,031,461,150	2,067,776,278

(*) 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 ^(*)	1,123,568,491	152,906,457	87,166,663	227,953,989	634,067,385	1,126,652,249	4,700,649	554,844	34,845,097	10,967,043
Amount After Credit Risk Mitigation	1,132,084,682	152,868,459	87,076,333	224,520,114	627,845,159	1,104,858,242	4,299,045	554,844	34,845,097	10,967,043

(*) 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	
		Depreciated (TFRS 9)		
Current Period		Significant Increase in Credit Risk (Stage 2)	Non-Performing (Stage 3)	Expected Credit Loss (TFRS 9)
1	Agricultural	3,488,683	234,623	371,833
1.1	Farming and Raising Livestock	3,479,069	232,160	369,281
1.2	Forestry	8,553	1,197	1,241
1.3	Fishing	1,061	1,266	1,310
2	Industry	29,669,572	6,543,785	12,748,541
2.1	Mining	93,265	41,110	48,195
2.2	Production	12,054,867	2,951,846	4,054,166
2.3	Electricity, gas, and water	17,521,440	3,550,829	8,646,180
3	Construction	8,297,358	6,722,465	8,278,391
4	Services	31,779,203	5,334,528	7,839,496
4.1	Wholesale and Retail Trade	7,690,298	2,553,580	2,371,748
4.2	Hotel, Food and Beverage Services	5,988,749	172,106	1,031,297
4.3	Transportation and Telecommunication	6,174,468	791,042	1,328,600
4.4	Financial Institutions	60,197	9,067	9,389
4.5	Real Estate and Renting Services	9,274,824	1,610,114	2,460,107
4.6	Self-Employment Services	2,195,339	138,268	570,882
4.7	Education Services	131,664	17,448	20,128
4.8	Health and Social Services	263,664	42,903	47,345
5	Other	74,374,882	15,594,095	15,214,494
6	Total	147,609,698	34,429,496	44,452,754

17. Information on Value Adjustments and Change in Credit Provisions:

	Beginning Balance	Additional Provisions	Reversal of Provisions	Other Value Adjustment	Ending Balance
Stage 3 provisions	18,831,930	12,842,444	(6,726,688)		24,947,686
Stage 1 and Stage 2 Provisions	18,941,570	16,283,611	(9,157,567)		26,067,614

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	1,056,730,677	127,554	1,056,858,231
TRNC	12,291,165		12,291,165
England	5,137,656		5,137,656
Iraq	2,247,342		2,247,342
Kosovo	2,023,822		2,023,822
Malta	1,866,839		1,866,839
Cayman Island	1,863,121		1,863,121
Marshall Island	669,922		669,922
Greece	520,733		520,733
Switzerland	379,211		379,211
Other	4,356,307		4,356,307



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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
December 31,2024 ^(*)	35.0000	36.4956
December 30,2024	34.9527	36.2809
December 27,2024	34.7621	36.2638
December 26,2024	34.7021	36.2116
December 25,2024	34.7619	36.1975
December 24,2024	34.8353	36.3854

(*) Balance sheet valuation exchange rate.

The Bank’s last 30-days arithmetical average foreign currency purchase rates:

USD: 34.5962 TL	EURO: 36.2401TL
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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	(3,076,836)	(481,723)
	10% decrease	3,076,836	481,723
IQD	10% increase	326,761	201,857
	10% decrease	(326,761)	(201,857)
JPY	10% increase	369,595	(46,621)
	10% decrease	(369,595)	46,621
GEL	10% increase	185,257	148,438
	10% decrease	(185,257)	(148,438)

(*) 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⁾	125,035,398	141,250,399	84,731,648	351,017,445
Banks	7,399,654	12,081,838	23,795,734	43,277,226
Financial Assets at Fair Value through Profit/Loss ⁽²⁾	1,423,958	6,484,001	24,952,032	32,859,991
Money Market Placements				
Financial Assets at Fair Value Through Other Comprehensive Income	16,038,430	114,897,409	21,245	130,957,084
Loans ⁽³⁾	316,356,137	250,936,285	26,684,751	593,977,173
Investments in Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures)	17,115,428		4,524,668	21,640,096
Financial Assets Measured at Amortised Cost	2,985,037	13,135,244	9,451,625	25,571,906
Derivative Financial Assets Held for Risk Management				
Tangible Assets ⁽⁴⁾	38,112	3,127	66,828	108,067
Intangible Assets	5,765	2,831	2,443	11,039
Other Assets ⁽²⁾	(3,815,111)	(2,554,074)	(164,717)	(6,533,902)
Total Assets	482,582,808	536,237,060	174,066,257	1,192,886,125
Liabilities				
Banks Deposits	5,531,490	10,825,302	2,588,005	18,944,797
Foreign Currency Deposits ⁽⁵⁾	277,330,445	345,714,793	269,260,205	892,305,443
Money Market Funds	9,068,098	86,211,817		95,279,915
Funds Provided from Other Financial Institutions	52,068,101	119,302,080		171,370,181
Marketable Securities Issued ⁽⁶⁾	944,070	86,423,512	7,606,700	94,974,282
Miscellaneous Payables	4,883,537	5,551,685	602,263	11,037,485
Derivative Financial Liabilities Held for Risk Management				
Other Liabilities ⁽²⁾	5,482,640	9,684,692	1,496,419	16,663,751
Total Liabilities	355,308,381	663,713,881	281,553,592	1,300,575,854
Net Balance Sheet Position	127,274,427	(127,476,821)	(107,487,335)	(107,689,729)
Net Off Balance Sheet Position	(125,974,605)	95,666,355	121,441,404	91,133,154
Derivative Financial Assets ⁽⁷⁾	43,633,525	233,269,437	135,183,852	412,086,814
Derivative Financial Liabilities ⁽⁷⁾	169,608,130	137,603,082	13,742,448	320,953,660
Non-Cash Loans	136,422,021	148,677,849	13,799,895	298,899,765
Prior Period				
Total Assets	350,583,793	496,377,909	117,302,726	964,264,428
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	57,943,794	180,085,881	104,463,195	342,492,870
Derivative Financial Liabilities	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

⁽¹⁾ Precious metals accounts amounting TL 80,804,970 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 7,179,586 of Derivative Financial Assets Accrual, Prepaid Expenses 515,729 TL in assets, and 6,389,106 TL of Derivative Financial Liabilities Accrual in liabilities, Equity 994,546 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 178.

⁽³⁾ Foreign currency indexed loans amounting TL 229,035 presented in TL loans in the balance sheet are included in the table above. TL 229,035 is USD indexed; TL 19,597 is EUR indexed.

⁽⁴⁾ Includes Assets Held for Sale and Discontinued Operations (Net).

⁽⁵⁾ Precious metals deposit accounts amounting TL 194,465,898 are 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.



Notes To The Unconsolidated Financial Statements For The Year Ended December 31, 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”))

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	(988,390)	995,614	(7,574,600)	(2,975,711)
100 bps decrease	100 bps decrease	1,391,207	(1,307,172)	8,153,873	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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(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”))

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	229,502,436					399,964,222	629,466,658
Banks	18,939,060	705,081				33,285,183	52,929,324
Financial Assets at Fair Value through Profit/Loss ^(*)	8,529,575	7,051,105	9,513,815	17,121,648	99,095	6,992,359	49,307,597
Money Market Placements							
Financial Assets at Fair Value Through Other Comprehensive Income	67,534,317	32,279,264	57,074,792	105,481,193	99,153,694	3,292,752	364,816,012
Loans	551,507,502	150,022,058	506,939,994	355,732,266	92,711,562	40	1,656,913,422
Financial Assets Measured at Amortised Cost	32,859,475	56,601,399	73,385,087	59,880,175	33,184,641		255,910,777
Other Assets ^(**)	896,013					313,536,634	314,432,647
Total Assets	909,768,378	246,658,907	646,913,688	538,215,282	225,148,992	757,071,190	3,323,776,437
Liabilities							
Banks Deposits	55,425,991	1,825,678	4,719,295			2,600,740	64,571,704
Other Deposits	920,383,840	237,148,244	60,363,808	7,061,638	1,287,747	836,300,205	2,062,545,482
Money Market Funds	307,244,787	25,437,101	5,725,731				338,407,619
Miscellaneous Payables	7,133,926					125,714,355	132,848,281
Marketable Securities Issued ^(***)	3,030,966	5,728,755	24,904,153	41,786,352	27,140,780		102,591,006
Funds Provided from Other Financial Institutions	74,733,400	123,716,643	10,116,493	1,986,884	539,679		211,093,099
Other Liabilities ^(****)	4,214,286	2,465,187	4,533,194	1,790,918	3,587,097	395,128,564	411,719,246
Total Liabilities	1,372,167,196	396,321,608	110,362,674	52,625,792	32,555,303	1,359,743,864	3,323,776,437
Balance Sheet Long Position			536,551,014	485,589,490	192,593,689		1,214,734,193
Balance Sheet Short Position	(462,398,818)	(149,662,701)				(602,672,674)	(1,214,734,193)
Off Balance Sheet Long Position	10,228,961	31,352,525		13,872,800			55,454,286
Off Balance Sheet Short Position			(51,095,000)		(372,000)		(51,467,000)
Total Position	(452,169,857)	(118,310,176)	485,456,014	499,462,290	192,221,689	(602,672,674)	3,987,286

^(*) 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.



Notes To The Unconsolidated Financial Statements
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(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

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	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.

Notes To The Unconsolidated Financial Statements
For The Year Ended December 31, 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

b. Average interest rates applied to monetary financial instruments:

	EUR	USD	JPY	TL
	%	%	%	%
Current Period				
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	3.50	3.50		35.11
Banks	2.43	3.70		43.63
Financial Assets at Fair Value through Profit/Loss Money Market Placements	2.31	4.04		42.54
Financial Assets at Fair Value Through Other Comprehensive Income	4.97	6.56		34.02
Loans	6.65	8.08		49.11
Financial Assets Measured at Amortised Cost	2.71	6.10		34.74
Liabilities				
Banks Deposits	3.62	7.06		48.09
Other Deposits	0.04	0.07		37.27
Money Market Funds	3.38	6.06		48.69
Miscellaneous Payables				
Debt Securities Issued ^(*)	5.51	7.85		47.31
Funds Provided from Other Financial Institutions	4.63	6.66		45.81

(*) Includes Tier 2 subordinated bond which is classified on the balance sheet as subordinated loan.

	EUR	USD	JPY	TL
	%	%	%	%
Prior Period				
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 Money Market Placements	2.64	5.81		35.74
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.



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(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

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	62,257,824		177,836,970
Non-Financial Subsidiaries	80,680,556		128,694,810
Non-Quoted			
Subsidiaries			
Financial Subsidiaries	554,844		
Non-Financial Subsidiaries	75,248		
Associates			
Financial Associates	36,587,404		
Non-Financial Associates	24,027,491		

(*) 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		136,285,825	136,285,825			
3 Other Stocks		42,499,910	42,499,910			
4 Total		178,785,735	178,785,735			

d. Capital requirement as per equity shares:

Portfolio	Carrying Value	Total RWA	Minimum Capital Requirement
Private Equity Investments			
Share Traded on a Stock Exchange	142,938,380	142,938,380	11,435,070
Other Stocks	61,244,987	57,875,795	4,630,064
Total	204,183,367	200,814,175	16,065,134

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(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

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 depo sits 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.

Effective management of liquidity risk requires the avoidance of concentrations of liquidity sources and uses in specific positions. The Bank's primary funding source, deposits, is obtained from a large number of customers, which is a natural consequence of a stable core deposit base. However, concentration limits are effectively applied to ensure diversity of liquidity sources and uses. Deposits or non-deposit borrowings from a counterparty or group are closely monitored based on the liquidity concentration limits considered at the time of the transaction and the calculated risk. In addition, the Bank's cumulative liquidity gaps across various maturity bands are periodically monitored and reported to senior management.

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 liquidity risk of the Bank itself, its foreign branches and its consolidated subsidiaries is managed within regulatory limits and in line with the Group's core strategies. To ensure effective liquidity management and maintain sustainability, the Group's funding sources and the ability to diversify these sources across markets, instruments and maturities are maximized. In addition, the liquidity position of the Group companies is continuously monitored by the Bank.

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.



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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	132.79	227.81	168.12	193.66
Applicable week	January 3,2025	January 3,2025	November 17,2023	October 27, 2023
The highest value			200.71	488.83
Applicable week	October 18,2024	November 29,204	October 20,2023	December 15,2023

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			674,751,205	359,737,554
Cash Outflows				
Retail and Small Business Customers, of which;	1,327,081,119	642,647,456	127,921,908	69,208,188
Stable deposits	278,469,669		14,994,521	
Less stable deposits	1,048,611,450	642,647,456	112,927,387	69,208,188
Unsecured wholesale funding, of which;	643,845,133	220,955,370	377,218,060	133,658,180
Operational deposits	8,039,391	38,525	2,140,766	10,372
Non-operational deposits	496,420,200	179,305,255	278,194,398	89,609,827
Other unsecured funding	139,385,542	41,611,590	96,882,896	44,037,981
Secured funding			9,881,584	10,132,112
Other cash outflows, of which;	7,726,806	15,805,053	8,321,176	17,020,826
Derivatives cash outflow and liquidity needs related to market valuation changes on derivatives or other transactions	4,052,923	12,131,170	4,364,686	13,064,336
Obligations related to structured financial products				
Commitments related to debts to financial markets and other off-balance sheet obligations	3,673,883	3,673,883	3,956,490	3,956,490
Other revocable off-balance sheet commitments and contractual obligations	12,014,179	8,508,716	646,917	458,162
Other irrevocable or conditionally revocable off-balance sheet obligations	1,419,219,194	296,403,493	126,029,985	36,279,901
TOTAL CASH OUTFLOWS			650,019,630	266,757,369
CASH INFLOWS				
Secured lending	2,156			
Unsecured lending	238,053,346	93,796,122	176,348,588	89,885,725
Other cash inflows	6,307,359	42,818,907	6,792,541	46,112,669
TOTAL CASH INFLOWS	244,362,861	136,615,029	183,141,129	135,998,394
			Upper Limit Applied Values	
TOTAL HQLA STOCK			674,751,205	359,737,554
TOTAL NET CASH OUTFLOWS			466,878,501	130,758,975
LIQUIDITY COVERAGE RATIO (%)			145.05	279.54

^(*) The simple arithmetic average calculated for the last three months of the weekly simple arithmetic average.

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(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Prior 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 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 derivative or other transactions	2,459,721	11,877,943	2,459,721	11,877,943
Obligations related to structured financial products				
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.

Compared to the prior quarter, in the fourth quarter of 2024, 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.

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.



Notes To The Unconsolidated Financial Statements For The Year Ended December 31, 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

The current and previous period results of the net stable funding ratio, which is another indicator complementary to the liquidity coverage ratio and used in measuring liquidity risk, are given below, and the three-month simple arithmetic average and individual results of the ratio in the relevant periods are also shown.

Net Stable Funding Ratio:

		a	b	c	d	e
		Unweighted amount by residual maturity				
		Undated/No Maturity	Up to 6 months	6 months to 1 year	1 year and more than 1 year	Weighted Amount
Current Period						
Available Stable Funding						
1	Capital Instruments				385,184,753	385,184,753
2	Regulatory capital				377,288,484	377,288,484
3	Other capital instruments				7,896,269	7,896,269
4	Deposits (from retail and small business customers)	626,264,998	805,401,564	17,451,416	7,675,817	1,326,283,994
5	Stable Deposits (from retail and small business customers)	104,005,713	198,548,581	812,538	24,732	288,221,986
6	Less Stable Deposits (from retail and small business customers)	522,259,285	606,852,983	16,638,878	7,651,085	1,038,062,008
7	Wholesale funding	186,385,981	932,582,404	86,445,700	125,074,103	445,056,918
8	Operational deposits	8,637,980	25,955,394			17,296,687
9	Other wholesale funding	177,748,001	906,627,010	86,445,700	125,074,103	427,760,231
10	Liabilities with matching interdependent assets					
11	Other liabilities	5,708,088	136,602,751	89,018	38,471,070	80,900,321
12	Net Derivatives Liabilities				5,708,088	
13	All other liabilities and equity not included in the above categories		136,602,751	89,018	38,471,070	80,900,321
14	TOTAL AVAILABLE STABLE FUNDING					2,237,425,986
Required Stable Funding						
15	High Quality Liquid Assets (HQLA)					28,030,391
16	Deposits held at other financial institutions for operational purposes					
17	Performing loans and securities:	270,506,164	731,715,366	223,677,612	511,445,535	1,204,184,987
18	Performing loans to financial institutions secured by Level 1 HQLA					
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	29,499,724	27,644,962	15,626,438	6,502,114	25,026,904
20	Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs	241,006,440	697,718,950	200,645,638	406,914,738	1,091,022,664
21	35% or Lower Risk Weight	4,093,739	5,541,319	3,752,204	3,995,011	9,904,449
22	Residential Mortgage Secured Loans		5,638,433	4,982,405	55,095,064	43,204,878
23	35% or Lower Risk Weight		3,660,530	3,964,348	44,681,727	32,855,561
24	Securities that are not in default and do not qualify as HQLA, including exchange- traded equities		713,021	2,423,131	42,933,619	44,930,541
25	Assets with matching interdependent liabilities					
26	Other assets		30,707,245	99,087	393,258,846	405,188,220
27	Physical traded commodities (including gold)	2,451,535				2,083,804
28	Initial Margin of Derivative Contracts or Default Funds Provided to a Central Counterparty				9,804,900	2,347,247
29	Net Derivative Assets				16,051,820	20,460,816
30	Derivatives Liabilities Before Deducting Variation Margin Posted				516,240	446,701
31	All other assets not included in the above categories		28,255,711	99,087	366,885,886	378,202,191
32	Off Balance Sheet Liabilities		592,199,989	2,925,783	1,023,890,054	80,950,791
33	TOTAL REQUIRED STABLE FUNDING					1,718,354,389
34	NET STABLE FUNDING RATIO (%)					130.21

Notes To The Unconsolidated Financial Statements For The Year Ended December 31, 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

As of December 31, 2024, the total net stable funding rate was 130.21% (Previous Period: 135.55%)

Compared to the previous quarter, it is observed that in the fourth quarter of 2024, the Net Stable Funding Ratio increased slightly due to the rise in stable funding exceeding the increase in assets requiring stable funding. The total net stable funding rate continues to be well above the minimum level (100%) stipulated in the legal legislation.

Net stable funding rate, which was created to make the liability-structure of banks more stable and reliable by directing banks to medium and long-term funding sources, is the minimum stable funding required by the bank's funding structure and activities, with a maturity perspective longer than one month, unlike liquidity coverage ratio, it is based on comparing the requirements. The rate is calculated by dividing the “current stable funding amount” by the “required stable funding amount”. While the current stable funding amount is determined according to the maturity and counterparties of the items in the liabilities, including equity; the required stable funding amount is calculated by considering varying rates depending on the maturity and liquidity quality of the items in assets.

The progress of the relevant rate in October, November and December 2024 and its 3-month averages are shown in the table below.

Period	Ratio
31 October 2024	131.58%
30 November 2024	132.70%
31 December 2024	130.21%
Average of 3-months	131.50%



Notes To The Unconsolidated Financial Statements
For The Year Ended December 31, 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Prior Period		a	b	c	d	e
		Unweighted value by residual maturity				
		Without maturity	Less than 6 months	6 months to 1 year	1 year and more than 1 year	Weighted Value
Available Stable Fund						
1	Capital Instruments				326,830,426	326,830,426
2	Regulatory capital				323,443,696	323,443,696
3	Other capital instruments				3,386,730	3,386,730
4	Deposits (from retail and small business customers)	470,160,972	604,470,586	21,316,729	5,126,002	1,000,135,139
5	Stable Deposits (from retail and small business customers)	72,283,991	109,978,655	1,082,893	20,018	174,197,279
6	Less Stable Deposits (from retail and small business customers)	397,876,981	494,491,931	20,233,836	5,105,984	825,937,860
7	Wholesale funding	170,449,999	581,482,706	83,383,039	62,204,206	312,625,722
8	Operational deposits	2,005,597	9,363,821			5,684,709
9	Other wholesale funding	168,444,402	572,118,885	83,383,039	62,204,206	306,941,013
10	Liabilities with matching interdependent assets					
11	Other liabilities		103,516,081	21,822	41,995,104	73,371,488
12	Net Derivatives Liabilities					
13	All other liabilities and equity not included in the above categories		103,516,081	21,822	41,995,104	73,371,488
14	TOTAL AVAILABLE STABLE FUNDING					1,712,962,775
Required Stable Funding						
15	High Quality Liquid Assets (HQLA)					16,880,894
16	Deposits held at other financial institutions for operational purposes					
17	Performing loans and securities:	158,192,503	560,390,841	192,466,506	437,242,118	928,822,258
18	Performing loans to financial institutions secured by Level 1 HQLA					
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	28,357,736	39,217,969	10,727,323	11,529,495	27,292,052
20	Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs	129,834,767	515,615,978	175,211,652	258,360,943	736,190,248
21	35% or Lower Risk Weight	2,156,532	3,620,365	1,890,722	1,879,768	5,379,138
22	Residential Mortgage Secured Loans		3,497,202	3,132,805	34,874,727	28,005,287
23	35% or Lower Risk Weight		2,041,240	2,143,619	24,766,173	18,190,442
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities		2,059,692	3,394,726	132,476,953	137,334,671
25	Assets with matching interdependent liabilities					
26	Other assets		32,519,899	50,733	248,180,605	266,972,665
27	Physical traded commodities (including gold)	921,730				783,471
28	Initial Margin of Derivative Contracts or Default Funds Provided to a Central Counterparty				1,617,137	1,374,567
29	Net Derivative Assets				7,894,685	7,894,685
30	Derivatives Liabilities Before Deducting Variation Margin Posted				721,338	721,338
31	All other assets not included in the above categories		31,598,169	50,733	237,947,445	256,198,604
32	Off Balance Sheet Liabilities		437,467,763	4,392,709	579,620,554	51,074,051
33	TOTAL REQUIRED STABLE FUNDING					1,263,749,868
34	NET STABLE FUNDING RATIO (%)					135.55

The progress of the relevant rate in October, November and December 2023 and its 3-month averages are shown in the table below.

Period	Ratio
31 October 2023	134.82%
30 November 2023	133.73%
31 December 2023	135.55%
Average of 3-months	134.70%

Notes To The Unconsolidated Financial Statements
For The Year Ended December 31, 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

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 (*)	Total
Current Period								
Assets								
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	319,796,000	309,670,658						629,466,658
Banks	39,926,722	12,297,521	705,081					52,929,324
Financial Assets at Fair Value through Profit/Loss (**)	6,393,545	8,805,514	6,931,068	9,708,242	17,264,032	205,196		49,307,597
Money Market Placements								
Financial Assets at Fair Value Through Other Comprehensive Income	3,292,752	120,961	6,863,672	42,997,724	197,958,346	113,582,557		364,816,012
Loans (***)	84,004,715	384,002,712	213,221,879	487,641,952	383,489,127	70,123,541	34,429,496	1,656,913,422
Financial Assets Measured at Amortised Cost		5,961,698	10,480,615	29,586,124	144,120,498	65,761,842		255,910,777
Other Assets		22,403,999	675,643		2,618,963		288,734,042	314,432,647
Total Assets	453,413,734	743,263,063	238,877,958	569,934,042	745,450,966	249,673,136	323,163,538	3,323,776,437
Liabilities								
Bank Deposits	2,600,740	55,425,991	1,825,678	4,719,295				64,571,704
Other Deposits	836,300,205	920,383,261	237,148,058	60,359,082	7,067,129	1,287,747		2,062,545,482
Funds Provided from Other Financial Institutions		36,003,580	6,866,842	110,203,792	39,652,185	18,366,700		211,093,099
Money Market Funds		298,825,155	5,492,052	18,909,282	15,181,130			338,407,619
Marketable Securities Issued (****)		1,231,427	3,794,752	26,969,390	42,500,341	28,095,096		102,591,006
Miscellaneous Payables		131,210,623	1,314,337	13,890	309,431			132,848,281
Other Liabilities		37,433,863	3,215,144	5,528,972	2,744,042	1,099,709	361,697,516	411,719,246
Total Liabilities	838,900,945	1,480,513,900	259,656,863	226,703,703	107,454,258	48,849,252	361,697,516	3,323,776,437
Liquidity Gap	(385,487,21)	(737,250,837)	(20,778,905)	343,230,339	637,996,708	200,823,884	(38,533,978)	
Net Off Balance Sheet Position		(5,784,711)	126,183	270,822	2,100,411	1,378,000		(1,909,295)
Derivative Financial Assets		252,463,508	111,700,640	86,265,097	188,376,937	82,373,039		721,179,221
Derivative Financial Liabilities		258,248,219	111,574,457	85,994,275	186,276,526	80,995,039		723,088,516
Non-cash Loans	293,971,921	22,373,899	50,525,668	151,411,503	56,373,761	8,045,610		582,702,362
Prior Period								
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
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

(*) 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.



Notes To The Unconsolidated Financial Statements For The Year Ended December 31, 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

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	838,900,945	988,313,952	249,665,972	69,488,046	8,138,826	1,366,305	2,155,874,046	28,756,860	2,127,117,186
Funds Provided from Other Financial Institutions		36,491,935	9,713,209	117,884,286	50,969,700	22,049,667	237,108,797	26,015,698	211,093,099
Money Market Funds		299,232,287	5,892,498	20,369,909	17,339,734		342,834,428	4,426,809	338,407,619
Marketable Securities Issued (*)		3,537,142	4,350,843	33,496,460	62,608,346	27,267,188	131,259,979	28,668,973	102,591,006
Leasing Liabilities		182,857	401,799	1,417,572	4,507,590	5,498,522	12,008,340	6,456,508	5,551,832

(*)Includes Tier 2 subordinated bond which is classified on the balance sheet as subordinated loan.

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	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.

Notes To The Unconsolidated Financial Statements For The Year Ended December 31, 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

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	27,327,705	10,017,578	21,274,621	32,193,857	2,349,083		93,162,844
Letters of Guarantee	265,031,081	9,718,234	25,320,610	99,095,586	52,328,513	5,534,735	457,028,759
Acceptances	48,936	2,638,087	3,930,437	19,700,638	490,807		26,808,905
Other	1,564,199			421,422	1,205,358	2,510,875	5,701,854
Total	293,971,921	22,373,899	50,525,668	151,411,503	56,373,761	8,045,610	582,702,362

Prior 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

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	12,051,024	21,701,364	26,533,294	1,619,492		61,905,174
Forwards Contracts-Sell	12,046,741	21,898,438	26,300,175	1,559,957		61,805,311
Swaps Contracts-Buy	184,952,211	57,432,928	49,060,536	186,282,445	76,543,526	554,271,646
Swaps Contracts-Sell	233,650,444	85,611,339	49,261,589	184,366,569	75,165,526	628,055,467
Futures Transactions-Buy	763,000	522,444	10500			1,295,944
Futures Transactions-Sell	814,806	432,129	13,140			1,260,075
Options-Call	8,080,013	3,333,975	9,684,486	475,000	5,829,513	27,402,987
Options-Put	7,223,462	3,304,062	9,443,091	350,000	5,829,513	26,150,128
Other	51,130,026	29,038,418	1,952,561			82,121,005
Total	510,711,727	223,275,097	172,259,372	374,653,463	163,368,078	1,444,267,737

Prior 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



Notes To The Unconsolidated Financial Statements
For The Year Ended December 31, 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

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 5.76% (December 31, 2023: 7.11%). 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:

	Current Period ^(*)	Prior Period ^(*)
On-Balance sheet items		
On-balance sheet items (excluding derivatives and SFTs, but including collateral)	3,259,568,654	2,273,957,818
Assets amounts deducted from Tier 1 capital	(14,339,823)	(5,577,290)
Total on balance sheet exposures	3,245,228,831	2,268,380,528
Derivative exposures and credit derivatives		
Replacement cost associated with derivative financial instruments and credit derivatives	16,542,468	23,913,293
The potential amount of credit risk with derivative financial instruments and credit derivatives	5,553,844	12,902,180
The total amount of risk on derivative financial instruments and credit derivatives	22,096,312	36,815,473
Investment securities or commodity collateral financing transactions		
The amount of risk investment securities or commodity collateral financing transactions (Excluding on balance sheet items)	67,932,885	25,354,336
Risk amount of exchange brokerage operations		
Total risks related with securities or commodity financing transactions	67,932,885	25,354,336
Off -Balance Sheet Items		
Gross notional amount of off-balance sheet items	1,599,218,876	969,163,029
Adjustments for conversion to credit equivalent amounts	(13,888,431)	(11,392,142)
The total risk of off-balance sheet items	1,585,330,445	957,770,887
Capital and Total Exposures		
Tier 1 Capital	283,424,026	233,919,111
Total Exposures	4,920,588,473	3,288,321,224
Leverage Ratio		
Leverage Ratio	5.76	7.11

(*) 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 2,953 increase/decrease.

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(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

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	52,929,324	43,259,336	52,921,265	43,243,191
Financial Assets at Fair Value through Other Comprehensive Income	364,816,012	253,119,444	364,816,012	253,119,444
Investments Financial Assets Measured Amortized Cost	255,910,777	196,022,961	230,342,782	182,971,887
Loans	1,622,483,926	1,147,371,176	1,631,517,696	1,098,134,873
Financial Liabilities				
Banks Deposits	64,571,704	95,610,662	64,762,509	95,176,615
Other Deposits	2,062,545,482	1,566,568,032	2,060,353,170	1,564,417,366
Funds Provided from Other Financial Institutions	211,093,099	120,766,110	211,079,652	120,755,875
Marketable Securities Issued ^(*)	102,591,006	108,357,026	106,697,263	107,096,961
Miscellaneous Payables	132,848,281	94,518,816	132,848,281	94,518,816

(*) Includes subordinated bonds which are classified on the balance sheet as subordinated loans.

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.



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2. Information on fair value measurements recognized in the financial statements

“IFRS 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	25,364,534	1,384,455	
Equity Securities	29,526	467,439	
Derivative Financial Assets at Fair Value through Profit and Loss		16,165,064	
Other		5,896,579	
Financial Assets at Fair Value Through Profit or Loss (*)			
Debt Securities	105,573,261	255,457,638	492,361
Equity Securities		3,160,580	
Other			
Derivative Financial Liabilities		10,785,119	

(*) Since they are not traded in an active market, the equity securities TL 132,172 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	15,329,573	3,611,275	
Equity Securities	17,029	658,024	
Derivative Financial Assets Held for Trading		18,969,802	
Other		3,659,229	
Financial Assets Available-for-Sale (*)			
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 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	250,219	350,829
Purchases	492,361	
Redemption or Sales	(250,219)	(100,610)
Valuation Difference		
Transfers		
Balance at the end of the Period	492,361	250,219

Real estates which are presented in the financial statements at fair value are classified at level 3.

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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.



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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

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.

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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 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 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.



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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.

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.

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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)	1,734,792,838	1,332,328,145	138,783,427
Of which standardized approach (SA)	1,734,792,838	1,332,328,145	138,783,427
Of which internal rating-based (IRB) approach			
Counterparty credit risk	24,952,370	15,422,959	1,996,190
Of which standardised approach for counterparty credit risk (CCR)	24,952,370	15,422,959	1,996,190
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	6,104,760	3,811,338	488,381
Equity investments in funds - mandate-based approach			
Equity investments in funds - 1250% weighted risk approach			
Settlement risk	13	488,675	1
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	47,671,138	27,383,288	3,813,691
Of which standardised approach (SA)	47,671,138	27,383,288	3,813,691
Of which internal model approaches (IMM)			
Operational Risk	154,581,523	96,539,046	12,366,522
Of which Basic Indicator Approach	154,581,523	96,539,046	12,366,522
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)	1,387,110	1,132,565	110,969
Floor adjustment			
Total	1,969,489,752	1,477,106,016	157,559,181



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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 of items in accordance with Turkish Accounting Standards					
	Carrying values in financial statements prepared as per TAS	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	629,466,658	629,466,658				
Banks and Money Market Placements	52,929,324	52,929,324				
Financial Assets at Fair Value Through Profit/Loss	33,142,533	31,182,496			1,960,037	
Financial Assets at Fair Value Through Other Comprehensive Income	364,816,012	364,816,012			7,749,684	
Derivative Financial Assets at Fair Value Through Profit/Loss	16,165,064		16,165,064		6,971,602	
Derivative Financial Assets at Fair Value Through Other Comprehensive Income						
Financial Assets at Amortised Cost-Credit	1,656,913,422	1,656,907,153				6,269
Financial Assets at Amortised Cost-Other Financial Assets	255,910,777	255,910,777				
Financial Assets at Amortised Cost-Expected Loss Provisions (-)	51,184,004	51,184,004				
Assets Held for Sale and Discontinued Operations	29,674	29,674				
Investment in Associates, Subsidiaries and Joint-Ventures	204,183,367	204,183,367				
Tangible Assets	53,679,239	53,293,963				385,276
Intangible Assets	11,318,680	733,212				10,585,468
Investment Properties						
Current Tax Asset						
Deferred Tax Asset	28,969,422	25,107,529				3,861,893
Other Assets	67,436,269	67,436,269				
Total Assets	3,323,776,437	3,290,812,430	16,165,064		16,681,323	14,838,906
Liabilities						
Deposits	2,127,117,186					2,127,117,186
Funds Borrowed	211,093,099		61,678,205			149,414,894
Money Market Funds	338,407,619		338,407,619			
Marketable Securities Issued	55,605,673					55,605,673
Derivative Financial Liabilities at Fair Value Through Profit/Loss	10,785,119		10,785,119		6,399,918	
Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income						
Leasing Transaction Liabilities	5,551,832					5,551,832
Provisions	37,537,900					37,537,900
Current Tax Liability	9,934,146					9,934,146
Deferred Tax Liability						
Subordinated Debts	46,985,333					
Other Liabilities	162,420,758					162,420,758
Shareholders’ Equity	318,337,772					
Total Liabilities	3,323,776,437		410,870,943		6,399,918	2,547,582,389

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Prior Period	Carrying values of items in accordance with Turkish Accounting Standards					Not subject to capital requirements or subject to deduction from capital
	Carrying values in financial statements prepared as per TAS	Subject to credit risk	Subject to counterparty credit risk	Securitization Positions	Subject to market risk	
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	2,426,556,345	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		6,144,994	
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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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	3,323,776,437	3,290,812,430		16,165,064	16,681,323
2	Liabilities carrying value amount under scope of TAS				(400,085,824)	6,399,918
3	Total net amount scope of financial statement	3,323,776,437	3,290,812,430		416,250,888	10,281,405
4	Off-balance sheet amounts	2,386,848,627	370,234,055		23,066,748	
5	Repo style transactions (*)				72,185,131	
6	Differences in valuations					
7	Differences due to different netting rules					
8	Differences due to consideration of provisions					
9	Differences due to prudential filters		(349,710,428)			
10	Differences due to risk mitigation (**)		(22,232,389)			
11	Risk Amounts	3,289,103,668			95,251,879	10,281,405

(*) 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	2,453,783,299	2,426,556,345		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	2,426,556,345		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.

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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.

c.1.2. Credit quality of assets:

Current Period	Gross Carrying Calue in Financial Statements Prepared in Accordance with Turkish Accounting Standards (TAS)		Allowances/ amortization and impairments	Net Values
	Defaulted	Non-defaulted		
Loans	34,429,496	1,622,483,926	24,947,686	1,631,965,736
Debt Securities		644,159,601		644,159,601
Off-balance sheet exposures	5,674,783	1,637,064,747	2,627,584	1,640,111,946
Total	40,104,279	3,903,708,274	27,575,270	3,916,237,283

Prior Period	Gross Carrying Calue 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

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	24,919,748	23,134,130
Loans and debt securities that have defaulted since the last reporting period	30,995,809	15,762,878
Receivables back to non-defaulted status	(1,184,023)	(1,818,237)
Amounts written off	(5,561,107)	(2,884,257)
Other changes	(14,740,931)	(9,274,766)
Defaulted loans and debt securities at end of the reporting period	34,429,496	24,919,748

(*) 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.



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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 2024 is TL 5,561,107.

	Current Period		Prior Period	
	Non-Performing Loans	Specific Provision	Non-Performing Loans	Specific Provision
Domestic	33,846,315	24,494,711	24,455,556	18,444,044
EU Countries	152,688	104,821	159,546	126,290
OECD Countries (*)	108,000	76,199	63,128	57,157
Off-shore Banking Regions	198	132		
USA, Canada	33,392	22,777	23,645	14,543
Other Countries	288,903	249,046	217,873	189,896
Total	34,429,496	24,947,686	24,919,748	18,831,930

(*) 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

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”.

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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	1,580,337,911	41,340,574	29,081,584	10,287,248	8,527,013		
Debt securities	644,159,601						
Total	2,224,497,512	41,340,574	29,081,584	10,287,248	8,527,013		
Of which defaulted	34,429,494						

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	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						

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.



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c.3.2. Standard approach - Exposure credit risk and credit risk mitigation effects

	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
Current Period						
Exposures to sovereigns and their central banks	1,118,496,591	12,630	1,127,001,382	47,190	26,474,467	2,35%
Exposures to regional and local governments	1,977,348	4,439	1,977,349	1,765	989,573	50,00%
Exposures to administrative bodies and non-commercial entities	876,549	874,391	815,775	89,160	904,935	100,00%
Exposures to multilateral development banks	1,221,610		1,221,610			0,00%
Exposures to international organizations						
Exposures to banks and securities firms	45,242,192	45,359,858	45,242,191	94,392,649	42,815,113	30,66%
Exposures to corporates	701,618,562	602,057,105	678,498,907	274,574,012	818,423,792	85,87%
Retail exposures	613,714,913	868,430,052	608,393,493	19,451,666	470,883,869	75,00%
Exposures secured by residential property	84,039,869	6,456,267	83,965,024	3,111,309	30,476,717	35,00%
Exposures secured by commercial property	66,529,565	13,137,346	66,529,565	8,198,717	44,074,096	58,98%
Past-due loans	9,473,334		9,473,334		6,014,999	63,49%
Exposures in higher-risk categories by the Board	920,553	4,470,226	920,390	1,210,295	5,213,600	244,69%
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	6,104,760		6,104,760		6,104,760	100,00%
Equity investments	134,600,714	28,283,662	134,600,714	332,137	104,643,880	77,55%
Other exposures	202,798,581		202,798,581		203,630,848	100,41%
Total	2,987,615,141	1,569,085,976	2,967,543,075	401,408,900	1,760,650,649	52,26%

(*) The loan conversion rate and the amount of off-balance sheet receivables after credit risk reduction include the amount of counterparty credit risk.

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	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
Prior Period						
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%



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c.3.3. Standardised Approach-Exposures by Risk Classes and Risk Weights:

Current Period	Risk Weights						Risk Weights					
	Bank						Bank					
	0%	10%	20%	25%	35%	50%	75%	100%	150%	250%	Other	Total
Risk Groups												
Exposures to sovereigns and their central banks	1,100,574,105							26,474,467				1,127,048,572
Exposures to regional and local governments						1,979,083		31				1,979,114
Exposures to administrative bodies and non-commercial entities								904,935				904,935
Exposures to multilateral development banks	1,221,610											1,221,610
Exposures to international organizations												
Exposures to banks and securities firms			53,479,552			54,564,675		3,843,800	296,033		27,450,780	139,634,840
Exposures to corporates			99,388,907			99,623,030		744,648,838	2,633,388		6,778,756	953,072,919
Retail exposures							627,845,159					627,845,159
Exposures secured by residential property					87,076,333							87,076,333
Exposures secured by commercial property						61,308,373		13,419,909				74,728,282
Past-due loans						6,921,242		2,547,520	4,572			9,473,334
Exposures in higher-risk categories by the Board						123,711		26,361	1,365,052		615,561	2,130,685
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								6,104,760				6,104,760
Equity investments								202,243,737		554,844		202,798,581
Other exposures	30,288,967							104,643,884				134,932,851
Total	1,132,084,682		152,868,459		87,076,333	224,520,114	627,845,159	1,104,858,242	4,299,045	554,844	34,845,097	3,368,951,975

Prior Period	Risk Weights						Risk Weights					
	Bank						Bank					
	0%	10%	20%	25%	35%	50%	75%	100%	150%	200%	250%	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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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:

	Replacement Cost	Potential Future Exposure	EEPE (Effective Expected Positive Exposure)	Alpha used for computing regulatory EAD	Exposure after Credit Risk Mitigation	Risk Weighted Amounts
Current Period						
Standardised Approach -CCR (for derivatives)	3,038,883	4,908,735		1.4	11,126,665	4,940,774
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)					34,492,106	12,740,576
Value-at-Risk (VaR) (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)						
Total						17,681,350

	Replacement Cost	Potential Future Exposure	EEPE (Effective Expected Positive Exposure)	Alpha used for computing regulatory EAD	Exposure after Credit Risk Mitigation	Risk Weighted Amounts
Prior Period						
Standardised Approach -CCR (for derivatives)	5,129,709	3,973,089		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

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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 Amounts (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	11,126,665	6,539,264	12,743,917	4,262,971
Total subject to the CVA capital change	11,126,665	6,539,264	12,743,917	4,262,971

d.4. CCR exposures by risk class and risk weights:

	Risk Weights								Total Credit Exposure ^(*)
Current Period	0%	10%	20%	50%	75%	100%	150%	Other	
Risk Groups									
Exposures to sovereigns and their central banks	35,656								35,656
Exposures to regional and local governments									
Exposures to administrative bodies and non-commercial entities						31			31
Exposures to multilateral development banks									
Exposures to international organizations							41,342		41,342
Exposures to banks and securities firms			20,811,510	20,768,991		612,303			42,192,804
Exposures to corporates			641,292	747,209		1,952,056			3,340,557
Retail exposures					8,378				8,378
Other Exposures								34,229,535	34,229,535
Total	35,656		21,452,802	21,516,200	8,378	2,564,390	41,342	34,229,535	79,848,303

(*) 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%	
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.



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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					278,968,046	
Cash- Other Currencies					85,042,652	
Total					364,010,698	

Prior 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	

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)		731,756		159,479
Exposures for trades at WCCPs (excluding initial margin and default fund contributions); of which	34,229,536	684,591	7,928,505	158,570
(I) OTC Derivatives	7,075,789	141,516	5,348,202	106,964
(II) Exchange-traded Derivatives				
(III) Repo-reverse repo transactions, credit securities transactions and securities or commodities lending or borrowing	27,153,747	543,075	2,580,303	51,606
(IV) Netting sets where cross-product has been approved				
Segregated initial margin				
Non-segregated initial margin				
Paid guarantee fund amount	2,260,249	47,165	43,013	909
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.

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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.

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:

	Current Period	Prior Period
	RWA	RWA
Outright Products	46,518,975	23,489,463
Interest rate risk (general and specific)	7,005,800	6,159,650
Equity risk (general and specific)	323,450	183,800
Foreign exchange risk	38,692,575	15,010,725
Commodity risk	497,150	2,135,288
Options	1,152,163	3,893,825
Simplified approach		
Delta-plus method	1,152,163	3,893,825
Scenario approach		
Securitisations		
Total	47,671,138	27,383,288



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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	33,725,058	93,016,951	120,588,427	3	15	12,366,522
Value at operational risk (Total*12.5)						154,581,523

Prior 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

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	(26,934,114)	(7.35)%
TL	(-) 400	25,062,970	6.84%
EUR	(+) 200	2,350,231	0.64%
EUR	(-) 200	(2,212,866)	(0.60)%
USD	(+) 200	(8,462,988)	(2.31)%
USD	(-) 200	10,975,431	3.00%
Total (for Negative Shocks)		33,825,535	9.24%
Total (for Positive Shocks)		(33,046,871)	(9.02)%

Notes To The Unconsolidated Financial Statements For The Year Ended December 31, 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

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 8 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 2024, 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 about 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 based on 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 based on objective conditions.

Payments to be made to the managers of the units within the internal systems and to their staff are determined by considering 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.

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.



Notes To The Unconsolidated Financial Statements
For The Year Ended December 31, 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

	Corporate/ Commercial Banking	Individual/ Private Banking	Treasury Transaction/ Investment Activities	Unallocated	Total
Current Period					
Interest Income	243,563,540	103,417,768	179,339,009	4,594,665	530,914,982
Interest Expense	161,842,861	167,262,306	125,292,675	42,066,438	496,464,280
Fees and Commissions Income (Net)	65,540,428	25,608,143		262,167	91,410,738
Dividend Income			102,016		102,016
Trading Income/Loss (Net)			(8,861,710)	16,615,945	(8,861,710)
Other Income	5,974,625	1,280,124	79,311	7,097,379	23,950,005
Expected Credit Loss and Other Provision Expenses	8,945,936	7,436,493	148,449	45,102,078	23,628,257
Other Operating Expense	21,017,674	51,029,733			117,149,485
Income/Loss from Investments in Subsidiaries Accounted by Equity Method			37,899,758		37,899,758
Income Before Tax					38,173,767
Tax Provision					(7,343,678)
Net Period Profit					45,517,445
Total Assets	1,131,791,558	500,174,177	927,147,077	764,663,625	3,323,776,437
Total Liabilities	648,722,646	1,380,081,905	727,448,547	567,523,339	3,323,776,437

	Corporate/ Commercial Banking	Individual/ Private Banking	Treasury Transaction/ Investment Activities	Unallocated	Total
Prior Period					
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
Commission Income (Net)	39,026,052	12,182,791		(8,770,895)	42,437,948
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
Provision Expense	7,097,774	2,605,597	824	10,366,712	20,070,907
Other 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

Notes To The Unconsolidated Financial Statements
For The Year Ended December 31, 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

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	9,316,389	25,978,070	5,531,670	25,193,169
Central Bank of Turkey	269,132,824	322,587,841	160,285,128	331,566,794
Other		2,451,534		926,109
Total	278,449,213	351,017,445	165,816,798	357,686,072

a.2. Information on balances with the Central Bank of Turkey:

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposit	161,734,742	120,315,264	135,656,598	157,694,739
Unrestricted Time Deposit				
Restricted Time Deposit				
Other (*)	107,398,082	202,272,577	24,628,530	173,872,055
Total	269,132,824	322,587,841	160,285,128	331,566,794

(*) 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 3% - 33% 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. Additionally, an additional 4% reserve requirement in Turkish Lira is imposed on foreign currency deposits (excluding foreign bank deposits and precious metal accounts).

Liabilities subject to reserve requirements are calculated and set aside every two weeks on Friday for 14-day periods.

For the required reserves in Turkish Lira held by deposit banks, the Central Bank pays interest differentiated according to the “Renewal and Transition to TL Ratio” for accounts with exchange rate/price protection support provided by the Central Bank and for Turkish Lira deposit accounts.

For foreign currency deposit/participation fund liabilities (excluding foreign bank deposits/participation funds), there is a commission applied by the Central Bank based on the renewal of accounts with exchange rate/price protection support (conversion accounts) and the transition to Turkish Lira and the share of Turkish Lira, calculated on the amount required for reserve requirements and notice foreign currency deposit accounts (excluding the portion held in Turkish Lira).

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, 2024, there are no financial assets at fair value through profit and loss, which are given as collateral or blocked (December 31, 2023: Not Available).

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, 2024, are amounting to TL 22,131,851 (December 31, 2023: TL 16,629,233).

b.3. TL 3,559,392 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. (31.12.2023: TL 2,676,996)



Notes To The Unconsolidated Financial Statements
For The Year Ended December 31, 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

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	1,095,284	798,104	312,088	661,448
Swap Transactions	1,808,312	12,083,725	145,386	14,455,153
Futures				
Options	14,159	365,480	7,615	466,813
Other				2,921,299
Total	2,917,755	13,247,309	465,089	18,504,713

d. Information on Banks:

d.1. Information on Banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic Banks	316	1,181,245	89	139,896
Foreign Banks	9,651,782	42,095,981	1,556,808	41,562,543
Foreign Head Office and Branches				
Total	9,652,098	43,277,226	1,556,897	41,702,439

d.2. Information on foreign banks:

	Restricted Amount		Unrestricted Amount	
	Current Period	Prior Period	Current Period	Prior Period
EU Countries	7,285,117	18,751,606	335,030	679,097
USA, Canada	4,363,727	4,113,853		96,841
OECD Countries ^(*)	12,217,832	2,857,043	2,670,579	989,187
Off-shore Banking Regions				
Other	10,891,270	9,001,113	13,984,208	6,630,611
Total	34,757,946	34,723,615	16,989,817	8,395,736

(*) 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
Beginning of period provisions	289,533			138,336		
Additional provisions within the period	72,706			60,371		
Transfers within the period	(7,220)			(2,732)		
Write-offs from Assets						
Transfer to Stage 1						
Transfer to Stage 2						
Transfer to Stage 3						
Currency Exchange Difference	35,048			93,558		
Current Period Ending Provisions	390,067			289,533		

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 67,269,604 as of December 31, 2024 (December 31, 2023: TL 70,579,593).

Notes To The Unconsolidated Financial Statements
For The Year Ended December 31, 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

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 222,719,350 as of December 31, 2024 (December 31, 2023: TL 101,888,756).

e.3. Information on financial assets at Fair Value through Other Comprehensive Income:

	Current Period	Prior Period
Debt Securities	389,391,441	272,107,279
Quoted on a Stock Exchange	116,243,365	152,318,767
Not- Quoted ^(*)	273,148,076	119,788,512
Share Certificates	3,292,752	2,006,492
Quoted on a Stock Exchange		
Not-Quoted	3,292,752	2,006,492
Impairment Losses (-)	27,868,181	20,994,327
Other		
Total	364,816,012	253,119,444

(*) 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	1,948,029	763	1,663,743	547
Total	1,948,029	763	1,663,743	547

f.2. Information about the Standard loans and loans under close monitoring and loans under close monitoring that have been restructured:

	Loans Under Close Monitoring			
	Standard Loans		Restructured Loans	
	Standard Loans	Loans Not Subject to Restructuring	Loans with Revised Contract Terms	Refinance
Cash Loans				
Non-specialized loans	1,474,874,228	75,331,307	40,086,127	32,192,264
Corporation Loans	480,303,504	18,101,854	18,341,856	25,997,632
Export Loans	285,854,921	1,566,031	20,609	128,388
Import Loans				
Loans Extended to Financial Sector	51,038,170			
Consumer Loans	204,365,755	28,839,445		5,565,268
Credit Cards	306,190,576	20,948,549	21,258,156	
Other	147,121,302	5,875,428	465,506	500,976
Specialized Loans				
Other Receivables				
Total	1,474,874,228	75,331,307	40,086,127	32,192,264

	Current Period		Prior Period	
	Standard Loans	Loans Under Close Monitoring	Standard Loans	Loans Under Close Monitoring
12 Month Expected Credit Losses (Stage I)	6,562,546		4,365,200	
Significant Increase in Credit Risk (Stage II)		19,505,068		14,576,370



Notes To The Unconsolidated Financial Statements
For The Year Ended December 31, 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

f.3. Information on Maturity analysis of cash loans

		Loans under close monitoring	
		Loans Not Subject to Restructuring	Restructured Loans
Cash Loans	Standard Loans		
Short-term Loans and Other Receivables	773,002,402	45,829,624	10,503,255
Medium and Long-term Loans and Other Receivables	701,871,826	29,501,683	61,775,136

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	63,738,251	130,055,741	4,944,285	198,738,277
Real Estate Loans	106,403	61,848,792	989,864	62,945,059
Vehicle Loans	1,009,915	3,712,020	68,887	4,790,822
General Purpose Consumer Loans	62,621,933	64,494,929	3,885,534	131,002,396
Other				
Consumer Loans - FC Indexed		148	5,997	6,145
Real Estate Loans		148	5,997	6,145
Vehicle Loans				
General Purpose Consumer Loans				
Other				
Consumer Loans - FC				
Real Estate Loans				
Vehicle Loans				
General Purpose Consumer Loans				
Other				
Retail Credit Cards - TL	235,437,886	16,143,276	4,640,383	256,221,545
With Installments	75,020,278	16,143,054	2,109,974	93,273,306
Without Installments	160,417,608	222	2,530,409	162,948,239
Retail Credit Cards - FC	952,307			952,307
With Installments				
Without Installments	952,307			952,307
Personnel Loans-TL	434,525	279,460	76,584	790,569
Real Estate Loans	1,353	11,272	327	12,952
Vehicle Loans	903	3,513	124	4,540
General Purpose Consumer Loans	432,269	264,675	76,133	773,077
Other				
Personnel Loans- FC Indexed				
Real Estate Loans				
Vehicle Loans				
General Purpose Consumer Loans				
Other				
Personnel Loans - FC				
Real Estate Loans				
Vehicle Loans				
General Purpose Consumer Loans				
Other				
Personnel Credit Cards - TL	953,677	7,954	4,151	965,782
With Installments	319,957	7,954		327,911
Without Installments	633,720		4,151	637,871
Personnel Credit Cards-FC	8,383			8,383
With Installments				
Without Installments	8,383			8,383
Overdraft Accounts - TL (real persons)	37,776,066		1,459,411	39,235,477
Overdraft Accounts - FC (real persons)				
Total	339,301,095	146,486,579	11,130,811	496,918,485

Notes To The Unconsolidated Financial Statements
For The Year Ended December 31, 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

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	28,208,500	146,244,745	6,287,269	180,740,514
Real Estate Loans	500	3,611,481	163,935	3,775,916
Vehicle Loans	2,208,887	14,687,287	579,828	17,476,002
General Purpose Commercial Loans	25,999,113	127,945,977	5,543,506	159,488,596
Other				
Commercial Loans with Installments-FC				
Indexed		18,228	156,299	174,527
Real Estate Loans		292	2,489	2,781
Vehicle Loans				
General Purpose Commercial Loans		17,936	153,810	171,746
Other				
Commercial Loans with Installments-FC	454,574	10,922,823	95,822	11,473,219
Real Estate Loans				
Vehicle Loans		7,562		7,562
General Purpose Commercial Loans	454,574	10,915,261	95,822	11,465,657
Other				
Corporate Credit Cards-TL	87,839,155	1,310,192	1,005,756	90,155,103
With Installments	26,242,871	1,310,192		27,553,063
Without Installments	61,596,284		1,005,756	62,602,040
Corporate Credit Cards-FC	94,161			94,161
With Installments				
Without Installments	94,161			94,161
Overdraft Accounts - TL (corporate)	15,149,588		240,515	15,390,103
Overdraft Accounts - FC (corporate)				
Total	131,745,978	158,495,988	7,785,661	298,027,627



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(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

f.6. Allocation of loan by borrowers:

	Current Period	Prior Period
Public	8,019,480	8,081,589
Private	1,614,464,446	1,139,289,587
Total	1,622,483,926	1,147,371,176

f.7. Domestic and foreign loans:

	Current Period	Prior Period
Domestic Loans	1,580,149,798	1,109,986,465
Foreign Loans	42,334,128	37,384,711
Total	1,622,483,926	1,147,371,176

f.8. Loans granted to subsidiaries and associates:

	Current Period	Prior Period
Direct Loans Granted to Subsidiaries and Associates	25,336,725	30,091,136
Indirect Loans Granted to Subsidiaries and Associates		
Total	25,336,725	30,091,136

f.9. Information on impairment provisions of Loans (Stage 3):

	Current Period	Prior Period
Loans with Limited Collectability	4,351,824	4,767,258
Loans with Doubtful Collectability	6,094,765	1,583,245
Uncollectible Loans	14,501,097	12,481,427
Total	24,947,686	18,831,930

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)	1,111,288	489,045	4,968,306
Restructured Loans	1,111,288	489,045	4,968,306
Prior Period			
(Gross amounts before the provisions)	248,439	165,193	6,620,291
Restructured Loans	248,439	165,193	6,620,291

Notes To The Unconsolidated Financial Statements
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(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

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	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
Additions (+)	28,472,094	197,516	2,326,199
Corporate and Commercial Loans	6,411,560	64,063	467,934
Retail Loans	8,672,586	22,451	8,360
Credit Cards	13,387,948	111,002	15,509
Other			1,834,396
Transfers from Other NPL Categories (+)		21,952,154	11,987,071
Corporate and Commercial Loans		9,685,649	6,764,954
Retail Loans		4,881,177	2,501,701
Credit Cards		7,385,328	2,720,416
Other			
Transfers to Other NPL Categories (-)	21,952,154	11,987,071	
Corporate and Commercial Loans	9,685,649	6,764,954	
Retail Loans	4,881,177	2,501,701	
Credit Cards	7,385,328	2,720,416	
Other			
Collections (-) (*)	6,546,271	3,288,732	6,106,637
Corporate and Commercial Loans	1,042,190	1,139,533	4,885,487
Retail Loans	2,283,016	1,049,726	898,186
Credit Cards	3,221,065	1,099,473	314,778
Other			8,186
Write-Offs (-)	6,827	1,535	1,799,695
Corporate and Commercial Loans	1,138	146	40,952
Retail Loans	2,148	559	1,615
Credit Cards	3,541	830	2,301
Other			1,754,827
Debt Sale (-) (**)	6,210	1,157	3,745,683
Corporate and Commercial Loans			325,349
Retail Loans	721	419	1,856,813
Credit Cards	5,489	738	1,557,859
Other			5,662
Currency Change Effect	1,143	821	14,722
Corporate and Commercial Loans	627	772	13,573
Retail Loans	516	49	1,071
Credit Cards			
Other			78
Current Period Ending Balance	8,181,404	9,451,895	16,796,197
Corporate and Commercial Loans	2,144,320	2,391,073	13,409,450
Retail Loans	2,377,349	2,589,711	1,565,541
Credit Cards	3,659,735	4,471,111	1,690,211
Other			130,995
Provisions (-)	4,351,824	6,094,765	14,501,097
Corporate and Commercial Loans	1,138,223	1,496,354	11,844,396
Retail Loans	1,032,871	1,440,045	1,135,775
Credit Cards	2,180,730	3,158,366	1,407,952
Other			112,974
Net Balance on Balance Sheet	3,829,580	3,357,130	2,295,100

(*) As of 31.12.2024, 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 1,754,785 was written off.

(**) In March 2024, receivables amounting to 401,424 TL from the portfolio of non-performing loans were transferred to Gelecek Varlık Yönetim A.Ş. through a cash collection of 186,500 TL as the sales price. In May 2024, receivables amounting to TL 1,816,224 from the portfolio of non-performing loans were transferred to Sümer Varlık Yönetim A.Ş., Ortak Varlık Yönetim A.Ş., and Gelecek Varlık Yönetim A.Ş. through a cash collection of TL 773,750 as the sales price. In September 2024, receivables amounting to TL 1,535,402 from the portfolio of non-performing loans were transferred to Birikim Varlık Yönetim A.Ş., Dünya Varlık Yönetim A.Ş., Gelecek Varlık Yönetim A.Ş., and AGS Varlık Yönetim A.Ş. through a cash collection of TL 539,500 as the sales price.

After the sale of the portfolio consisting of written-off receivables and non-performing loan receivables, the Bank’s non-performing loan ratio has decreased from 2.40% to 2.08% as of December 31, 2024.



Notes To The Unconsolidated Financial Statements For The Year Ended December 31, 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

f.10.3. Information on foreign currency non-performing loans:

	Group III Loans with Limited Collectability	Group IV Loans with Doubtful Collectability	Group V Uncollectible Loans
Current Period			
Balance at the End of the Period	101,145	316,318	9,261,964
Provisions (-)	47,010	215,670	8,247,501
Net Balance on Balance Sheet ^(*)	54,135	100,648	1,014,463
Prior 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

(*) 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 Loans with Limited Collectability	Group IV Loans with Doubtful Collectability	Group V Uncollectible Loans
Current Period (Net)	3,829,580	3,357,130	2,295,100
Loans to Individuals and Corporate (Gross)	8,181,404	9,451,895	16,665,202
Provisions (-)	4,351,824	6,094,765	14,388,123
Loans to Individuals and Corporate (Net)	3,829,580	3,357,130	2,277,079
Banks (Gross)			
Provisions (-)			
Banks (Net)			
Other Loans (Gross)			130,995
Provisions (-)			112,974
Other Loans (Net)			18,021
Prior 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

f.10.5. Information on interest accruals, valuation differences and related provisions calculated for non-performing loans:

	Group III Loans with Limited Collectability	Group IV Loans with Doubtful Collectability	Group V Uncollectible Loans
Current Period (Net)	528,797	497,693	244,593
Interest accruals and valuation differences	1,123,423	1,408,183	1,914,946
Provisions (-)	594,626	910,490	1,670,353
Prior 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

Notes To The Unconsolidated Financial Statements For The Year Ended December 31, 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

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.

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	4,365,200	14,576,370	18,831,930	3,676,271	11,705,636	17,207,112
Additional provisions within the period	3,155,512	11,934,740	12,319,864	2,012,879	6,111,950	7,050,146
Transfers within the period	(1,205,400)	(6,459,982)	(1,133,009)	(1,873,284)	(2,137,840)	(3,668,111)
Write-offs from Assets			(5,561,107)			(2,486,763)
Transfer to Stage 1	650,410	(638,057)	(12,353)	838,135	(823,484)	(14,651)
Transfer to Stage 2	(331,547)	358,470	(26,923)	(264,418)	281,065	(16,647)
Transfer to Stage 3	(93,487)	(429,094)	522,581	(58,007)	(874,170)	932,177
Currency Exchange Difference	21,858	162,621	6,703	33,624	313,213	(171,333)
Provisions at the end of the period	6,562,546	19,505,068	24,947,686	4,365,200	14,576,370	18,831,930

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 55,252,961 as of December 31, 2024 (December 31, 2023: TL 53,767,947).

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 134,152,568 as of December 31, 2024 (December 31, 2023: TL 19,942,084).



Notes To The Unconsolidated Financial Statements
For The Year Ended December 31, 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

g.3. Information on government securities measured at amortised cost:

	Current Period	Prior Period
Government Bonds	236,094,919	180,283,315
Treasury Bills		
Other Public Debt Securities		
Total	236,094,919	180,283,315

g.4. Information on financial assets measured at amortised cost:

	Current Period	Prior Period
Debt Securities	255,910,777	196,022,961
Quoted on a Stock Exchange	238,080,076	183,094,546
Not Quoted (*)	17,830,701	12,928,415
Impairment Losses (-)		
Total	255,910,777	196,022,961

(*) 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	196,022,961	93,373,997
Foreign Exchange Differences Arising on Monetary Assets	3,663,374	6,987,406
Purchases During the Year	122,095,482	120,829,692
Disposals through Sales and Redemption	(88,787,420)	(39,873,429)
Impairment Losses (-)		
Valuation effect	22,916,380	14,705,295
Balance at the End of the Period	255,910,777	196,022,961

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
Beginning Term Provision	194,003			54,945		
Additional Provisions During the Period	162,182			191,557		
Disposal During the Period	(187,488)			(52,590)		
Write-off						
Transfer to Stage 1						
Transfer to Stage 2						
Transfer to Stage 3						
Exchange Rate Differences	6			91		
Period-end Provisions	168,703			194,003		

Notes To The Unconsolidated Financial Statements
For The Year Ended December 31, 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

h. Information on associates (Net):

h.1. General information on associates:

No.	Title	Address (City/Country)	Bank's Share Percentage-If	Bank's Risk Group Share
			Different, Voting Percentage (%)	Percentage (%)
1-	Arap Türk Bankası A.Ş.	İstanbul/Türkiye	20.58	20.58
2-	Kredi Kayıt Bürosu A.Ş.	İstanbul/Türkiye	9.09	9.09

h.2. Information on financial statements of associates in the above order (*):

No.	Total Assets	Shareholders' Total Tangible	Interest	Securities	Current Period	Prior Period	Fair Value
		Equity Assets			Profit/Loss	Profit/Loss	
1-	20,055,553	2,696,580	1,458,250	1,379,612	35,953	198,554	162,652
2-	3,029,243	827,801	849,417	202,322	2,818	517,710	128,363

(*) Shows September 30, 2024, amounts for Kredi Kayıt Bürosu A.Ş. and December 31, 2024, 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	475,064	399,382
Movements During the Period		
Purchases		
Bonus Shares Acquired		
Dividends Received from Current Year Profit		
Sales		
Revaluation Increase/Decrease(**)	155,028	75,682
Impairment		
Other		
Balance at the end of the period	630,092	475,064
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	554,844	453,026
Insurance Companies		
Factoring Companies		
Leasing Companies		
Finance Companies		
Other Financial Participations		
Total	554,844	453,026

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.



Notes To The Unconsolidated Financial Statements
For The Year Ended December 31, 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

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	32,895,935	26,274,307	8,850,407	15,178,714
Deductions from Common Equity Tier I Capital (-)	1,388,026	292,354	54,389	152,459
Total Common Equity Tier I Capital	31,507,909	25,981,953	8,796,018	15,026,255
ADDITIONAL TIER I CAPITAL				
Additional Tier I Capital before Deductions	10,519,950			
Deductions from Additional Tier I Capital (-)				
Total Tier I Capital	42,027,859	25,981,953	8,796,018	15,026,255
TIER II CAPITAL				
Tier II Capital Before Deductions	1,837,994			
Deduction from Tier II Capital (-)				
Total Tier II Capital	1,837,994			
Total Tier I Capital and Tier II Capital	43,865,853	25,981,953	8,796,018	15,026,255
Total Tier I Capital and Tier II Capital				
EQUITY	43,865,853	25,981,953	8,796,018	15,026,255

i.2. General information on subsidiaries (*):

		Bank's Share		Bank's Risk Group Share Percentage (%)
No	Title	Address (City/Country)	Percentage-if Different, Voting Rights (%)	
1-	Anadolu Hayat Emeklilik A.Ş.	Istanbul/TÜRKİYE	63.89	84.89
2-	İş Finansal Kiralama A.Ş.	Istanbul/TÜRKİYE	30.43	60.88
3-	İş Gayrimenkul Yatırım Ortaklığı A.Ş.	Istanbul/TÜRKİYE	52.22	65.00
4-	İş Merkezleri Yönetim ve İşletim A.Ş.	Istanbul/TÜRKİYE	86.33	100.00
5-	İş Net Elektronik Bilgi Üretim Dağıtım Ticaret ve İletişim Hizmetleri A.Ş.	Istanbul/TÜRKİYE	100.00	100.00
6-	İş Yatırım Menkul Değerler A.Ş.	Istanbul/TÜRKİYE	65.74	70.78
7-	İşbank AG	Frankfurt-Main/GERMANY	100.00	100.00
8-	JSC İşbank	Moskow/RUSSIA	100.00	100.00
9-	JSC İşbank Georgia	Tbilisi/GEORGIA	100.00	100.00
10-	Kültür Yayınları İş Türk A.Ş.	Istanbul/TÜRKİYE	100.00	100.00
11-	Milli Reasürans T.A.Ş.	Istanbul/TÜRKİYE	87.60	87.60
12-	MOKA Ödeme ve Elektronik Para Kuruluşu A.Ş.	Istanbul/TÜRKİYE	100.00	100.00
13-	Trakya Yatırım Holding A.Ş.	Istanbul/TÜRKİYE	100.00	100.00
14-	Türkiye Sınai Kalkınma Bankası A.Ş.	Istanbul/TÜRKİYE	47.68	51.37
15-	Türkiye Şişe ve Cam Fabrikaları A.Ş.	Istanbul/TÜRKİYE	52.04	59.11

(*) 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.

Notes To The Unconsolidated Financial Statements
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(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

i. Information on subsidiaries (Net):

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-	260,339,161	10,071,526	528,712	3,352,370	1,687,376	4,305,802	2,853,815	45,060,560	
2-	69,747,305	9,842,182	97,954	11,678,929	189,425	1,925,193	1,767,060	9,287,157	
3-	43,904,496	36,380,872	37,161,958	192,183	469,768	11,080,257	11,175,211	18,183,653	
4-	1,799,864	493,451	659,764	132,930	61,567	142,880	201,288		
5-	1,064,060	186,257	97,636	20,006		60,030	24,655		
6-	71,897,283	27,482,934	717,390	12,714,018	3,024,423	12,489,979	9,811,742	71,028,000	
7-	78,150,152	17,112,654	382,451	6,404,932		1,331,536	860,199		
8-	18,821,950	2,672,097	141,268	1,695,514		1,287,802	422,943		
9-	6,157,972	1,852,576	136,471	461,732		144,543	155,201		
10-	566,174	396,618	15,695	14,225	8,872	43,858	93,904		
11-	33,749,308	16,474,891	181,309	1,494,187	477,506	5,933,631	3,629,008		
12-	2,930,925	109,433	90,732	166,939	3,731	14,425	47,877		
13-	36,198,566	32,256,588	12,127,012	1,105,755	1,024,139	1,801,528	919,921		
14-	237,528,982	33,152,700	5,568,758	30,331,870	272,729	10,356,755	7,149,926	34,277,600	
15-	368,902,361	177,079,267	202,840,325	8,157,993	444,994	13,404,573	25,225,977	128,694,812	

(*) The values as of December 31, 2024.

(**) Fair value represents the company's market value.

The financial statement information presented in the table above represents amounts where inflation accounting has not been applied, as disclosed by the companies in their public financial reports or special situation disclosures. When preparing the Bank's financial statements, these balances have been adjusted in accordance with the requirements of the equity method defined in IAS 28, in line with the group's accounting policies

i.4. Movement of investments in subsidiaries:

	Current Period	Prior Period
Balance at the Beginning of the Period	143,978,072	79,460,092
Movements in the Period		
Purchases (*)	4,143,863	9,353,816
Bonus Shares Acquired		
Dividends Received from Current Year Profit		
Sales		
Revaluation Surplus/Deficit (**)	55,431,340	55,164,164
Impairment		
Balance at the End of the Period	203,553,275	143,978,072
Capital Commitments (***)		
Contribution in equity at the end of the period (%)		

(*) The current period balance is due to the capital increase of Trakya Yatırım Holding A.Ş., by classifying the monitored shares of İş Yatırım Ortaklığı A.Ş. and Türkiye Şişe ve Cam Fabrikaları 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.

i.5. Sectoral information on financial subsidiaries and the related carrying amounts:

Related Companies	Current Period	Prior Period
Banks	38,145,018	28,573,981
Insurance Companies	22,573,033	14,039,712
Factoring Companies		
Leasing Companies	2,021,433	1,472,096
Finance Companies		
Other Financial Subsidiaries	36,105,744	23,379,830
Total	98,845,228	67,465,619



Notes To The Unconsolidated Financial Statements For The Year Ended December 31, 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

i.6. Subsidiaries quoted on stock exchange:

	Current Period	Prior Period
Traded on domestic stock exchanges	142,938,830	102,444,128
Traded on foreign stock exchanges		
Total	142,938,380	102,444,128

i.7. Subsidiaries disposed of in the current period:

None.

i.8. Subsidiaries acquired in the current period:

None.

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	27,935,530	5,723,142	321,152	56,881	6,574,550	40,611,255
Accumulated Depreciation	(13,500)	(2,806,001)		(30,075)	(3,530,893)	(6,380,469)
Net Book Value	27,922,030	2,917,141	321,152	26,806	3,043,657	34,230,786
Current Period End:						
Net Book Value at the Beginning of the Period	27,922,030	2,917,141	321,152	26,806	3,043,657	34,230,786
Change During the Period (Net) ^(*)	13,394,221	3,435,204	2,304,349	191,750	2,747,236	22,072,760
Depreciation	(146,812)	(1,338,766)		(21,125)	(1,174,938)	(2,681,641)
Impairment	44,438					44,438
Net Currency Translation Differences ^(*)		7,734		876	4,286	12,896
Cost at the Period End	41,242,844	9,379,404	2,625,501	248,664	9,200,668	62,697,081
Accumulated Depreciation at the Period End	(28,967)	(4,358,091)		(50,357)	(4,580,427)	(9,017,842)
Closing Net Book Value	41,213,877	5,021,313	2,625,501	198,307	4,620,241	53,679,239

^(*) The balance includes the movements in cost and accumulated depreciation items.

n. Information on Intangible Assets:

	Current Period	Prior Period
Net Book Value at the Beginning of the Period	6,398,654	3,514,433
Change During the Period (Net) ^(*)	7,066,651	4,129,310
Depreciation	(2,148,478)	(1,249,452)
Impairment		
Net Currency Translation Differences ^(*)	1,854	4,364
Cost at the Period End	17,909,260	10,838,426
Accumulated Depreciation at Period End	(6,590,580)	(4,439,772)
Closing Net Book Value	11,318,680	6,398,654

^(*) The balance includes the movements in cost and accumulated depreciation items.

Notes To The Unconsolidated Financial Statements For The Year Ended December 31, 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

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 (28,969,422) (12,090,016 TL deferred tax liability as of December 31, 2023) as of December 31, 2024. 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 ^(*)	2,715,015	663,410
Provisions ^(**)	(18,330,082)	(12,777,208)
Valuation of Financial Assets	(821,845)	160,945
Other ^(***)	(12,532,510)	(137,163)
Net Deferred Tax (Asset)/Liability:	(28,969,422)	(12,090,016)

^(*) Deferred tax assets have been recognized based on the inflation adjustment provisions of Article 33 of the Tax Procedure Law.

^(**) 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.

^(***) The current period amount also includes deferred tax assets related to the financial loss.

	Current Period	Prior Period
Beginning Value	12,090,016	(1,080,530)
Deferred Tax Income/(Expense) (Net)	8,881,724	5,398,154
Deferred Tax Accounted Under Equity	8,545,356	7,772,365
Deferred Tax Accounted Under Previous Year P/L	(547,570)	
Exchange rate differences	(104)	27
Net Deferred Tax (Asset)/Liability:	28,969,422	12,090,016

q. Information on assets held for sale and discontinued operations:

	Current Period	Prior Period
Balance at the Beginning of the Period	1,540,594	1,600,625
Transfers (Net)	(1,510,822)	(60,141)
Depreciation (Net)		
Impairment Losses (-)	(98)	110
Balance at the End of the Period	29,674	1,540,594

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.



Notes To The Unconsolidated Financial Statements For The Year Ended December 31, 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

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	103,601,082		43,374,108	365,355,340	190,225,901	5,224,033	10,655,257	4,897	718,440,618
Foreign Currency Deposits	473,258,549		35,365,270	137,408,307	15,560,451	9,178,772	27,065,322	2,874	697,839,545
Residents in Turkey	398,404,506		32,353,980	105,288,395	12,507,253	2,221,523	4,777,419	2,874	555,555,950
Residents Abroad	74,854,043		3,011,290	32,119,912	3,053,198	6,957,249	22,287,903		142,283,595
Public Sector Deposits	7,991,829		366,595	583,038	127,838		6		9,069,306
Commercial Deposits	74,817,528		164,490,634	108,502,682	43,610,868	2,355,933	15,704,829		409,482,474
Other Institutions Deposits	5,271,088		6,470,540	16,323,684	5,113,612		66,198		33,247,641
Precious Metals Deposits	171,360,129		4,422	9,897,194	1,764,738	10,848,552	590,863		194,465,898
Interbank Deposits	2,600,740		44,000,976	8,207,452	824,717	1,273,271	7,664,548		64,571,704
The Central Bank of the Republic of Turkey	1,207								1,207
Domestic Banks	45,853		41,946,350	1,555,813					43,548,016
Foreign Banks	2,552,742		2,054,626	6,651,639	824,717	1,273,271	7,664,548		21,021,543
Participations Banks	938								938
Other									
Total	838,900,945		294,072,545	646,277,697	257,228,125	28,946,759	61,683,344	7,771	2,127,117,186

Within the framework of the ""Communiqué on Supporting the Transformation into Turkish Lira Deposits and Participation Accounts" published in the Official Gazette dated February 24,2022 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 December 31,2024, the amount of the foreign exchange-protected deposits opened within this scope is TL 145,485,017 (31.12.2023: 280,700,031 TL).

	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

Notes To The Unconsolidated Financial Statements For The Year Ended December 31, 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

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	296,130,386	179,078,644	415,169,414	320,081,874
Foreign Currency Savings Deposits	180,312,282	142,427,842	282,017,177	271,482,690
Other Deposits in the Form of Savings Deposits	85,739,717	53,207,056	98,328,906	60,492,920
Foreign Branches' Deposits Under Foreign Authorities' Insurance	17,066,181	12,207,291	17,594,139	14,165,081
Off-shore Banking Regions' Deposits Under Foreign Authorities Insurance				

(*) As per the amendment published in the Official Gazette No. 31936 on 27 August 2022, the determination of insurable deposits has been revised, whereby deposits up to TL 650 (previously TL 400) at domestic branches of banks, excluding those belonging to official institutions and credit or financial institutions, are now covered by insurance in the current period. Accordingly, there is a commercial deposit amount of TL 48,842,920 (31 December 2023: 36,217,680 TL) under insurance in the current period, which 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	17,594,139	14,165,081
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	139,177	77,781
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	2,780	2,169,991	172,695	792,729
Swap Transactions	163,267	8,021,396	398,055	4,732,341
Futures				
Options	96,427	331,258		1,117,558
Other				
Total	262,474	10,522,645	570,750	6,642,628

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	1,567,070	6,825,092	472,625	5,420,748
Foreign banks, institutions and funds	38,155,848	164,545,089	2,849,095	112,023,642
Total	39,722,918	171,370,181	3,321,720	117,444,390

c.2. Maturity analysis of funds borrowed:

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-term	24,053,890	16,008,152	553,296	9,518,023
Medium and Long-term	15,669,028	155,362,029	2,768,424	107,926,367
Total	39,722,918	171,370,181	3,321,720	117,444,390



Notes To The Unconsolidated Financial Statements For The Year Ended December 31, 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

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
November 2024	584,500,000 USD +494,900,000 EUR	1 year
June 2024	442,000,000 USD +562,700,000 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, 2024
December 13	TIB Diversified Payment Rights Finance Company	50,000,000 EUR	12 years	5,000,000 EUR
December 14	TIB Diversified Payment Rights Finance Company	220,000,000 USD	14 years	80,000,000 USD
March 15	TIB Diversified Payment Rights Finance Company	15,000,000 USD	15 years	9,843,750 USD
October 15	TIB Diversified Payment Rights Finance Company	221,200,000 USD	10 years	20,737,500 USD
October 16	TIB Diversified Payment Rights Finance Company	55,000,000 USD	12 years	21,463,408 USD
December 16	TIB Diversified Payment Rights Finance Company	158,800,000 USD	10-13 years	50,363,096 USD
December 17	TIB Diversified Payment Rights Finance Company	125,000,000 USD	9 years	53,571,429 USD
August 22	TIB Diversified Payment Rights Finance Company	227,000,000 USD	5 years	192,076,923 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
February 24	TIB Diversified Payment Rights Finance Company	140,000,000 USD	5-6 years	140,000,000 USD
May 24	TIB Diversified Payment Rights Finance Company	221,855,000 USD	5-6 years	221,855,000 USD
September 24	TIB Diversified Payment Rights Finance Company	450,000,000 USD	10 years	450,000,000 USD
September 24	TIB Diversified Payment Rights Finance Company	100,000,000 EUR	10 years	100,000,000 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	1,356,385		389,926	735,314
Bonds	3,920,156	50,329,132	907,684	66,453,120
Total	5,276,541	50,329,132	1,297,610	67,188,434

e. Concentration on the Bank's liabilities:

64% of the Bank's liabilities consists of deposits, 6% of loans borrowed, 3% 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.

Notes To The Unconsolidated Financial Statements For The Year Ended December 31, 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

g. Information on Lease Payables (net):

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 Year	159,010	142,237	2,956	2,801
Between 1-4 Years	942,357	692,814	438,554	346,068
More than 4 Years	10,906,973	4,716,781	6,800,568	2,918,174
Total	12,008,340	5,551,832	7,242,078	3,267,043

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:

The Bank is obligated to pay severance compensation to employees who retire, pass away, leave due to military service, or are terminated as specified in the relevant legislation and collective bargaining agreements. Additionally, female employees who resign within one year of marriage are entitled to severance pay. According to the relevant legislation, severance pay is one month's salary for each year of service. As of the balance sheet date, the monthly salary amount is considered without exceeding the severance pay ceiling. The provision for severance pays is calculated by estimating the present value of the probable future payments that will be required upon employees' retirement. 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, 2024, provision amounting to TL 5,549,318 is reflected in the financial statements (December 31, 2023: TL 5,269,706).

Main actuarial assumptions used in calculation of severance pay liability are as follows:

- In the calculation, the discount rate is 26.70%, the inflation rate is 21.85%, and the real wage increase rate is 2%.
- In the calculation, the ceiling of 41,828,42 TL (full TL amount) valid as of 31.12.2024 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	5,269,706	5,290,639
Service Cost	367,490	384,155
Interest Cost	1,008,920	1,147,833
Benefits paid	(2,292,214)	(1,707,843)
Loss/(Gain) due to Settlements/Reductions/Terminations	21,393	3,921
Past Service Cost		239,358
Actuarial loss/(gain)	1,174,023	(88,357)
Defined benefit obligation at the end of the period	5,549,318	5,269,706

The sensitivity of the defined benefit obligation for past service on December 31, 2024 to assumptions is as follows:

- If the discount rate is increased by 1% per year, the defined benefit obligation decreases by 9.3%.
- If the discount rate is decreased by 1% per year, the defined benefit obligation increases by 10.7%.
- If the annual inflation rate is increased by 1%, the defined benefit obligation increases by 10.3%.
- If the annual inflation rate is decreased by 1%, the defined benefit obligation decreases by 9.1%.

In addition to the employee termination benefits the Bank allocates provisions for the unused vacation pay liability. As of December 31, 2024, provision for unused vacation pay is amounting to TL 709,047 (December 31, 2023: TL 375,111).

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, 2024, and December 31, 2023, 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, 2024, the Bank's specific provisions for indemnified non-cash loans balance is TL 2,627,584 (December 31, 2023: TL 2,891,615) which is allocated for the non-cash loans of companies whose loans are followed under "Non-performing Loans" accounts.



Notes To The Unconsolidated Financial Statements For The Year Ended December 31, 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

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, 2024 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 21,100,818. 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, 2024, 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.
- 34.75% total premium rate is used.
- CSO 1980 woman/man mortality tables are used.

In addition, the “Prime-Based Ceiling Wage Increase” is determined based on the “Prime-Based Ceiling Wage” set by the Social Security Institution (SGK). A real increase above inflation is assumed for the earnings of members paying contributions and the maximum wage, taking into account realizations from previous periods.

Below table shows the cash values of premium and salary payments of the Bank as of December 31, 2024, 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	(110.173.970)	(57,235,905)
Net Present Value of Long-Term Insurance Line Premiums	52.768.803	25,775,506
Net Present Value of Total Liabilities Other Than Health	(57.405.167)	(31,460,399)
Net Present Value of Health Liabilities	(11.408.363)	(6,190,532)
Net Present Value of Health Premiums	38.916.992	18,687,242
Net Present Value of Health Liabilities	27.508.629	12,496,710
Pension Fund Assets	8.795.720	4,674,947
Amount of Actuarial and Technical Deficit	(21.100.818)	(14,288,742)

The assets of the pension fund are as follows.

	Current Period	Prior Period
Cash and Cash Equivalents	7,071,179	3,366,702
Securities Portfolio	634,320	604,264
Other	1,090,221	703,981
Total	8,795,720	4,674,947

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, 2024, the Bank has recognized provisions amounting to TL 1,198,281 for the amount which is recognized within the framework of credit card expenses of credit card customers or promotions for banking services. (December 31, 2023: TL 624,592).

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.

Notes To The Unconsolidated Financial Statements For The Year Ended December 31, 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

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 proceedings, the Bank's individual application to the Constitutional Court did not have a positive outcome. The negative declaratory action, which was filed to confirm that the Bank is not liable in the ongoing cases, was concluded unfavorably for the Bank and became final. As part of the ongoing process, an agreement was reached with the Savings Deposit Insurance Fund (SDIF) by way of mutual release, and the total balance subject to litigation, amounting to USD 48 million, was paid to the SDIF on February 5, 2024. The Turkish lira equivalent of this amount, TL 1,754,786, was transferred to the follow-on accounts on February 20, 2024, and subsequently written off together with a special provision for the same amount.

i.4.4. Other provisions, expense provisions, provisions for ongoing lawsuits, and various other provisions are included beyond those mentioned above. Considering potential developments in the economy and markets, and in accordance with the principle of prudence, the entire free provision of 10,000,000 TL allocated in previous years has been reversed in the current period.

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 December 31,2024, the remaining corporate tax debt as a result of netting of temporary taxes paid with corporate tax liability is TL 6,531,016. (December 31,2023: TL 6,531,016)

j.1.2. Information on taxes payable:

	Current Period	Prior Period
Corporate Tax Payable	393,747	6,531,016
Tax on Securities Income	3,833,201	869,297
Tax on Real Estate Income	15,750	9,051
Banking Insurance Transaction Tax	4,535,558	1,620,948
Foreign Exchange Transaction Tax	57,312	40,098
Value Added Tax Payable	273,503	118,176
Other	756,776	383,708
Total	9,865,847	9,572,294

j.1.3. Information on premiums:

	Current Period	Prior Period
Social Security Premiums - Employees	4,020	1,700
Social Security Premiums - Employer	4,639	1,962
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	19,880	10,646
Unemployment Insurance - Employer	39,760	21,295
Others		
Total	68,299	35,603

j.2. Information on deferred tax liabilities:

None.



Notes To The Unconsolidated Financial Statements For The Year Ended December 31, 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

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.

I. 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 46,985,333 as of December 31, 2024 (December 31, 2023: TL 39,870,982).

	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	2,340,183	44,645,150	2,324,411	37,546,571
Subordinated Loans				
Subordinated Debt Instrument	2,340,183	44,645,150	2,324,411	37,546,571
Total	2,340,183	44,645,150	2,324,411	37,546,571

m. Information on shareholders’ equity:

m.1. Presentation of paid-in capital:

	Current Period	Prior Period
Common shares	24,999,970	9,999,970
Preferred shares	30	30
Total	25,000,000	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	25,000,000	25,000,000

m.3. The capital increase made in current period:

The Bank's paid-in capital has been increased from TL 10,000,000 to TL 25,000,000, fully financed from internal sources (extraordinary reserves). Accordingly, the capital increase process was completed during the period and the registration of the new capital was completed on 1 March 2024.

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:

In accordance with the decision of the Board of Directors dated August 17, 2018, the Bank repurchased 130 million shares, representing 2.89% of the capital, between August 28, 2018 and December 31, 2018. By resolution of the Board of Directors dated May 31, 2019, the General Management was authorized to sell the said shares at a selling price not lower than the cost of repurchase. After the free capital increases on June 14, 2022 and February 27, 2024, the number of shares reached 722,200,364.31, of which 306,000,000 shares, representing 1.22% of the capital, were sold on Borsa İstanbul on December 13, 2024. The pre-tax gain of TL. 3,845,106 resulting from this sale was recognized in equity in accordance with Capital Markets Board Communiqué II-22.1 on Repurchased Shares and was not recognized in the income statement.

Notes To The Unconsolidated Financial Statements For The Year Ended December 31, 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

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	(19,723,337)	(1,213,527)	3,575,649	(1,805,393)
Valuation Difference	(28,185,695)	(1,703,093)	5,098,570	(2,495,5289
Deferred Tax Effect	8,462,358	489,566	(1,522,921)	690,135
Foreign Exchange Differences				
Total	(19,723,337)	(1,213,527)	3,575,649	(1,805,393)

n. Information on Dividend Distribution:

At the Bank’s Ordinary General Assembly, held on March 29, 2024, it was decided to allocate net profit from operating activities of 2023, amounting to TL 72,264,798 as follows;

- adding a total of TL 299,959, 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 72,564,757 formed accordingly, TL 276,721 arising from real estate sales gains, of which it was decided to be used in capital increase, including the separation of TL 6,233 venture capital investment related to R&D discount, allocating a total of TL 1,165,806 as special reserves, of which TL 889,085 is allocated to venture capital investment trusts and funds,
- Addition of the provision amount of TL 1,905,000 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 73,303,951;
- TL 7,226,470 to A, B and C group shares as cash,
- TL 10 to the founding shares as cash,
- TL 1,903,117 as cash dividend to employees to be distributed,
- TL 64,174,354 as legal and extraordinary reserves to be reserved,

has been decided. As of March 29, 2024; TL 64,174,354 was transferred to reserves account, cash dividends were distributed to the shares other than the shares acquired by the Bank, as of April 1, 2024.



Notes To The Unconsolidated Financial Statements
For The Year Ended December 31, 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

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 credit card limits amounts to TL 737,663,382 and commitment to pay for cheque leaves amounts to TL 15,115,800. The amount of commitment for the forward purchase of assets is TL 17,344,697 and for the forward sale of assets is TL 17,372,930.

a.2. The structure and amount of probable losses and commitments resulting from off-balance sheet items, including those below:

As of December 31, 2024, the Bank's provisions for indemnified non-cash loans balance is TL 2,627,584 (December 31, 2023: TL 2,891,615) 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	26,808,905	15,800,134
Letters of Credit	93,162,844	85,384,944
Other Guarantees	5,701,854	6,231,597
Total	125,673,603	107,416,675

a.4. Certain guarantees, provisional guarantees, suretyships and similar transactions:

	Current Period	Prior Period
Letters of Tentative Guarantees	11,113,505	6,461,015
Letters of Certain Guarantees	276,894,434	181,228,524
Letters of Advance Guarantees	48,771,925	38,014,215
Letters of guarantee given to customs offices	22,644,795	14,947,470
Other Letters of Guarantee	97,604,100	79,302,905
Total	457,028,759	319,954,129

a.5. Total Non-cash Loans:

	Current Period	Prior Period
Non-cash Loans against Cash Risks	89,585,202	79,302,902
With Original Maturity of 1 Year or Less	18,203,231	14,101,754
With Original Maturity More Than 1 Year	71,381,971	65,201,148
Other Non-cash Loans	493,117,160	348,067,902
Total	582,702,362	427,370,804

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(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

a.6. Sectoral risk concentration of non-cash loans:

	Current Period				Prior Period			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agriculture	1,450,462	0.51	380,767	0.12	915,302	0.55	706,706	0.27
Farming and Livestock	1,322,097	0.47	341,797	0.11	790,750	0.47	691,255	0.26
Forestry	86,675	0.03		0.00	112,662	0.07		0.00
Fishery	41,690	0.01	38,970	0.01	11,890	0.01	15,451	0.01
Industry	106,012,804	37.35	174,540,532	58.39	61,476,105	36.95	146,578,672	56.16
Mining and Quarrying	1,940,614	0.68	2,276,199	0.76	2,222,351	1.33	1,825,487	0.70
Manufacturing Industry	89,685,546	31.60	155,721,796	52.10	48,629,885	29.23	128,780,336	49.34
Electricity, Gas, Water	14,386,644	5.07	16,542,537	5.53	10,623,869	6.39	15,972,849	6.12
Construction	44,463,016	15.67	47,392,226	15.86	22,678,856	13.63	39,955,909	15.31
Services	131,076,773	46.19	74,467,238	24.90	80,815,381	48.58	67,591,473	25.89
Wholesale and Retail Trade	74,479,019	26.24	40,511,831	13.55	45,885,373	27.58	29,539,833	11.32
Hotel and Restaurant Services	2,488,717	0.88	2,070,877	0.69	1,695,948	1.02	794,264	0.30
Transport and Communications	15,391,947	5.42	11,533,637	3.86	8,148,175	4.90	19,068,607	7.31
Financial Institutions	25,672,445	9.05	13,251,803	4.43	18,895,736	11.36	13,290,622	5.09
Real Estate and Rental Services,	8,025,858	2.83	6,455,810	2.16	4,043,004	2.43	4,168,935	1.60
Self-Employment Services	2,018,636	0.71	215,674	0.07	1,034,103	0.62	243,485	0.09
Education Services	847,016	0.30	10,915	0.00	386,245	0.23	8,671	0.00
Health and Social Services	2,153,135	0.76	416,691	0.14	726,797	0.44	477,056	0.18
Other	799,542	0.28	2,119,002	0.73	475,991	0.29	6,176,409	2.37
Total	283,802,597	100.00	298,899,765	100.00	166,361,635	100.00	261,009,169	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	280,475,777	290,125,046	2,894,190	3,757,060
Letters of Guarantee	258,501,126	187,294,268	2,871,890	3,021,746
Bank Acceptances	20,443,388	6,330,241	22,300	12,976
Letters of Credit	1,531,263	90,807,105		722,338
Endorsements				
Underwriting Commitments of the Securities Issued				
Factoring Related Guarantees				
Other Guaranties and Warranties		5,693,432		

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".



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(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

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 32,692,075.

The cheques given to customers is presented under off balance sheet commitments, as per the related regulations is amounting to TL 15,115,800. In case the cheques presented for payment to beneficiaries are not covered, the Bank will be obliged to pay the uncovered amount up to TL 8,650 (in exact TL amount) 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 9,270 (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.

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	164,825,324	14,811,360	57,546,481	9,918,294
Medium and Long-term Loans	136,639,662	28,554,364	55,516,172	23,013,230
Interest on Non-performing Loans	6,201,557	5,562	3,492,159	6,199
Premiums Received from State Resource Utilization Support Fund				
Total	307,666,543	43,371,286	116,554,812	32,937,723

(*) 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
Domestic Banks	936,831	18,051	148,447	4,899
Foreign Banks	1,917,736	805,961	88,174	528,654
Foreign Head Offices and Branches				
Total	2,854,567	824,012	236,621	572,540

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	148,230	504,369	38,646	384,866
Financial Assets at Fair Value Through Other Comprehensive Income	62,028,037	7,364,603	37,872,160	4,288,810
Financial Assets Measured at Amortised Cost	65,547,449	1,154,387	27,337,648	642,788
Total	127,723,716	9,023,359	65,248,454	5,316,464

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. As of December 31, 2024, the valuation of these securities was made based on an annual inflation estimate of 37.34%. In the case of CPI forecast changes by 100 basis points in a positive or negative direction, as of December 31, 2024, its pre-tax profit will increase by approximately TL 243 million (full amount) or decrease by the same amount.

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(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

a.4. Information on interest income received from associates and subsidiaries:

	Current Period	Prior Period
Interest Income from Associates and Subsidiaries	4,501,799	2,385,488

b. Interest Expense

b.1. Information on interest expense from funds borrowed:

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	8,088,106	7,466,888	384,477	5,230,567
Central Bank of Turkey				
Domestic Banks	330,562	374,858	106,448	264,358
Foreign Banks	7,757,544	7,092,030	278,029	4,966,209
Foreign Head Offices and Branches				
Other Institutions		3,526,212		1,419,186
Total (*)	8,088,106	10,993,100	384,477	6,649,753

(*) 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	5,289,332	3,284,699

b.3. Information on interest paid on marketable securities issued:

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest on Securities Issued	3,359,542	8,365,437	977,456	6,431,642

b.4. Information on Interest Expense on Deposits According to Maturity Structure:

	Demand Deposits	Time Deposits						Accumulated Deposits	Total
		Up to One Month	Up to Three Months	Up to Six Months	Up to One Year	Over One Year			
TL									
Bank Deposits	184	24,387,617	559,297						24,947,098
Savings Deposits	1,114	10,402,011	104,006,118	88,802,610	5,720,088	3,975,065	889		212,907,895
Public Sector Deposits	61	46,870	147,322	48,526	2				242,781
Commercial Deposits	45,944	46,673,746	30,395,601	25,044,655	4,986,905	5,696,324			112,843,175
Other Institutions Deposits	16	2,202,117	4,059,455	3,935,903	403,971	386			10,601,848
Deposits with 7 Days Notice									
Total	47,319	83,712,361	139,167,793	117,831,694	11,110,966	9,671,775	889		361,542,797
FC									
Foreign Currency Deposits	166	153,886	599,453	65,281	179,079	921,187	1		1,919,053
Bank Deposits		548,583	298,849	75,253	268,312	451,097			1,642,094
Deposits with 7 Days Notice									
Precious Metals Deposits			7,971	999	10,525	475			19,970
Total	166	702,469	906,273	141,533	457,916	1,372,759	1		3,581,117
Grand Total	47,485	84,414,830	140,074,066	117,973,227	11,568,882	11,044,534	890		365,123,914



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Prior Period	Demand Deposits	Time Deposits					Accumulated Deposits	Total
		Up to One Month	Up to Three Months	Up to Six Months	Up to One Year	Over One Year		
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

c. Information on dividend income:

	Current Period	Prior Period
Financial Assets at Fair Value Through Profit and Loss	4,194	16,028
Financial Assets at Fair Value Through Other Comprehensive Income	97,822	49,230
Other		
Total	102,016	65,258

d. Information on trading income/losses (Net):

	Current Period	Prior Period
Income		
Securities Trading Gains	22,226,140	8,132,487
Gains on Derivative Financial Instruments (*)	49,490,675	58,817,357
Foreign Exchange Gains	2,265,448,387	2,167,430,437
Losses (-)		
Securities Trading Losses	634,580	813,162
Losses on Derivative Financial Instruments (*)	105,487,590	64,851,084
Foreign Exchange Losses	2,239,904,742	2,156,492,673
Trading Income/Losses (Net)	(8,861,710)	12,223,362

(*) Income arising from foreign currency changes related to derivative transactions amounts to TL 24,428,285 and the losses amount to TL 80,922,928 and the amount of net losses TL 56,494,643(December 31, 2023, profit: TL 38,030,389, loss: TL 45,782,379).

e. Information on other operating income:

Other operating income includes TL 20,129,923, which primarily consists of provisions for expected losses on loans and collections from Stage 3 loans, representing adjustments to expenses from previous years (December 31, 2023: TL 10,314,176). Of the related amount, TL 10,000,000 is due to the cancellation of free provisions allocated for potential risks in previous periods (December 31, 2023: TL 2,000,000).

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f. Information on expected credit loss and other provision expense:

	Current Period	Prior Period
Expected Credit Loss	23,479,808	15,906,083
12 Month Expected Credit Loss (Stage I)	3,072,063	1,365,521
Significant Increase in Credit Risk (Stage II)	5,184,855	4,077,825
Non-performing Loans (Stage III)	15,222,890	10,462,737
Impairment Losses on Marketable Securities	148,449	824
Financial Assets at Fair Value Through Profit or Loss	148,449	824
Financial Assets at Fair Value Through Other Comprehensive Income		
Impairment Losses on Associates, Subsidiaries and Joint-Ventures		
Associates		
Subsidiaries		
Jointly Controlled Entities		
Other(*)		4,164,000
Total	23,628,257	20,070,907

g. Other operating expenses:

	Current Period	Prior Period
Reserve for Employee Termination Benefits		720,366
Bank Pension Fund Deficit Provisions	6,812,075	5,909,001
Impairment Losses on Tangible Assets	5,457	142,047
Depreciation Expenses of Tangible Assets	2,681,641	1,652,474
Impairment Losses on Intangible Assets		
Impairment Losses on Goodwill		
Amortization Expenses of Intangible Assets	2,148,478	1,249,452
Impairment Losses on Equity Accounted Investments		
Impairment Losses on Assets to be Disposed	6,626	7,403
Depreciation Expenses of Assets to be Disposed		
Impairment Losses on Assets Held for Sale and Subject to Discontinued Operations	98	749
Other Operating Expenses	47,458,968	28,300,349
Leasing Expenses Related to Exceptions to TFRS 16	412,375	245,152
Repair and Maintenance Expenses	1,178,953	760,284
Advertisement Expenses (*)	4,817,539	1,506,331
Other Expenses (**)	41,050,101	25,788,582
Loss on Sale of Assets	5,600	8,318
Other (**)	11,836,319	8,931,779
Total	70,955,262	46,921,938

(*) 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 328,853 (December 31, 2023:TL 348,272).

(**) 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 4,716,141 (December 31,2023: TL 1,491,290) is comprised of expenses of fees, taxes, pictures and funds.



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h. Information on profit before tax from continuing and discontinued operations

The Bank's profit before tax arises from continuing activities. As of 31 December 2024, TL 34,450,702 of the profit before tax consists of net interest income, TL 91,410,738 of net fee and commission income, and the total of personnel expenses and other operating expenses is TL 46,342,672.

i. Information on provision for taxes from continuing and discontinued operations

As of December 31, 2024, the amount of the Bank's tax provision is TL (7,343,678) and the amount consists of current tax expense that is amounting to TL 1,530,046 and consists of deferred tax expense amounting TL (8,881,724).

j. 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, 2024, amounts to TL 45,517,445.

k. Information on net period profit/loss:

k.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, 2024 – December 31, 2024.

k.2. Effects of changes in accounting estimates on the current and future periods' profit/loss: There is no issue to be disclosed.

k.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.

l. Explanation on other items on the income statement:

The main other income items included in the income statement consist of other interest income, other fee and commission income explained in footnote IV-i.3 of Chapter Five, other operating income explained in footnote IV-d of Chapter Five, and profit/loss items from partnerships applying the equity method.

m. 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	134,396	81,759
Other Assurance Services and Other Non-Audit Fees	28,702	20,191
Total	163,098	101,950

V. DISCLOSURES AND FOOTNOTES ON STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

The paid-in capital is TL 25,000,000 in legal records. As of balance sheet date, the balance of legal reserves is TL 14,795,605 and the balance of extraordinary reserves is TL 148,109,146.

Detail of the securities increase fund is explained in Section Five Note II-m.9 and TL (8,951,923) of this amount is the deferred tax effect on financial assets at fair value through other comprehensive income (31 December 2023: TL (832,786)).

The exchange difference amounting to TL 1,691,123 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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VI. DISCLOSURES AND FOOTNOTES ON STATEMENT OF CASH FLOWS

The operating profit to TL 602,988 before the changes in operating assets and liabilities mostly comprised of TL 467,555,143 of interest received from loans and securities, and TL (482,799,489) 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 (30,355,572) (December 31, 2023: TL (26,594,976)).

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 251,747,212 (December 31, 2023: TL 114,524,035 increase).

Net Cash Provided from Other Investing Activities account includes net cash flows from sale of intangible assets and declined by TL (7,066,650) (December 31, 2023: TL 4,129,309 decrease).

The effect of changes in foreign exchange rates on cash and cash equivalents is TL 1,527,701 as of December 31, 2024 (December 31, 2023: TL 5,094,705)). 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, 2023	December 31, 2022
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

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, 2024	December 31, 2023
Cash	319,796,000	325,002,285
Cash in TL and Foreign Currency	35,294,459	30,724,839
Central Bank of Turkey and Other	284,501,541	294,277,446
Cash Equivalents	35,233,322	34,862,415
Banks' Demand Deposits and Time Deposits Up to 3 Months	35,233,322	34,862,415
Money Market Receivables		
Total Cash and Cash Equivalents	355,029,322	359,864,700



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VII. 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	30,091,136	28,515,121			9,751,588	2,191,346
Balance at the end of the period	25,336,725	31,592,293			8,974,274	2,973,352
Interest and commission income received	4,474,370	15,991			1,653,642	41,924

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	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

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	31,663,727	16,910,042	1,700,282	130,226	7,193,861	8,771,749
Balance at the end of the period	29,309,431	31,663,727	2,014,110	1,700,282	20,784,267	7,193,861
Interest expense on deposits	4,761,290	2,958,186	1,591,850	404,204	3,246,503	1,071,975

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	6,952,556	15,007,188			310,289	2,474,171
End of the period	14,035,222	6,952,556			21,974	310,289
Total Profit/Loss	702,205	274,803			5,404	(48,227)
Transactions for hedging purposes						
Beginning of the period						
End of the period						
Total Profit/Loss						

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(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

c. 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.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 cash loans is 2.11%, while the ratio (excluding NPL) to the overall assets is 1.03%; the ratio of deposits of the risk group corporations to the overall deposits is 2.45%, while the ratio to overall liabilities is 1.57%, 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.

b.4. As of December 31, 2024, 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 with the scope of the relevant Board of Directors decisions is TL 19,162 (December 31, 2023: TL 11,047).

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 276,319 (December 31, 2023: TL 176,108).

VIII. DISCLOSURES ON THE BANK’S DOMESTIC, FOREIGN, OFF-SHORE BRANCHES OR ASSOCIATES AND FOREIGN REPRESENTATIVE OFFICES

	Number	Employees			
Domestic Branches (*)	1,012	20,175			
Country of Incorporation					
Foreign Representative Offices	1	2	China		
	1	3	Egypt		
			Total Assets	Legal Capital	
Foreign Branches	2	59	England	87,814,785	4,381
	15	238	Turkish Republic of Northern Cyprus	80,158,390	80,000
	2	50	Iraq	19,518,245	2,613,955
	2	27	Kosovo	4,057,791	364,956
	1	6	Bahrain	17,566,136	
Off-Shore Branches					

(*) The Branches located in Free Trade Zones in Turkey are included among domestic branches.



Notes To The Unconsolidated Financial Statements For The Year Ended December 31, 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

IX. SUBSEQUENT EVENTS

In accordance with the decision of the Board of Directors on the issuance of debt instruments dated October 3, 2024, the Bank issued a financing bond with a nominal value of TL 7,500,000 after December 31, 2024.

Pursuant to the decisions of the Board of Directors on the issuance of debt instruments abroad dated July 8, 2024, and November 20, 2024, the Bank issued financing bonds with a nominal value of USD 192.3 million and GBP 50 million abroad after December 31, 2024.

In addition, on January 15, 2025, the Bank issued bonds for a nominal value of USD 500 million with an interest rate of 9.125% as part of an additional capital instrument in accordance with the decision of the Board of Directors of November 29, 2024. These bonds do not have a fixed maturity but include a call option exercisable on the first coupon payment dates between January 15, 2030, and July 15, 2030, with subsequent payments every six months thereafter.

On January 22, 2025, the Bank exercised the redemption option on the USD 750 million of qualifying bonds included in the foreign capital contribution, and the entire amount of the bonds was repaid on that date.

The Bank has received approvals from the BRSA, the Capital Markets Board and the Ministry of Trade of the Republic of Turkey to increase its maximum registered capital to TL 100,000,000. However, in accordance with the legal provisions, the amendment to the Articles of Association regarding the registered capital ceiling must be submitted to the General Meeting for approval within the specified period.

SECTION SIX: OTHER EXPLANATIONS

I. EXPLANATIONS ON THE BANK’S CREDIT RATINGS:

	Rating	Outlook ^(*)
MOODY’S		
Long-term Foreign Currency Deposit	B1	Positive
Long-term Local Currency Deposit	B1	Positive
Long-term Foreign Currency Senior Debt	B1	-
Short-term Foreign Currency Deposit	NP	-
Short-term Local Currency Deposit	NP	-
FITCH RATINGS		
Long-term Foreign Currency Issuer Default Rating	BB-	Stable
Long-term Local Currency Issuer Default Rating	BB-	Stable
Short-term Foreign Currency Issuer Default Rating	B	-
Short-term Local Currency Issuer Default Rating	B	-
National Long-term Rating	AA- (tur)	Stable
Viability Rating	bb-	-

The dates when the Bank’s credit ratings/outlooks were last updated are given below:

Moody’s: 3 July 2024, Fitch Ratings: 17 September 2024

^(*) **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 Bank’s unconsolidated financial statements and footnotes as of December 31, 2024, to be disclosed to the public have been reviewed by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. and the review report dated February 12, 2025, is presented in the introduction part of this report.

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

A. Audit of the Consolidated Financial Statements

1. Qualified Opinion

We have audited the accompanying consolidated financial statements of Türkiye İş Bankası Anonim Şirketi (“the Bank”) and its subsidiaries (collectively referred to as the “Group”), which comprise the statement of consolidated balance sheet as at 31 December 2024, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in shareholders’ equity, consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements and a summary of significant accounting policies and consolidated financial statement notes.

In our opinion, except for the effect of the matter on the consolidated financial statements described in the Basis for Qualified Opinion section below, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024, and its consolidated financial performance and its consolidated 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 Board and circulars and interpretations published by BRSA and Turkish Financial Reporting Standards (“TFRS”) for those matters not regulated by the aforementioned regulations.

2. Basis for Qualified Opinion

As mentioned in Section Five Part II.i.4 .4 and IV.d of Explanations and Notes to the Consolidated Financial Statements, the free provision amounting to TL 10,000,000 thousand, which was fully provided in prior years outside of the requirements of BRSA Accounting and Financial Reporting Legislation, was reversed in the current year by the Group management as at 31 December 2024 in the accompanying consolidated financial statements. Had this free provision not been accounted for in prior years and not been reversed in the current year, net profit and prior periods’ profit would have decreased by TL 10,000,000 thousand and increased by TL 10,000,000 thousand respectively for the year ended 31 December 2024.

Our audit was conducted in accordance with the “Regulation on Independent Audit of Banks” published by the BRSA on the Official Gazette No.29314 dated 2 April 2015 and the Standards on Independent Auditing (the “SIA”) that are part of Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority (the “POA”). Our responsibilities under these standards are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements” section of our report. We hereby declare that we are independent of the Group in accordance with the Ethical Rules for Independent Auditors (Including Independence Standards) (the “Ethical Rules”) and the ethical requirements regarding independent audit in regulations issued by POA that are relevant to our audit of the consolidated financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our qualified opinion.

3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, 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 independent 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 key audit matters to be communicated in our report.



Independent Auditor’s Report

Key Audit Matters	How the key audit matter was addressed in the audit
Expected credit losses for loans and receivables The Group has total provision for expected credit losses amounting to TL 61,491,064 thousand in respect to total loans and receivables amounting to TL 1,950,632,186 thousand which represent a significant portion of the Group's total assets in its consolidated financial statements as of 31 December 2024. Explanations and notes regarding expected credit losses on loans and receivables are represented in Notes VII of Section Three, VIII of Section Three, II of Section Four, XI.c of Section Four, I.f of Section Five of the accompanying consolidated financial statements as at 31 December 2024. The Group recognizes provision for expected credit losses in accordance with “TFRS 9 Financial Instruments” requirements in line with the “Regulation on the Procedures and Principles for Classification of Loans and Provisions to be Provided” as published in the Official Gazette dated 22 June 2016 with number 29750. TFRS 9 is a complex accounting standard which requires considerable judgement and interpretation. These judgements and interpretations are key in the development of the financial models built to measure the expected credit losses on loans recorded at amortized cost. Furthermore, in order to determine expected credit losses, the Group performs both quantitative and qualitative assessments and identifies significant increases in credit risk and default events, for stage classifications of loans and receivables In addition, the operation of the models requires large data inputs that are generated through more than one system and the accuracy and completeness of data are key in the determination of expected credit losses on loans and receivables. Expected credit losses are calculated on a collective basis for portfolios of loans and receivables of a similar nature and on individual basis for significant loans, taking into account Management's best estimate at the balance sheet date and historical losses incurred. Our audit was focused on this area due to existence of complex estimates and information used in the assessment of expected credit losses,such as macroeconomic expectations, current conditions, historical loss experiences; the significance of the loan balances; the correct and timely stage classification of loans in accordance with applicable regulation and the importance of determination of the associated impairment allowances. The correct classification of loans, timely and correctly identification of loss event and other judgements and estimations made by the management have significant impacts on the amount of impairment provisions for loans. Therefore, this area is considered as key audit matter.	Within our audit procedures, we have assessed policies, procedures and principles established by the Group management with respect to classifications of loans and receivables as per their stages and calculation of expected credit losses in accordance with TFRS-9. We tested the design and operating effectiveness of relevant controls implemented in line with these principles. We checked the appropriateness of the matters considered in the methodology applied by the Group, for the classification of loans and receivables, and measurement of provisions, with the requirements of TFRS 9. For forward-looking assumptions used by the Group's management in its expected credit loss calculations, we held discussions with management and evaluated these assumptions using publicly available information and expert opinions. Regarding the methodology on expected credit losses, we assessed and tested together with our financial risk experts the appropriateness of model segmentation, lifetime probability of default, exposure at default, loss given default models, and approaches related to the projection of macroeconomic expectations. We tested the reliability and completeness of the data used in the calculation of the expected credit losses. For a selected sample, we have evaluated the appropriateness of expected credit losses provided for loans and receivables based on individual assessment as per the Group policies by using supportable data and through discussions with the Group management. We have carried loan review on a selected sample of loans and receivables with the objective to identify whether the classification of loans is performed appropriately in accordance with the applicable regulation, whether the loss event had occurred and whether the provision for impairment has been recognized in a timely manner within the TFRS 9 framework. We reviewed the consistency and adequacy of disclosures related to loan and receivable impairment in the Group's financial statements.

Key Audit Matters	How the key audit matter was addressed in the audit
Valuation of Pension Fund obligations The Group has recognised a provision of TL 21,755,360 thousand for the pension fund obligations related to pension fund foundations of the Parent Bank and of its certain subsidiaries in the consolidated financial statements as at 31 December 2024. Explanations regarding these Pension Fund Foundations and the recognized provision are disclosed in Note II.i.4.1 of Section Five and Note XX.2 of Section Three of the accompanying consolidated financial statements prepared as of 31 December 2024. The related Pension Funds were established in accordance with the Social Security Law numbered 506 article No 20 and they are within the scope of Funds whose members' rights are to be transferred to the Social Security Institution (SSI). The President of the Republic of Türkiye is authorized to determine the date of transfer. The calculation of the Pension Fund obligations and the selection of appropriate assumptions require significant judgment and technical expertise. The Group's management uses actuaries for the purpose of valuations of Fund obligations. During our audit, we determined this area to be a key audit matter, considering the fundamental assumptions and estimates used in the calculation of the Pension Fund obligations, the uncertainty regarding the transfer date, the technical interest rate applied in the present value calculation being determined in accordance with the law governing the transfer conditions, and the significant impact that may arise from possible changes in these assumptions on Pension Fund obligations.	Within our audit, we tested, on a sample basis, the accuracy of the retiree and employee data provided by the Group's management to the actuaries for the calculation of the Pension Fund obligations. Additionally, we tested the existence and valuation of the assets reported in the Fund's balance sheet. We assessed whether there were significant changes in the actuarial assumptions used in the calculation, employee benefits provided during the period, plan assets and liabilities, and regulatory requirements related to valuations. With the assistance of our actuarial specialists, we evaluated the reasonableness of the assumptions and valuations applied by external actuaries in the calculation of the obligations. Additionally, we reviewed the disclosures related to pension fund obligations in the Group's consolidated financial statements.

4. Other Matter

The audit of consolidated financial statements of the Group as at and for the year ended 31 December 2023 were conducted by another audit firm who expressed qualified opinion on 13 February 2024 due to free provision accounted, in the consolidated financial statements.

5. Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Group management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the BRSA Accounting and Financial Reporting Legislation, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are 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.

6. Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

Responsibilities of independent auditors in an independent audit are as follows:

Our aim is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor’s report that includes our opinion. Reasonable assurance expressed as a result of an independent audit conducted in accordance with “Regulation on Independent Audit of Banks” published by the BRSA on the Official Gazette No.29314 dated 2 April 2015 and SIA is a high level of assurance but does not guarantee that a material misstatement will always be detected. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.



Independent Auditor’s Report

As part of an independent audit conducted in accordance with “Regulation on Independent Audit of Banks” published by the BRSA on the Official Gazette No.29314 dated 2 April 2015 and SIA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in 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.
- Assess the 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 Group’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 Group 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 independent 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 consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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 provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence. We also communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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 provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence. We also 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.

B. Other Responsibilities Arising From Regulatory Requirements

1. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code (“TCC”) No. 6102 and that causes us to believe that the Bank’s bookkeeping activities concerning the period from 1 January to 31 December 2024 period are not in compliance with the TCC and provisions of the Bank’s articles of association related to financial reporting.
2. In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.

Additional Paragraph for Convenience Translation

BRSA Accounting and Financial Reporting Legislation explained in detail in Section Three differ from International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board including the application of IAS 29 - Financial Reporting in Hyperinflationary Economies as of 31 December 2024. Accordingly, the accompanying consolidated financial statements are not intended to present fairly the consolidated financial position, results of operations, changes in equity and cash flows of the Group in accordance with IFRS.

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.

Talar Gül, SMMM
Independent Auditor

Istanbul, 12 February 2025

The Consolidated Financial Report As At And For The Year Ended December 31, 2024

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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 AÇ	
JOINT STOCK COMPANY İŞBANK (JSC İŞBANK)	
JOINT STOCK COMPANY İŞBANK GEORGIA (JSC İŞBANK 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 SİNAİ 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
Hürdoğan İrmak Head of Financial Management Division	Mehmet Türk Deputy Chief Executive In Charge of Financial Reporting	Hakan Aran Chief Executive Officer

The authorized contact person for questions on this consolidated financial report:

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Notes To The Consolidated Financial Statements For The Year Ended December 31, 2024

(Amounts expressed in thousand Turkish Lira (TL) unless otherwise stated.)
(Convenience Translation of the Independent Auditors' Report Originally Issued in Turkish (See Note I in Section Three))

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, 2024, the shareholder structure of the Bank is as follows:

- 38.59% of the shares are owned by the Türkiye İş Bankası A.Ş. Members' Supplementary Pension Fund Foundation (December 31, 2023:38.20%).
- 28.09% of the shares belong to Atatürk and, in accordance with his will, are represented by the Republican People's Party (CHP) (December 31, 2023:28.09%). As stipulated in Atatürk's will, the dividend income from these shares is allocated to the Turkish Language Association and the Turkish Historical Society, and dividend payments are made to these institutions in accordance with the provisions of the will and applicable legal regulations.
- 33.32% is free float (December 31, 2023: 33.71%).

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
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, Member of the Operational Risk 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, Substitute Member of the Credit Committee
Recep Hakan Özyıldız	Director
Mustafa Rıdvan Selçuk	Director
Ahmet Gökhan Sungur	Director
Bahattin Özarslantürk	Director, Member of the Credit Committee

Notes To The Consolidated Financial Statements For The Year Ended December 31, 2024

(Amounts expressed in thousand Turkish Lira (TL) unless otherwise stated.)
(Convenience Translation of the Independent Auditors' Report Originally Issued in Turkish (See Note I in Section Three))

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, Core Banking Operations, Foreign Transactions and Commercial Credit Operations, Affiliates, Corporate Architecture, Information Systems Strategy Committee, Risk Committee, Member of Operational Risk Committee
Ebru Özşuca	Financial Institutions, Treasury, Capital Markets, Member of the Risk Committee
Ozan Gürsoy	Transaction Banking, Corporate and Commercial Banking Marketing, Corporate and Commercial Banking Sales, Cross-Border Banking, Free Zone Branches, Member of the Sustainability Committee
Sezgin Yılmaz	SME and Business Banking Marketing and Sales, Agricultural Banking Marketing, Commercial Banking Product, Member of the Corporate Social Responsibility Committee and Sustainability Committee
Sabri Gökmenler	Information Technologies, Data Management, Procurement, Artificial Intelligence, Member of Operational Risk Committee, Sustainability Committee, and Information Technologies Strategic Committee
Sezgin Lüle	Retail Banking Marketing, Sales and Product, Digital Banking, Customer Relations, Payment Systems Ecosystem, Product and Operations, Member of Operational Risk Committee, and Sustainability Committee
Can Yücel	Credit Strategy Management, Retail, Commercial and Corporate Loans Underwriting, Project Finance, Member of the Corporate Social Responsibility Committee, Risk Committee and Sustainability Committee
Sezai Sevgin	Internal Control, Corporate Compliance, Risk Management, Natural Member of the Risk Committee, Member of Information Technologies Strategic Committee, Member of the Operational Risk Committee and Sustainability Committee
İzlem Erdem	Economic Research, Financial Law and Tax Management Consultancy, Investor Relations and Sustainability, Management Reporting and Internal Accounting, Member of Risk Committee and Sustainability Committee
Suat E. Sözen	General Secretariat, Corporate Communications, Private Banking Marketing and Sales, Member of the Corporate Social Responsibility Committee and Sustainability Committee
O. Tufan Kurbanoğlu	Legal Affairs and Follow-Up, Legal Counsellorship, Credit Monitoring, Retail Loans and Commercial and Corporate Loans Follow-Up
Mehmet Celayir	Support Services, Human Resources Management, Construction and Real Estate Management, Talent Management, Consumer Relations Coordination Officer, Member of Operational Risk and Sustainability Committee.
Mehmet Türk	Financial Management, Strategy and Corporate Performance Management, Member of the Information Systems Strategy Committee and Sustainability Committee

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)	9,647,873	38.59%	9,647,873	
Cumhuriyet Halk Partisi - Republican People's Party - (Atatürk's Shares)	7,023,013	28.09%	7,023,013	



Notes To The Consolidated Financial Statements For The Year Ended December 31, 2024

(Amounts expressed in thousand Turkish Lira (TL) unless otherwise stated.)

(Convenience Translation of the Independent Auditors' Report Originally Issued in Turkish (See Note I in Section Three)

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 statement 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.

- 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".

Notes To The Consolidated Financial Statements For The Year Ended December 31, 2024

(Amounts expressed in thousand Turkish Lira (TL) unless otherwise stated.)

(Convenience Translation of the Independent Auditors' Report Originally Issued in Turkish (See Note I in Section Three)

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 İstanbul. 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 40 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 Türkiye, have potential development and need resources. The Company's shares are traded in the Borsa İstanbul A.Ş. since the year 2004.

İş Portföy Yönetimi A.Ş.

The Company which was founded in 2000 and operating under the supervision of the Capital Markets Board, establishes investment funds, provides portfolio management services to individual and institutional investors, manages pension funds, and offers investment advisory services.



Notes To The Consolidated Financial Statements For The Year Ended December 31, 2024

(Amounts expressed in thousand Turkish Lira (TL) unless otherwise stated.)
(Convenience Translation of the Independent Auditors' Report Originally Issued in Turkish (See Note I in Section Three))

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.

ISC 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.

ISC 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, it continues its operations through the Head Office in Tbilisi and the branch it opened in Tbilisi in 2014.

Levent Varlık Kiralama A.Ş.

Established in November 2023, the Company's main activity is to issue lease certificates in accordance with the Capital Markets Law and related legislation.

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.

Notes To The Consolidated Financial Statements For The Year Ended December 31, 2024

(Amounts expressed in thousand Turkish Lira (TL) unless otherwise stated.)
(Convenience Translation of the Independent Auditors' Report Originally Issued in Turkish (See Note I in Section Three))

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 on September 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.



Consolidated Balance Sheet (Statement Of Financial Position)
As Of December 31, 2024

(Amounts expressed in thousand Turkish Lira (TL) unless otherwise stated.)

SECTION TWO: CONSOLIDATED FINANCIAL STATEMENTS

		Foot- notes	THOUSAND TL					
			CURRENT PERIOD			PRIOR PERIOD		
			(31/12/2024)			(31/12/2023)		
ASSETS		TL	FC	Total	TL	FC	Total	
I.	FINANCIAL ASSETS (NET)		615,642,840	639,596,921	1,255,239,761	390,336,844	591,744,745	982,081,589
1.1	Cash and Cash Equivalents		311,967,779	421,360,397	733,328,176	192,369,378	427,090,304	619,459,682
1.1.1	Cash and Balances with Central Bank	V-I-a	278,450,061	354,096,475	632,546,536	165,825,618	360,809,028	526,634,646
1.1.2	Banks	V-I-ç	22,914,928	67,508,683	90,423,611	18,731,062	66,536,675	85,267,737
1.1.3	Money Market Placements		10,813,365	-	10,813,365	7,939,685	-	7,939,685
1.1.4	Expected Credit Loss (-)		210,575	244,761	455,336	126,987	255,399	382,386
1.2	Financial Assets at Fair Value Through Profit or Loss	V-I-b	46,089,229	29,685,102	75,774,331	24,018,754	20,477,288	44,496,042
1.2.1	Government Debt Securities		571,659	26,681,100	27,252,759	372,461	19,192,296	19,564,757
1.2.2	Equity Securities		6,407,420	467,439	6,874,859	3,551,151	658,024	4,209,175
1.2.3	Other Financial Assets		39,110,150	2,536,563	41,646,713	20,095,142	626,968	20,722,110
1.3	Financial Assets at Fair Value Through Other Comprehensive Income	V-I-d	254,347,393	171,801,635	426,149,028	173,412,009	123,613,217	297,025,226
1.3.1	Government Debt Securities		251,170,013	160,779,443	411,949,456	170,689,290	116,832,858	287,522,148
1.3.2	Equity Securities		417,432	4,023,536	4,440,968	505,358	2,598,836	3,104,194
1.3.3	Other Financial Assets		2,759,948	6,998,656	9,758,604	2,217,361	4,181,523	6,398,884
1.4	Derivative Financial Assets	V-I-c-i	3,238,439	16,749,787	19,988,226	536,703	20,563,936	21,100,639
1.4.1	Derivative Financial Assets at Fair Value Through Profit or Loss		3,238,439	16,749,787	19,988,226	536,703	20,563,936	21,100,639
1.4.2	Derivative Financial Assets at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
II.	Financial Assets Measured at Amortised Cost (Net)		1,328,499,830	841,806,291	2,170,306,121	958,404,269	590,776,237	1,549,180,506
2.1	Loans	V-I-e	1,096,594,825	790,696,012	1,887,290,837	777,452,231	556,841,298	1,334,293,529
2.2	Lease Receivables	V-I-e-i	6,624,783	21,205,949	27,830,732	6,843,234	17,883,403	24,726,637
2.3	Factoring Receivables	V-I-e	26,216,589	9,294,028	35,510,617	19,150,379	3,341,707	22,492,086
2.4	Other Financial Assets Measured at Amortised Cost (Net)	V-I-f	240,288,834	41,068,345	281,357,179	184,774,042	31,404,006	216,178,048
2.4.1	Government Debt Securities		236,823,940	23,827,649	260,651,589	184,190,708	15,316,159	199,506,867
2.4.2	Other Financial Assets		3,464,894	17,240,696	20,705,590	583,334	16,087,847	16,671,181
2.5	Expected Credit Loss (-)		41,225,201	20,458,043	61,683,244	29,815,617	18,694,177	48,509,794
III.	ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	V-I-n	34,000	18,344	52,344	1,545,205	17,749	1,562,954
3.1	Held for Sale		34,000	18,344	52,344	1,545,205	17,749	1,562,954
3.2	Discontinued Operations		-	-	-	-	-	-
IV.	EQUITY INVESTMENTS		111,411,807	-	111,411,807	81,035,427	311,107	81,346,534
4.1	Investments in Associates (Net)	V-I-g	651,282	-	651,282	569,486	-	569,486
4.1.1	Associates Accounted by using Equity Method		554,844	-	554,844	453,026	-	453,026
4.1.2	Unconsolidated Associates		96,438	-	96,438	116,460	-	116,460
4.2	Subsidiaries (Net)	V-I-ğ	110,616,058	-	110,616,058	80,430,190	311,107	80,741,297
4.2.1	Unconsolidated Financial Subsidiaries		-	-	-	-	-	-
4.2.2	Unconsolidated Non-Financial Subsidiaries		110,616,058	-	110,616,058	80,430,190	311,107	80,741,297
4.3	Joint Ventures (Net)	V-I-h	144,467	-	144,467	35,751	-	35,751
4.3.1	Joint Ventures Accounted by using Equity Method		-	-	-	-	-	-
4.3.2	Unconsolidated Joint Ventures		144,467	-	144,467	35,751	-	35,751
V.	TANGIBLE ASSETS (Net)	V-I-j	70,597,501	548,097	71,145,598	44,255,046	540,492	44,795,538
VI.	INTANGIBLE ASSETS (Net)	V-I-k	12,075,964	238,404	12,314,368	6,877,527	260,714	7,138,241
6.1	Goodwill		27,994	-	27,994	27,994	-	27,994
6.2	Other		12,047,970	238,404	12,286,374	6,849,533	260,714	7,110,247
VII.	INVESTMENT PROPERTY (Net)	V-I-l	25,407,317	-	25,407,317	18,056,230	-	18,056,230
VIII.	CURRENT TAX ASSET		96,312	13,761	110,073	39,440	10,895	50,335
IX.	DEFERRED TAX ASSET	V-I-m	30,811,538	-	30,811,538	14,637,453	-	14,637,453
X.	OTHER ASSETS	V-I-o	138,971,673	44,927,721	183,899,394	223,161,320	32,731,871	255,893,191
	TOTAL ASSETS		2,333,548,782	1,527,149,539	3,860,698,321	1,738,348,761	1,216,393,810	2,954,742,571

Consolidated Balance Sheet (Statement Of Financial Position)
As Of December 31, 2024

(Amounts expressed in thousand Turkish Lira (TL) unless otherwise stated.)

		THOUSAND TL					
		CURRENT PERIOD			PRIOR PERIOD		
		(31/12/2024)			(31/12/2023)		
LIABILITIES	Foot- notes	TL	FC	Total	TL	FC	Total
I. DEPOSITS	V-II-a	1,203,500,844	975,916,686	2,179,417,530	875,970,187	834,081,633	1,710,051,820
II. FUNDS BORROWED	V-II-c	48,988,007	252,713,125	301,701,132	10,088,579	231,152,014	241,240,593
III. MONEY MARKETS		259,797,239	97,857,054	357,654,293	85,108,713	52,604,325	137,713,038
IV. SECURITIES ISSUED (Net)	V-II-ç	14,609,149	157,927,691	172,536,840	10,315,459	98,828,108	109,143,567
4.1 Bills		6,964,236	-	6,964,236	6,165,382	735,314	6,900,696
4.2 Asset Backed Securities		2,052,309	-	2,052,309	1,508,031	-	1,508,031
4.3 Bonds		5,592,604	157,927,691	163,520,295	2,642,046	98,092,794	100,734,840
V. FUNDS		30,945	652,954	683,899	132,820	1,349,660	1,482,480
5.1 Borrower Funds		30,945	652,954	683,899	132,820	1,349,660	1,482,480
5.2 Other		-	-	-	-	-	-
VI. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		-	-	-	-	-	-
VII. DERIVATIVE FINANCIAL LIABILITIES	V-II-b-g	279,118	11,518,855	11,797,973	602,277	7,762,079	8,364,356
7.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss		279,118	11,518,855	11,797,973	602,277	7,762,079	8,364,356
7.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
VIII. FACTORING PAYABLES		-	-	-	-	-	-
IX. LEASE PAYABLES (Net)	V-II-f	3,413,844	458,566	3,872,410	1,835,905	461,609	2,297,514
X. PROVISIONS	V-II-ğ	109,178,239	49,411,690	158,589,929	80,916,682	26,716,635	107,633,317
10.1 Restructuring Provisions		-	-	-	-	-	-
10.2 Reserve for Employee Benefits		7,092,554	11,868	7,104,422	6,162,265	12,347	6,174,612
10.3 Insurance Technical Provisions (Net)		70,674,366	46,847,513	117,521,879	42,121,605	23,658,483	65,780,088
10.4 Other Provisions		31,411,319	2,552,309	33,963,628	32,632,812	3,045,805	35,678,617
XI. CURRENT TAX LIABILITY	V-II-h	14,942,949	472,319	15,415,268	13,264,627	464,721	13,729,348
XII. DEFERRED TAX LIABILITY	V-II-h	2,907,265	28,449	2,935,714	71,374	42,819	114,193
XIII. LIABILITIES RELATED TO ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS	V-II-i	-	-	-	-	-	-
13.1 Held for Sale		-	-	-	-	-	-
13.2 Discontinued Operations		-	-	-	-	-	-
XIV. SUBORDINATED DEBT	V-II-i	2,340,183	55,446,014	57,786,197	2,324,411	37,546,571	39,870,982
14.1 Loans		-	-	-	-	-	-
14.2 Other Debt Instruments		2,340,183	55,446,014	57,786,197	2,324,411	37,546,571	39,870,982
XV. OTHER LIABILITIES	V-II-e	179,493,801	46,101,221	225,595,022	242,325,905	37,418,618	279,744,523
XVI. SHAREHOLDERS' EQUITY	V-II-j	367,632,994	5,079,120	372,712,114	301,694,287	1,662,553	303,356,840
16.1 Paid-in capital		25,000,000	-	25,000,000	10,000,000	-	10,000,000
16.2 Capital Reserves		4,597,476	-	4,597,476	1,269,954	-	1,269,954
16.2.1 Share Premium		121,391	-	121,391	138,553	-	138,553
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Other Capital Reserves		4,476,085	-	4,476,085	1,131,401	-	1,131,401
16.3 Accumulated Other Comprehensive Income or Loss Not Reclassified Through Profit or Loss		69,464,585	910	69,465,495	45,527,841	717	45,528,558
16.4 Accumulated Other Comprehensive Income or Loss Reclassified Through Profit or Loss		12,207,203	(925,800)	11,281,403	29,367,334	(1,454,175)	27,913,159
16.5 Profit Reserves		154,643,193	2,060,375	156,703,568	109,918,245	941,934	110,860,179
16.5.1 Legal Reserves		16,351,074	136,513	16,487,587	11,735,223	62,094	11,797,317
16.5.2 Status Reserves		863,802	-	863,802	403,399	-	403,399
16.5.3 Extraordinary Reserves		137,428,317	1,923,862	139,352,179	97,779,623	879,840	98,659,463
16.5.4 Other Profit Reserves		-	-	-	-	-	-
16.6 Profit or Loss		47,486,855	3,634,089	51,120,944	70,737,833	1,887,486	72,625,319
16.6.1 Prior Periods' Profit or Loss		4,815,021	769,044	5,584,065	(8,463)	380,009	371,546
16.6.2 Current Period Profit or Loss		42,671,834	2,865,045	45,536,879	70,746,296	1,507,477	72,253,773
16.7 Minority Shares	V-II-k	54,233,682	309,546	54,543,228	34,873,080	286,591	35,159,671
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,207,114,577	1,653,583,744	3,860,698,321	1,624,651,226	1,330,091,345	2,954,742,571



Consolidated Statement Of Off-Balance Sheet Items
As Of December 31, 2024

(Amounts expressed in thousand Turkish Lira (TL) unless otherwise stated.)

OFF-BALANCE SHEET ITEMS		Foot- notes	THOUSAND TL					
			CURRENT PERIOD			PRIOR PERIOD		
			(31/12/2024)			(31/12/2023)		
			TL	FC	Total	TL	FC	Total
A. OFF-BALANCE SHEET CONTINGENCIES and COMMITMENTS (I+II+III)			1,515,029,648	1,858,850,923	3,373,880,571	982,736,242	1,524,431,477	2,507,167,719
I. GUARANTEES AND SURETYSHIPS	V-III		285,407,206	307,809,745	593,216,951	168,764,667	262,730,679	431,495,346
1.1 Letters of Guarantee			262,874,566	191,978,642	454,853,208	159,064,124	160,736,332	319,800,456
1.1.1 Guarantees Subject to State Tender Law			2,241,617	2,241,930	4,483,547	1,508,058	1,770,160	3,278,218
1.1.2 Guarantees Given for Foreign Trade Operations			26,321,882	76,460,281	102,782,163	16,505,345	63,545,208	80,050,553
1.1.3 Other Letters of Guarantee			234,311,067	113,276,431	347,587,498	141,050,721	95,420,964	236,471,685
1.2 Bank Acceptances			20,465,688	5,747,638	26,213,326	9,435,050	4,960,260	14,395,310
1.2.1 Import Letter of Acceptance			-	2,450,307	2,450,307	-	2,834,392	2,834,392
1.2.2 Other Bank Acceptances			20,465,688	3,297,331	23,763,019	9,435,050	2,125,868	11,560,918
1.3 Letters of Credit			2,063,314	104,381,611	106,444,925	261,037	90,802,490	91,063,527
1.3.1 Documentary Letters of Credit			1,714,172	76,593,552	78,307,724	245,881	58,717,904	58,963,785
1.3.2 Other Letters of Credit			349,142	27,788,059	28,137,201	15,156	32,084,586	32,099,742
1.4 Prefinancing Given as Guarantee			-	-	-	-	-	-
1.5 Endorsements			-	-	-	-	-	-
1.5.1 Endorsements to the Central Bank of Turkey			-	-	-	-	-	-
1.5.2 Other Endorsements			-	-	-	-	-	-
1.6 Purchase Guarantees for Securities Issued			-	-	-	-	-	-
1.7 Factoring Guarantees			-	-	-	-	-	-
1.8 Other Guarantees			3,638	5,701,854	5,705,492	4,456	6,231,597	6,236,053
1.9 Other Suretyships			-	-	-	-	-	-
II. COMMITMENTS			1,025,159,850	84,084,334	1,109,244,184	573,359,840	71,511,904	644,871,744
2.1 Irrevocable Commitments			1,019,978,192	61,262,813	1,081,241,005	569,766,880	57,695,865	627,462,745
2.1.1 Forward Asset Purchase Commitments			7,945,928	27,609,536	35,555,464	2,775,678	26,011,453	28,787,131
2.1.2 Forward Deposit Purchase and Sales Commitments			-	-	-	-	-	-
2.1.3 Capital Commitments to Associates and Subsidiaries			-	142,284	142,284	-	168,814	168,814
2.1.4 Loan Granting Commitments			232,701,080	3,907,881	236,608,961	118,244,588	4,022,975	122,267,563
2.1.5 Securities Underwriting Commitments			-	-	-	-	-	-
2.1.6 Commitments for Reserve Deposit Requirements			-	-	-	-	-	-
2.1.7 Commitments for Cheque Payments			15,115,800	-	15,115,800	9,204,813	-	9,204,813
2.1.8 Tax and Fund Liabilities from Export Commitments			1,096,921	-	1,096,921	22,019	-	22,019
2.1.9 Commitments for Credit Card Expenditure Limits			737,663,382	-	737,663,382	417,894,567	-	417,894,567
2.1.10 Commitments for Credit Cards and Banking Services Promotions			2,267,499	-	2,267,499	1,085,145	-	1,085,145
2.1.11 Receivables from Short Sale Commitments			-	-	-	-	-	-
2.1.12 Payables for Short Sale Commitments			-	-	-	-	-	-
2.1.13 Other Irrevocable Commitments			23,187,582	29,603,112	52,790,694	20,540,070	27,492,623	48,032,693
2.2 Revocable Commitments			5,181,658	22,821,521	28,003,179	3,592,960	13,816,039	17,408,999
2.2.1 Revocable Loan Granting Commitments			5,181,658	22,821,521	28,003,179	3,592,960	13,816,039	17,408,999
2.2.2 Other Revocable Commitments			-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS			204,462,592	1,466,956,844	1,671,419,436	240,611,735	1,190,188,894	1,430,800,629
3.1 Derivative Financial Instruments Held for Risk Management			-	69,298,701	69,298,701	-	38,788,055	38,788,055
3.1.1 Fair Value Hedges			-	69,298,701	69,298,701	-	38,788,055	38,788,055
3.1.2 Cash Flow Hedges			-	-	-	-	-	-
3.1.3 Net Foreign Investment Hedges			-	-	-	-	-	-

Consolidated Statement Of Off-Balance Sheet Items
As Of December 31, 2024

(Amounts expressed in thousand Turkish Lira (TL) unless otherwise stated.)

OFF-BALANCE SHEET ITEMS		Foot- notes	THOUSAND TL					
			CURRENT PERIOD			PRIOR PERIOD		
			(31/12/2024)			(31/12/2023)		
			TL	FC	Total	TL	FC	Total
3.2 Derivative Financial Instruments Held for Trading			204,462,592	1,397,658,143	1,602,120,735	240,611,735	1,151,400,839	1,392,012,574
3.2.1 Forward Foreign Currency Buy/Sell Transactions			27,479,935	99,633,598	127,113,533	45,086,612	150,221,875	195,308,487
3.2.1.1 Forward Foreign Currency Buy Transactions			14,835,593	48,888,485	63,724,078	32,446,782	65,946,872	98,393,654
3.2.1.2 Forward Foreign Currency Sell Transactions			12,644,342	50,745,113	63,389,455	12,639,830	84,275,003	96,914,833
3.2.2 Currency and Interest Rate Swaps			162,009,487	1,165,689,686	1,327,699,173	163,259,055	844,538,982	1,007,798,037
3.2.2.1 Currency Swap Buy Transactions			11,029,664	312,159,655	323,189,319	101,944	240,148,199	240,250,143
3.2.2.2 Currency Swap Sell Transactions			121,060,177	274,545,733	395,605,910	154,243,873	124,389,343	278,633,216
3.2.2.3 Interest Rate Swap Buy Transactions			15,409,823	289,492,149	304,901,972	4,456,619	240,000,720	244,457,339
3.2.2.4 Interest Rate Swap Sell Transactions			14,509,823	289,492,149	304,001,972	4,456,619	240,000,720	244,457,339
3.2.3 Currency, Interest Rate and Security Options			11,229,965	43,904,183	55,134,148	30,161,708	83,635,857	113,797,565
3.2.3.1 Currency Call Options			5,968,328	15,823,362	21,791,690	19,595,726	31,548,029	51,143,755
3.2.3.2 Currency Put Options			4,119,355	16,421,795	20,541,150	9,931,673	40,569,812	50,501,485
3.2.3.3 Interest Rate Call Options			-	5,829,513	5,829,513	-	5,759,008	5,759,008
3.2.3.4 Interest Rate Put Options			-	5,829,513	5,829,513	-	5,759,008	5,759,008
3.2.3.5 Securities Call Options			263,607	-	263,607	161,125	-	161,125
3.2.3.6 Securities Put Options			878,675	-	878,675	473,184	-	473,184
3.2.4 Currency Futures			1,356,040	1,711,894	3,067,934	1,801,256	2,315,162	4,116,418
3.2.4.1 Currency Buy Futures			515,915	1,287,679	1,803,594	1,739,302	627,609	2,366,911
3.2.4.2 Currency Sell Futures			840,125	424,215	1,264,340	61,954	1,687,553	1,749,507
3.2.5 Interest Rate Futures			-	-	-	-	-	-
3.2.5.1 Interest Rate Buy Futures			-	-	-	-	-	-
3.2.5.2 Interest Rate Sell Futures			-	-	-	-	-	-
3.2.6 Other			2,387,165	86,718,782	89,105,947	303,104	70,688,963	70,992,067
B. CUSTODY AND PLEDGES RECEIVED (IV+V+VI)			2,821,321,627	5,100,248,268	7,921,569,895	2,101,117,035	4,450,415,695	6,551,532,730
IV. ITEMS HELD IN CUSTODY			256,203,469	314,199,435	570,402,904	168,718,304	258,845,119	427,563,423
4.1 Customers' Securities Held			-	-	-	-	-	-
4.2 Investment Securities Held in Custody			145,968,039	9,938,561	155,906,600	89,804,295	10,527,854	100,332,149
4.3 Cheques Received for Collection			98,646,479	145,603,209	244,249,688	71,751,500	122,441,796	194,193,296
4.4 Commercial Notes Received for Collection			7,285,957	75,099,924	82,385,881	4,991,481	59,891,659	64,883,140
4.5 Other Assets Received for Collection			-	-	-	-	-	-
4.6 Assets Received for Public Offering			-	-	-	-	-	-
4.7 Other Items Under Custody			4,302,994	83,557,741	87,860,735	2,171,028	65,983,810	68,154,838
4.8 Custodians			-	-	-	-	-	-
V. PLEDGED ITEMS			2,565,118,158	4,786,048,833	7,351,166,991	1,932,398,731	4,191,570,576	6,123,969,307
5.1 Marketable Securities			100,345,097	472,290,340	572,635,437	90,629,125	377,511,569	468,140,694
5.2 Guarantee Notes			36,931,932	115,217,517	152,149,449	28,760,470	101,929,480	130,689,950
5.3 Commodity			474,402,725	683,951,078	1,158,353,803	372,589,614	538,762,101	911,351,715
5.4 Warranty			-	-	-	-	-	-
5.5 Real Estates			1,318,538,444	2,134,925,561	3,453,464,005	925,688,136	2,060,964,425	2,986,652,561
5.6 Other Pledged Items			634,899,960	1,379,664,337	2,014,564,297	514,731,386	1,112,403,001	1,627,134,387
5.7 Pledged Items- Depository			-	-	-	-	-	-
VI. ACCEPTED BILL, GUARANTEES AND SURETIES			-	-	-	-	-	-
TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)			4,336,351,275	6,959,099,191	11,295,450,466	3,083,853,277	5,974,847,172	9,058,700,449



Türkiye İş Bankası A.Ş.

Consolidated Statement Of Profit Or Loss
As Of December 31, 2024

(Amounts expressed in thousand Turkish Lira (TL) unless otherwise stated.)

		THOUSAND TL	
		CURRENT PERIOD	PRIOR PERIOD
		(01/01-31/12/2024)	(01/01-31/12/2023)
STATEMENT OF PROFIT OR LOSS			
	Foot- notes		
I. INTEREST INCOME	V-IV-a	599,018,187	257,253,164
1.1 Interest Income on Loans		380,317,581	164,230,889
1.2 Interest Income on Reserve Deposits		38,907,298	774,911
1.3 Interest Income on Banks		11,870,730	3,771,730
1.4 Interest Income on Money Market Placements		5,082,529	2,347,134
1.5 Interest Income on Marketable Securities Portfolio		149,873,888	78,317,720
1.5.1 Financial Assets At Fair Value Through Profit or Loss		834,417	475,254
1.5.2 Financial Assets At Fair Value Through Other Comprehensive Income		77,153,729	45,774,148
1.5.3 Financial Assets At Measured at Amortised Cost		71,885,742	32,068,318
1.6 Financial Lease Income		4,423,628	3,029,117
1.7 Other Interest Income		8,542,533	4,781,663
II. INTEREST EXPENSE (-)	V-IV-b	519,552,264	168,229,605
2.1 Interest on Deposits		363,043,560	121,340,486
2.2 Interest on Funds Borrowed		27,078,206	14,506,563
2.3 Interest on Money Market Funds		100,938,153	11,181,957
2.4 Interest on Securities Issued		22,586,177	10,339,531
2.5 Financial Lease Expense		762,950	398,684
2.6 Other Interest Expenses		5,143,218	10,462,384
III. NET INTEREST INCOME (I - II)		79,465,923	89,023,559
IV. NET FEES AND COMMISSIONS INCOME		85,362,010	40,133,066
4.1 Fees and Commissions Received		119,002,943	56,642,029
4.1.1 Non-cash Loans		5,682,387	3,880,249
4.1.2 Other		113,320,556	52,761,780
4.2 Fees and Commissions Paid		33,640,933	16,508,963
4.2.1 Non-cash Loans		182,192	143,376
4.2.2 Other		33,458,741	16,365,587
V. DIVIDEND INCOME	V-IV-c	318,657	421,522
VI. TRADING INCOME/(LOSS) (Net)	V-IV-ç	9,971,460	40,744,739
6.1 Gains/(Losses) on Securities Trading		36,473,316	17,928,872
6.2 Derivative Financial Transactions Gains/Losses		(57,793,868)	(936,083)
6.3 Foreign Exchange Gains/(Losses)		31,292,012	23,751,950
VII. OTHER OPERATING INCOME	V-IV-d	105,707,600	64,136,738
VIII. GROSS OPERATING INCOME (III+IV+V+VI+VII)		280,825,650	234,459,624
IX. EXPECTED CREDIT LOSS (-)	V-IV-e	24,863,488	19,759,355
X. OTHER PROVISION EXPENSES (-)	V-IV-e	837,375	4,630,217
XI. PERSONNEL EXPENSE (-)		58,041,531	30,644,805
XII. OTHER OPERATING EXPENSES (-)	V-IV-f	135,154,108	93,011,616
XIII. NET OPERATING INCOME/(LOSS) (VIII-IX-X-XI-XII)		61,929,148	86,413,631
XIV. AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER		-	-
XV. PROFIT/LOSS FROM ASSOCIATES ACCOUNTED FOR USING THE EQUITY METHOD		10,167,726	13,434,857
XVI. NET MONETARY POSITION GAIN/LOSS		-	-
XVII. PROFIT/LOSS ON CONTINUING OPERATIONS BEFORE TAX (XIII+...+XVI)	V-IV-g	72,096,874	99,848,488
XVIII. TAX PROVISION FOR CONTINUING OPERATIONS (±)	V-IV-ğ	8,329,621	13,478,534
18.1 Current Tax Provision		14,969,691	20,258,987
18.2 Deferred Tax Income Effect (+)		16,495,076	7,439,918
18.3 Deferred Tax Expense Effect (-)		23,135,146	14,220,371
XIX. NET PERIOD PROFIT/LOSS FROM CONTUNUING OPERATIONS (XVI±XVII)	V-IV-h	63,767,253	86,369,954
XX. INCOME ON DISCONTINUED OPERATIONS		-	-
19.1 Income on Assets Held for Sale		-	-
19.2 Gain on Sale of Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures)		-	-
19.3 Other Income on Discontinued Operations		-	-
XXI. EXPENSE ON DISCONTINUED OPERATIONS (-)		-	-
20.1 Expense on Assets Held for Sale		-	-
20.2 Loss on Sale of Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures)		-	-
20.3 Other Expense on Discontinued Operations		-	-
XXII. PROFIT/LOSS ON DISCONTINUED OPERATIONS BEFORE TAX (XX-XXI)	V-IV-g	-	-
XXIII. TAX PROVISION FOR DISCONTINUED OPERATIONS (±)	V-IV-ğ	-	-
22.1 Current Tax Provision		-	-
22.2 Deferred Tax Expense Effect (+)		-	-
22.3 Deferred Tax Income Effect (-)		-	-
XXIV. NET PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)	V-IV-h	-	-
XXV. NET PERIOD PROFIT/LOSS (XIX+XXIV)	V-IV-ı	63,767,253	86,369,954
25.1 Group's Profit/Loss		45,536,879	72,253,773
25.2 Non-controlling Interest Profit/Loss (-)		18,230,374	14,116,181
Earnings per Share ^(*)	III-XX	1.8215	2.8902

(*) Presentation of the earnings/losses per share corresponding to each share with a nominal value of 1 TL.

Türkiye İş Bankası A.Ş.

Consolidated Statement Of Profit Or Loss And
Other Comprehensive Income As Of December 31, 2024

(Amounts expressed in thousand Turkish Lira (TL) unless otherwise stated.)

		THOUSAND TL	
		CURRENT PERIOD	PRIOR PERIOD
		(01/01-31/12/2024)	(01/01-31/12/2023)
PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME			
I. PROFIT/LOSS FOR THE PERIOD		63,767,253	86,369,954
II. OTHER COMPREHENSIVE INCOME		9,685,017	16,285,846
2.1 Other comprehensive income that will not be reclassified to profit or loss		26,456,998	27,358,460
2.1.1 Revaluation Surplus on Tangible Assets		20,270,713	19,312,374
2.1.2 Revaluation Surplus on Intangible Assets		-	-
2.1.3 Gains/(Losses) on remeasurements of Defined Benefit Plans		(1,410,534)	11,018
2.1.4 Other Income/Expense Items of Other Comprehensive Income not to be Reclassified to Profit Or Loss		10,923,827	8,385,793
2.1.5 Taxes Relating To Components Of Other Comprehensive Income not to be Reclassified To Profit Or Loss		(3,327,008)	(350,725)
2.2 Other Income/Expense Items not be Reclassified to Profit or Loss		(16,771,981)	(11,072,614)
2.2.1 Exchange Differences on Translation		2,380,198	6,527,303
2.2.2 Valuation and/or Reclassification Profit or Loss from Financial Assets at Fair Value through Other Comprehensive Income		(33,107,806)	(28,885,874)
2.2.3 Income/(Loss) Related with Cash Flow Hedges		-	-
2.2.4 Income/(Loss) Related with Hedges of Net Investments in Foreign Operations		(1,691,123)	(1,121,189)
2.2.5 Other Income/Expense Items of Other Comprehensive Income to be Reclassified to Other Profit or Loss		5,120,684	4,723,021
2.2.6 Taxes Relating To Components Of Other Comprehensive Income to be Reclassified To Profit Or Loss		10,526,066	7,684,125
III. TOTAL COMPREHENSIVE INCOME (I+II)		73,452,270	102,655,800



Türkiye İş Bankası A.Ş.

Consolidated Statement Of Changes In Shareholders’ Equity

As Of December 31, 2024

(Amounts expressed in thousand Turkish Lira (TL) unless otherwise stated.)

THOUSAND TL										THOUSAND TL								
CHANGES IN SHAREHOLDERS' EQUITY	Foot- notes	Paid-in Capital	Share Premium	Share Certificate Cancellation Profits	Other Capital Reserves	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 Shareholders' Equity Except Non- controlling Interest	Non- controlling Interest	Total Shareholder's Equity	
						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⁾							
PRIOR PERIOD (31/12/2023)	V-V																	
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	72,625,319		268,197,169	35,159,671	303,356,840
CURRENT PERIOD (31/12/2024)																		
I. Beginning Balance		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	72,625,319		268,197,169	35,159,671	303,356,840
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	138,553		1,131,401	31,172,456	(2,620,265)	16,976,367		12,499,003	2,959,293	12,454,863	110,860,179	72,625,319		268,197,169	35,159,671	303,356,840
IV. Total Comprehensive Income						14,557,398	(916,424)	10,932,881		2,359,194	(22,918,420)	3,927,470			45,536,879	53,478,978	19,973,292	73,452,270
V. Capital Increase in Cash																		
VI. Capital Increase Through Internal Reserves		15,000,000											(15,000,000)					
VII. Paid-in-Capital inflation adjustment difference																		
VIII. Convertible Bonds																		
IX. Subordinated Debt																		
X. Increase/(Decrease) Through Other Changes ^(*)				(17,162)	3,344,684	(636,906)	(12)						121,530	670,834		3,482,968	32,092	3,515,060
XI. Profit Distribution													60,721,859	(67,712,088)		(6,990,229)	(621,827)	(7,612,056)
11.1 Dividend Paid														(7,017,722)		(7,017,722)	(631,084)	(7,648,806)
11.2 Transfer to Reserves													60,694,366	(60,694,366)				
11.3 Other ^(**)													27,493			27,493	9,257	36,750
Ending Balance (III+IV++X+XI)		25,000,000	121,391	-	4,476,085	45,092,948	(3,536,701)	27,909,248		14,858,197	(19,959,127)	16,382,333	156,703,568	5,584,065	45,536,879	318,168,886	54,543,228	372,712,114

⁽¹⁾ The accumulated amounts of items from investments valued using the equity method that will not be classified in profit or loss from other comprehensive income, along with other comprehensive income items that will not be reclassified as other gains or losses.

⁽²⁾ Gains/losses from hedging against net investment risk related to foreign operations, the portions of investments valued using the equity method that will be classified in profit or loss from other comprehensive income, and the accumulated amounts of other comprehensive income items that will be reclassified as other gains or losses.

⁽³⁾ It includes the effects of changes made within the framework of the compliance of the group companies with the accounting policies applied in the preparation of the group's consolidated financial statements, as well as changes in the group's shares.

^(*) Provisions allocated for profit distribution to personnel in the relevant period, in accordance with TAS 19 “Employee Benefits,” have been added to the distributable profit amount.



Consolidated Statement Of Cash Flows
As Of December 31, 2024

(Amounts expressed in thousand Turkish Lira (TL) unless otherwise stated.)

		THOUSAND TL	
		CURRENT PERIOD	PRIOR PERIOD
		(01/01-31/12/2024)	(01/01-31/12/2023)
A.	CASH FLOWS FROM BANKING OPERATIONS		
1.1	Operating Profit Before Changes in Operating Assets and Liabilities	105,489,934	86,645,439
1.1.1	Interest Received	553,873,874	211,263,314
1.1.2	Interest Paid	(507,499,807)	(143,037,374)
1.1.3	Dividend Received	1,441,904	1,617,556
1.1.4	Fees and Commissions Received	119,145,339	56,642,029
1.1.5	Other Income	104,620,903	56,180,996
1.1.6	Collections from Previously Written Off Loans and Other Receivables	6,777,599	5,507,942
1.1.7	Cash Payments to Personnel and Service Suppliers	(105,511,641)	(58,075,682)
1.1.8	Taxes Paid	(26,009,879)	(21,023,710)
1.1.9	Other	(41,348,358)	(22,429,632)
	V-VI		
1.2	Changes in Operating Assets and Liabilities	78,690,917	355,067,984
1.2.1	Net (Increase)/Decrease in Financial Assets at Fair Value Through Profit or Loss	(21,379,730)	(3,554,663)
1.2.2	Net (Increase)/Decrease in Due From Banks	(90,454,554)	(51,891,917)
1.2.3	Net (Increase)/Decrease in Loans	(471,140,080)	(323,756,757)
1.2.4	Net (Increase)/Decrease in Other Assets	(58,675,890)	(65,666,161)
1.2.5	Net Increase/(Decrease) in Bank Deposits	(38,478,707)	79,303,708
1.2.6	Net Increase/(Decrease) in Other Deposits	393,135,704	555,677,084
1.2.7	Net Increase/(Decrease) in Financial Liabilities at Fair Value Through Profit or Loss	-	-
1.2.8	Net Increase/(Decrease) in Funds Borrowed	75,579,093	4,137,659
1.2.9	Net Increase/(Decrease) in Matured Payables	-	-
1.2.10	Net Increase/(Decrease) in Other Liabilities	290,105,081	160,819,031
	V-VI		
I.	Net Cash Provided From Banking Operations	184,180,851	441,713,423
B.	CASH FLOWS FROM INVESTING ACTIVITIES		
II.	Net Cash Provided from Investing Activities	(181,967,130)	(171,340,162)
2.1	Cash Paid for the Purchase of Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures)	(5,305,606)	(9,252,857)
2.2	Cash Obtained from Sale of Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures)	804,499	147,626
2.3	Cash Paid for the Purchase of Tangible Asset	(7,944,733)	(3,738,511)
2.4	Cash Obtained from the Sale of Tangible Asset	4,838,348	226,747
2.5	Cash Paid for Purchase of Financial Assets at Fair Value Through Other Comprehensive Income	(242,878,052)	(136,128,560)
2.6	Cash Obtained from Sale of Financial Assets at Fair Value Through Other Comprehensive Income	111,642,047	62,809,311
2.7	Cash Paid for Purchase of Financial Assets Measured at Amortised Cost	(125,503,427)	(121,861,350)
2.8	Cash Obtained from Sale of Financial Assets Measured at Amortised Cost ^(*)	89,906,221	40,745,444
2.9	Other	(7,526,427)	(4,288,012)
	V-VI		
C.	CASH FLOWS FROM FINANCING ACTIVITIES		
III.	Net cash provided from financing activities	(6,332,343)	4,185,113
3.1	Cash obtained from funds borrowed and securities issued	110,530,909	60,961,708
3.2	Cash used for repayment of funds borrowed and securities issued	(111,205,611)	(43,184,062)
3.3	Equity Instruments	-	-
3.4	Dividends Paid	(7,648,806)	(12,402,571)
3.5	Payments for Finance Leases	(2,078,635)	(1,189,962)
3.6	Other	4,069,800	-
	V-VI		
IV.	Effect of change in foreign exchange rate on cash and cash equivalents	1,954,703	8,591,643
	V-VI		
V.	Net increase in cash and cash equivalents	(2,163,919)	283,150,017
VI.	Cash and cash equivalents at beginning of the period	397,294,605	114,144,588
VII.	Cash and cash equivalents at end of the period	395,130,686	397,294,605

(*) It also includes financial assets measured at amortized cost.

Consolidated Statement Of Profit Distribution Table
As Of December 31, 2024

(Amounts expressed in thousand Turkish Lira (TL) unless otherwise stated.)

		THOUSAND TL	
		CURRENT PERIOD	PRIOR PERIOD
		(31/12/2024)	(31/12/2023)
I.	DISTRIBUTION OF CURRENT YEAR PROFIT ⁽¹⁾		
1.1	CURRENT PERIOD PROFIT ⁽²⁾	38,173,767	79,287,460
1.2	TAXES AND DUES PAYABLE (-)	-7,343,678	4,817,703
1.2.1	Corporate Tax (Income Tax)	901,131	9,929,002
1.2.2	Income Tax Withholding	636,915	286,855
1.2.3	Other Taxes and Dues Payable ⁽³⁾	-8,881,724	-5,398,154
A.	NET PROFIT FOR THE PERIOD (1.1-1.2)	45,517,445	74,469,757
1.3	PRIOR YEARS' LOSSES (-)	0	0
1.4	FIRST LEGAL RESERVES (-)	0	4,453,157
1.5	OTHER STATUTORY RESERVES (-)	0	1,165,806
B.	NET PROFIT ATTRIBUTABLE TO [(A-(1.3+1.4+1.5))]	45,517,445	68,850,794
1.6	FIRST DIVIDEND TO SHAREHOLDERS (-)		1,500,000
1.6.1	To Owners of Ordinary Shares	0	1,499,998
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	1,903,117
1.8	DIVIDENDS TO THE BOARD OF DIRECTORS (-)	0	0
1.9	SECOND DIVIDEND TO SHAREHOLDERS (-)	0	5,726,480
1.9.1	To Owners of Ordinary Shares	0	5,726,449
1.9.2	To Owners of Privileged Shares	0	21
1.9.3	To Owners of Preferred Shares	0	10
1.9.4	To Profit Sharing Bonds	0	0
1.9.5	To Holders of Profit / Loss Share Certificates	0	0
1.10	STATUTORY RESERVES (-)	0	0
1.11	EXTRAORDINARY RESERVES	0	59,721,197
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 (-)		
III.	EARNINGS PER SHARE		
3.1	TO OWNERS OF ORDINARY SHARES ⁽⁴⁾	1.8207	2.8906
3.2	TO OWNERS OF ORDINARY SHARES (%)	182	289
3.3	TO OWNERS OF PREFERRED SHARES ⁽⁴⁾	0	0
3.4	TO OWNERS OF PREFERRED SHARES (%)	0	0
IV.	DIVIDEND PER SHARE		
4.1	TO OWNERS OF ORDINARY SHARES ⁽⁴⁾	0	0.2891
4.2	TO OWNERS OF ORDINARY SHARES (%)	0	28.91
4.3	TO OWNERS OF PREFERRED SHARES ⁽⁴⁾	0	6.8493
4.4	TO OWNERS OF PREFERRED SHARES (%)	0	684.93

⁽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 1,905,000 allocated for the profit share to be distributed to the personnel in 2023 and added to the profit 1,905,000 TL distribution base of the same year, and TL 299,959 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.



Notes To The Consolidated Financial Statements For The Year Ended December 31, 2024

(Amounts expressed in thousand Turkish Lira (TL) unless otherwise stated.)
(Convenience Translation of the Independent Auditors' Report Originally Issued in Turkish (See Note I in Section Three))

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.

The format and content of the consolidated financial statements, as well as the explanations and footnotes, have been prepared in accordance with the “Communiqué on Financial Statements to be Disclosed to the Public by Banks and the Explanations and Footnotes Related to Them”, published in the Official Gazette No. 28337 on June 28, 2012, and the “Communiqué on Public Disclosure of Risk Management by Banks”, published in the Official Gazette No. 29511 on October 23, 2015, as well as the amendments and additions made to these communiqués. The Bank prepares its accounts in Turkish currency in accordance with the provisions of the Banking Law, the Turkish Commercial Code and the Turkish Tax Law.

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 December 31, 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, POA 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 December 31, 2023, will not be subject to the inflation adjustment required within the scope of TMS 29. In accordance with the Decision No. 10825 dated January 11, 2024, it was decided to switch to inflation accounting as of January 1, 2025. In this context, TMS 29 is not applied and and inflation adjustment has not been reflected in the financial statements dated December 31, 2024. However, pursuant to the BRSA's decision dated Decemebr 5, 2024 and numbered 11021, it has been decided that banks, as well as financial leasing, factoring, financing, savings financing, and asset management companies, will not apply inflation accounting in 2025.

TFRS 17 “Insurance Contracts” standard, published by POA on 16 February 2019 to be applied for accounting periods starting after 31 December 2022, 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 January 1, 2024. Based on the POA's letter dated 15 February 2024, and numbered 22667, the effective date of TFRS 17 has been postponed to 1 January 2025. On the other hand, the effective date of TFRS 17 was postponed from January 1, 2024, to January 1, 2025, due to an amendment made by the Insurance and Pension Regulation and Supervision Authority (SEDDK) in Article 13, paragraph (a) of the “Regulation Amending the Regulation on Financial Reporting of Insurance and Reinsurance Companies and Pension Companies”. In this regard, in a letter dated February 15, 2024, sent by KGK to the Turkish Banking Association, it was stated that the application of TFRS 17 for insurance companies, reinsurance companies, pension companies, banks with investments/partnerships in these companies and other companies with investments/partnerships in these companies has been postponed to January 1, 2025. As a result, the standard will not be applied in the financial statements for the period ending December 31, 2024.Furthermore, the SEDDK has changed the effective date of TFRS 17 to January 1, 2026, by a letter published in the Official Gazette No. 32765 on December 27, 2024. Accordingly, in a letter dated January 14, 2025, sent by KGK to the Turkish Banking Association, it was stated that the application of TFRS 17 in the consolidated and separate financial statements of insurance companies, reinsurance companies, pension companies, banks with investments/partnerships in these companies and other companies with investments/partnerships in these companies has been postponed to January 1, 2026.

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.

Notes To The Consolidated Financial Statements For The Year Ended December 31, 2024

(Amounts expressed in thousand Turkish Lira (TL) unless otherwise stated.)
(Convenience Translation of the Independent Auditors' Report Originally Issued in Turkish (See Note I in Section Three))

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 using liquidity facilities of the Central Bank of the Republic of Türkiye (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 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, 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.

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 November 01, 2023, to the 431 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”.



Notes To The Consolidated Financial Statements For The Year Ended December 31, 2024

(Amounts expressed in thousand Turkish Lira (TL) unless otherwise stated.)
(Convenience Translation of the Independent Auditors' Report Originally Issued in Turkish (See Note I in Section Three))

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 Türkiye 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 Ödeme Ve Elektronik Para Kuruluşu A.Ş. 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.

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.

Notes To The Consolidated Financial Statements For The Year Ended December 31, 2024

(Amounts expressed in thousand Turkish Lira (TL) unless otherwise stated.)
(Convenience Translation of the Independent Auditors' Report Originally Issued in Turkish (See Note I in Section Three))

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 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.

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 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.



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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 considering 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 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 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.

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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, but the financial asset is also 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.

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.



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VIII. Impairment of Financial Assets

In accordance with the “IFRS 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 IFRS 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 IFRS 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 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 based on 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 based on 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

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.

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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.

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.



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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.

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.

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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 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.

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, lease liabilities are calculated by discounting future lease payments using the Bank's borrowing rate at the inception or contract date. The interest expense relating to the lease liability for each period is the amount determined by applying a fixed periodic interest rate to the remaining balance of the lease liability. Interest expense on lease liabilities and exchange differences are recognized in the income 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

Claims are recognized as expenses as incurred, and a provision for outstanding claims is recognized for both reported but unpaid claims and incurred but not reported (IBNR) claims at the end of the period. Reinsurer shares of paid claims are netted off accordingly.

Additionally, appropriate actuarial methods are used to estimate the amount of provision required in the current period based on past claim data. The resulting provision amount is either added to or deducted from the outstanding claims provision.

Insurance premium income represents the total amount of policy premiums issued during the period, net of cancellations. Earned premium income is recognized in the financial statements on an accrual basis by allocating an unearned premium reserve over the written premiums.



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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.

Provisions for ongoing risks are allocated if any deficiency is identified based on the assessment of the adequacy of recognized technical provisions, using current estimates of future cash flows.

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 Türkiye) 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 November 30, 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.



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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 Parent Bank obtained a technical actuarial valuation report from a licensed actuary for the year ended December 31, 2024. 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, 2024 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 dated May 31, 2006 and numbered 5510, with the Law No. 7438 published in the Official Gazette dated March 1, 2023 and numbered 32121, among those who request pension after the effective date of the relevant article, those who will be granted an old-age or retirement pension according to the relevant regulations, are provided with the opportunity to benefit from old-age and retirement pensions if they meet the 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.

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 January 1, 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 July 15, 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 October 1, 2023 and applying to corporate earnings of institutions for the year 2023 and subsequent taxation periods. The corporate tax rate valid for the period December 31,2024 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.

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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 July 15, 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 July 15, 2023. The 50% rate will be applied as 25% for the real estate sales earnings to be made after July 15, 2023.

Additionally, with Presidential Decree No. 9160 published in the Official Gazette dated November 27, 2024, and numbered 32735, the exemption rate for gains arising from the sale of participation shares, founder's shares, usufruct shares, and pre-emptive rights has been reduced to 50%.

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 January 29, 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 December 31, 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 December 31, 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.

On July 16, 2024, Türkiye began adopting the OECD's Global Minimum Tax (Pillar 2) regulations through a Bill submitted to the Grand National Assembly of Türkiye. These regulations entered into force with Law No. 7524, published in the Official Gazette No. 32620 on August 2, 2024. The implementation in Türkiye is largely aligned with the OECD's Pillar 2 Model Rules, showing similarities in terms of scope, exemptions, consolidation, tax calculations, and reporting deadlines. However, secondary legislation detailing the calculation methods and implementation approach has not yet been published, and specific issues such as Türkiye's unique circumstances and existing incentives are expected to be clarified through the Ministry's secondary regulations. These changes have not had a significant impact on the Group's financial position or performance.

Additionally, Article 36 of Law No. 7524 has introduced Article 32/C, titled "Domestic Minimum Corporate Tax," into the Corporate Tax Law. According to this regulation, the corporate tax calculated under Articles 32 and 32/A cannot be less than 10% of the corporate income before applying deductions and exemptions. This regulation entered into force upon publication and will apply to corporate income for the 2025 tax period. Furthermore, Communiqué No. 23 on Corporate Tax was published in the Official Gazette No. 32676 on September 28, 2024, regarding this matter.



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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 over the tax rates that are valid or nearly effective in the period when the assets are realized, or the 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 associated with equity in the same or a different period.

According to the amendment to Article 32 of the Corporate Tax Law made by Law No. 7394, the corporate tax rate was set at 25% for tax periods starting from 1 January 2022 and for tax returns due from 1 July 2022 onwards. Furthermore, as per the amendment to Article 32 of the Corporate Tax Law introduced by Law No. 7456, published in the Official Gazette No. 32249 on 15 July 2023, the corporate tax rate has been adjusted to 30% for tax periods beginning on or after 1 October 2023, applicable to corporate earnings for 2023 and subsequent tax periods. The bank has used the 30% rate for its deferred tax calculations.

According to the temporary Article 33 of the Tax Procedure Law, the tax effects arising from the inflation adjustment of corporate tax have been included in the deferred tax calculation in the financial statements.

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.

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 are subject to 25% corporate tax in England. 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. Respect to the current year, if the tax base calculated in accordance with the country legislation is within a certain range, the 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.

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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 25% corporate tax. The taxable amount is determined on an accrual basis and calculated by adding non-deductible expenses to the corporate profit generated during the period. In Russia, corporations file tax returns on a quarterly basis and make provisional tax payments by offsetting the prepayments made during the period. The final taxation period for corporate income tax is one year, and the final tax payment, considering the provisional taxes paid during the year, must be made by March 28 of the following year. Coupon income derived from government bonds issued by the Russian Federation and Belarus, as well as Ruble-denominated and certain other specific bonds issued by Russian companies on or after January 1, 2017, and traded on the stock exchange, is subject to corporate income tax at a rate of 20%. The tax on income from these securities, similar to the taxation of other securities, is paid within a unified monthly tax payment framework.

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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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

Transaction costs related to the issuance of shares are accounted for as expenses. Dividend income related with the equity shares are determined by the Parent Bank's General Assembly of the Shareholders. Dividends to be distributed are calculated independently of earnings/loss per share.

According to the "IAS 33 Earnings per Share" standard, the calculation of earnings per share considers the weighted average number of shares. In cases where the number of shares increases due to bonus issues resulting from capital increases via internal sources, earnings per share calculations for comparative periods are adjusted by recalculating the previously determined weighted average number of shares. This adjustment assumes that the bonus issue occurred at the beginning of the comparative period. If such changes in the number of shares occur after the balance sheet date but before the financial statements are approved for publication, earnings per share calculations are also based on the new number of shares.

The Bank's paid-in capital is 25,000,000 TL, which corresponds to a total of 625,002,250 shares divided into A, B, and C groups. This consists of 1 TL in A group shares, each with a nominal value of 1 Kuruş, 29,000 TL in B group shares, each valued at 1 Kuruş, and 24,999,970 TL in C group shares, each with a nominal value of 4 Kuruş. For comparability with the previous period's calculations, which was based on 625,002,250 shares, the earnings per share, calculated per 1 nominal TL using a total of 25,000,000 shares that make up the paid-in capital, is presented below in its updated version.

	Current Period	Prior Period
Group's net profit	45,536,879	72,253,773
Number of shares in nominal TL equivalent (thousands)	25,000,000	25,000,000
Earnings per share - (in exact TL)	1.8215	2.8902

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 VII.

XXVII. Other Disclosures

None.

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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 standard ratio is 18.15%. (December 31,2023: 19.86%). The capital adequacy standard ratio has been calculated based on the Regulation on Banks' Own Funds, the Regulation on the Measurement and Assessment of Capital Adequacy of Banks, the Banking Regulation and Supervision Agency (BRSA) decision dated December 12, 2023 and numbered 10747, as well as other relevant legal regulations. In accordance with the aforementioned Board decision, the amount subject to credit risk has been calculated using the foreign exchange buying rates of the Central Bank of the Republic of Türkiye as of June 26, 2023, while the equity component has been determined without considering the negative net valuation differences of securities classified under the "Financial Assets at Fair Value Through Other Comprehensive Income" portfolio that were acquired on or before January 1,2024.

	Current Period	Prior Period
COMMON EQUITY TIER I CAPITAL		
Paid-in Capital to be Entitled for Compensation after All Creditors	26,615,938	11,615,938
Share Premium	121,391	138,553
Legal Reserves	155,363,002	109,809,482
Other Comprehensive Income According to TAS	120,761,699	87,512,538
Profit	51,120,944	72,625,319
Net Current Period Profit	45,536,879	72,253,773
Prior Period Profit	5,584,065	371,546
Bonus Shares from Associates, Subsidiaries and Joint-Ventures not Accounted in Current Period's Profit	(1,070)	(1,070)
Minority Shares	7,066,791	4,542,611
Common Equity Tier I Capital Before Deductions	361,048,695	286,243,371
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	11,989,792	7,950,753
Leasehold improvements on operational leases	524,607	271,232
Goodwill Netted with Deferred Tax Liabilities	27,994	27,994
Other Intangible Assets Netted with Deferred Tax Liabilities Except Mortgage Servicing Rights	11,553,162	6,858,049
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	3,861,893	
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	489,198	799,140
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		



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	Current Period	Prior Period
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		
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	28,446,646	15,907,168
Total Common Equity Tier I capital	332,602,049	270,336,203
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	10,519,950	
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	8,628,444	5,348,088
Shares of Third Parties in Additional Tier I Capital (Covered by Temporary Article 3)		
Additional Tier I Capital before Deductions	19,148,394	5,348,088
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	19,148,394	5,348,088
Total Tier I Capital (Tier I Capital= Common Equity Tier I Capital + Additional Tier I Capital)	351,750,443	275,684,291
TIER II CAPITAL		
Debt Instruments and the Related Issuance Premiums Defined by the BRSA	38,110,000	35,660,250
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	3,606,241	2,262,711
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)	25,171,023	18,868,119
Tier II Capital before Regulatory Adjustments	66,887,264	56,791,080

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	Current Period	Prior Period
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	66,887,264	56,791,080
Total Equity (Total Tier I and Tier II Capital)	418,637,707	332,475,371
Deductions from Total Equity	6,269	3,230
Loans Granted against the Articles 50 and 51 of the Banking Law	6,269	3,230
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		
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)	418,631,438	332,472,141
Total Risk Weighted Assets	2,306,082,780	1,673,761,385
CAPITAL ADEQUACY RATIOS		
Consolidated CET1 Capital Ratio (%)	14.42	16.15
Consolidated Tier I Capital Ratio (%)	15.25	16.47
Consolidated Capital Adequacy Ratio (%)	18.15	19.86
BUFFERS		
Total Additional Common Equity Requirement Ratio (a+b+c)	4.080	4.070
a) Capital Conservation Buffer Ratio (%)	2.500	2.500
b) Bank-specific Counter-Cyclical Capital Buffer Ratio (%)	0.080	0.070
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 (%)	9.25	10.47



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	Current Period	Prior Period
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	554,844	453,026
Remaining Mortgage Servicing Rights		
Net Deferred Tax Assets arising from Temporary Differences	30,811,538	14,637,453
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)	34,382,763	26,712,369
General Loan Provisions for Exposures in Standard Approach Limited by 1.25% of Risk Weighted Assets	25,171,023	18,868,119
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 January 1, 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)	10,500	26,250
Par value of instrument (Expressed in million TL)	17,500	26,250
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 BRSA, (a) can redeem all bonds if any taxes imposed or levied (b) can redeem all bonds in case of the deduction from equity.	Upon obtaining the approval of the Banking Regulation and Supervision Agency (BRSA), the Bank exercised its redemption option on January 22, 2025, and accordingly, all bonds were fully redeemed as of the said date.
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)	In the event that the Bank incurs losses leading to (1) the revocation of its operating license and liquidation pursuant to Article 71 of the Banking Law, or ⁽²⁾ the transfer of its shareholders' rights (excluding dividends), as well as the Bank's management and supervision to the Savings Deposit Insurance Fund (TMSF), provided that the losses are deducted from the existing shareholders' equity, or if there is a possibility of such circumstances, the related amounts may be derecognized from the records based on a decision to be taken by the Banking Regulation and Supervision Agency (BRSA).	In the event that the Bank incurs losses leading to (1) the revocation of its operating license and liquidation pursuant to Article 71 of the Banking Law, or ⁽²⁾ the transfer of its shareholders' rights (excluding dividends), as well as the Bank's management and supervision to the Savings Deposit Insurance Fund (TMSF), provided that the losses are deducted from the existing shareholders' equity, or if there is a possibility of such circumstances, the related amounts may be derecognized from the records based on a decision to be taken by the Banking Regulation and Supervision Agency (BRSA).
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 January 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)	440	640	280
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	No earlier than 5 years after issuance.	No earlier than 5 years after issuance.	No earlier than 5 years after issuance.
Subsequent call dates, if applicable	No earlier than 5 years after issuance.	No earlier than 5 years after issuance.	No earlier than 5 years after issuance.
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			
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.



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If write-down, write-down trigger(s)	In the event that the Bank incurs losses leading to (1) the revocation of its operating license and liquidation pursuant to Article 71 of the Banking Law, or (2) the transfer of its shareholders' rights (excluding dividends), as well as the Bank's management and supervision to the Savings Deposit Insurance Fund (SDIF), provided that the losses are deducted from the existing shareholders' capital, or if there is a possibility of such circumstances, the relevant amounts may be derecognized from the records based on a decision to be made by the Banking Regulation and Supervision Agency (BRSA).	In the event that the Bank incurs losses leading to (1) the revocation of its operating license and liquidation pursuant to Article 71 of the Banking Law, or (2) the transfer of its shareholders' rights (excluding dividends), as well as the Bank's management and supervision to the Savings Deposit Insurance Fund (SDIF), provided that the losses are deducted from the existing shareholders' capital, or if there is a possibility of such circumstances, the relevant amounts may be derecognized from the records based on a decision to be made by the Banking Regulation and Supervision Agency (BRSA).	In the event that the Bank incurs losses leading to (1) the revocation of its operating license and liquidation pursuant to Article 71 of the Banking Law, or (2) the transfer of its shareholders' rights (excluding dividends), as well as the Bank's management and supervision to the Savings Deposit Insurance Fund (SDIF), provided that the losses are deducted from the existing shareholders' capital, or if there is a possibility of such circumstances, the relevant amounts may be derecognized from the records based on a decision to be made by the Banking Regulation and Supervision Agency (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.

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Issuer	Türkiye Sınai Kalkınma Bankası A.Ş.
Unique identifier (CUSIP, ISIN etc.)	XS2778918834 US90015YAF60
Governing law(s) of the instrument	Regulation on Equity of Banks (Official Gazette Date: 05 September 2013 Official Gazette Number: 28756) Capital Markets Board Communiqué on Debt Instruments VII-128.8 (Official Gazette Date: 07 June 2013 Official Gazette Number: 28670)
Taking into account in equity calculation	
Subject to 10% deduction as of January 1, 2015	No
Eligible at unconsolidated/consolidated	Applicable on consolidated and unconsolidated basis
Instrument type (types to be specified by each jurisdiction)	Bond issuance to be included in the calculation of Additional Tier I Capital
Amount recognized in regulatory capital (Currency in TL million, as of most recent reporting data)	300
Nominal value of instrument (TL Million)	300
Accounting classification	347001 (Passive Account) - Subordinated Bonds
Original date of issuance	21 March 2024
Perpetual or dated	Perpetual
Original maturity date	21 March 2024
Issuer call subject to prior supervisory approval	Yes
Optional call date, contingent call dates and redemption amount	On 21 March 2029, there is an option to repay for the first 5 years (after the 5th year).
Subsequent call dates, if applicable	After the 5th year, the option can be exercised, if not exercised after the 5th year, it can be exercised on each 5th anniversary.
Interest/Dividend Payment	
Fixed or floating coupon/dividend payments	Pay fixed interest every 6 months
Coupon rate and any related index	9.75%
Existence of a dividend stopper	Yes
Fully discretionary, partially discretionary or mandatory	Partially discretionary
Existence of step up or other incentive to redeem	No
Noncumulative or cumulative	Noncumulative
Convertible into equity shares	
If convertible, conversion trigger (s)	None.
If convertible, fully or partially	None.
If convertible, conversion rate	None.
If convertible, mandatory or optional conversion	None.
If convertible, specify instrument type convertible into	None.
If convertible, specify issuer of instrument it converts into	None.
Write-down feature	
If write-down, write-down trigger(s)	None.
If bond can be written-down, full or partially	Partially or Completely
If bond can be written-down, permanent or temporary	Permanent and temporary
If temporary write-down, description of write-up mechanism	None.
Position in subordination hierarchy in case of liquidation (instrument type immediately senior to the instrument)	After contributed capital
Meets the conditions in Article 7. Does not meet the conditions in Article 8.	Meets the conditions in Article 7. Does not meet the conditions in Article 8.
Details of incompliances with article number 7 and 8 of Regulation on Bank Capital	Meets the conditions in Article 7. Does not meet the conditions in Article 8.



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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	372,712,114	360,987,975
Group Share	318,168,886	341,686,499
Minority Interest	54,543,228	19,301,476
Leasehold improvements on operational leases	524,607	(524,607)
Goodwill and intangible assets	12,314,368	(11,581,156)
Provisions	34,382,763	25,171,023
Subordinated debt	57,786,197	48,629,950
Deductions from shareholders’ equity	4,051,747	(4,051,747)
Capital		418,631,438

⁽¹⁾ These values are calculated in accordance with the provisions of the Regulation on Banks’ Own Funds. Within this framework, up to 1.25% of Stage 1 and Stage 2 expected credit loss provisions relative to the credit risk exposure amount, as well as the amount of subordinated debt instruments determined in accordance with the Regulation, have been considered in the own funds calculation. Furthermore, the own funds amount and credit risk exposure amount calculated pursuant to the Banking Regulation and Supervision Agency’s regulation dated December 12, 2023, and numbered 10747 have been used in the calculation.

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 Türkiye.

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 “IFRS 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

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different risk classes according to the types and amounts of disaggregated risks are listed below the average for the period.

	Current Period Risk Amount	Average Risk Amount ⁽²⁾
Amount subject to credit risk ⁽¹⁾		
Risk Classifications		
Conditional and Unconditional Exposures to Central Governments or Central Banks	1,210,315,637	1,109,051,031
Conditional and Unconditional Exposures to Regional Governments or Local Authorities	1,989,815	688,780
Conditional and Unconditional Exposures to Administrative Bodies and Non-Commercial Undertakings	1,021,542	654,641
Conditional and Unconditional Exposures to Multilateral Development Banks	1,227,766	1,273,311
Conditional and Unconditional Exposures to International Organizations		
Conditional and Unconditional Exposures to Banks and Brokerage Houses	226,821,908	213,026,848
Conditional and Unconditional Exposures to Corporate	1,184,950,160	1,064,196,274
Conditional and Unconditional Retail Exposures	651,562,744	499,027,034
Exposures Secured by Residential Real Estate Property	87,070,702	70,750,018
Exposures Secured by Commercial Real Estate Property	77,913,658	55,692,435
Past Due Loans	10,721,451	8,828,459
Items in Regulatory High-risk Categories	2,589,407	140,613,779
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	35,564,124	31,078,050
Stock Investments	200,199,976	186,876,043
Other Items	115,142,874	101,333,440

⁽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.

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 23% and 31% respectively (December 31, 2023: 27%, 35%).

(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 41% and 52% respectively (December 31, 2023: 43%, 55%).

(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 12% and 17% (December 31, 2023: 13%, 17%).

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



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31,794,826 (December 31, 2023: TL 24,851,338).

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	56.02%	54.21%
Standard	33.70%	38.36%
Below Standard	10.28%	7.43%

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⁾	3,858,013	15,091,156		1,880,399	14,321,198	
Cash Collateral (Cash, securities pledge, etc.)	171,032	534,432		62,125	989,423	
Pledge on Wages and Vehicles	9,209,580	2,185,368		4,716,955	543,210	
Cheques & Notes		81,763			91,078	
Other (Suretyship, commercial enterprise under pledge, commercial papers, etc.)	815,937	53,993,155		387,931	59,642,176	
Non-collateralized	20,363,162	13,827,811	42,206,705	11,258,893	9,398,114	14,807,864
Total	34,417,724	85,713,685	42,206,705	18,306,303	84,985,199	14,807,864

⁽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.

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	
	Net Value of the Collateral	Loan Balance	Net Value of the Collateral	Loan Balance
Real Estate Mortgage ⁽¹⁾	6,188,174	6,188,174	7,969,997	7,969,997
Cash Collateral	45,666	45,666	15,633	15,633
Vehicle Pledge	1,025,250	1,025,250	267,687	267,687
Other (Suretyship, commercial enterprise under pledge, commercial papers, etc.)	12,184,853	12,184,853	12,045,105	12,045,105

⁽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.

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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⁾	9,155,753	4,093,867	13,249,620
Corporate/Commercial Loans ⁽³⁾	628,836	765,539	1,394,375
Consumer Loans	1,956,899	890,325	2,847,224
Credit Cards	6,570,018	2,438,003	9,008,021
Lease Receivables ⁽¹⁾	26,991	730,635	757,626
Insurance Receivables	351,671	186,155	537,826
Total	9,534,415	5,010,657	14,545,072

⁽¹⁾ The loans classified under close monitoring that are not past due or past due for less than 31 days is TL 141,634,297.

⁽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 2,882,670 and TL 3,813,901 respectively.

⁽³⁾ Includes factoring receivables.

Prior 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 balance of loans classified under close monitoring, which are either not past due or past due for less than 31 days, amounts to TL 109,134,062.

⁽²⁾ The related figures include only the overdue amounts of scheduled commercial loans and installment-based consumer loans. The outstanding principal amounts of these loans, which have not yet reached their due dates, are TL 1,412,908 and TL 2,958,416, respectively.

⁽³⁾ Includes factoring receivables.



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12. Profile of Significant Risk Exposures in Major Regions

							Investments in Associates, Subsidiaries and Jointly Controlled Entities	Unallocated Assets/ Liabilities ⁽³⁾	
Current Period	Domestic	European Union	OECD Countries ⁽²⁾	Off-Shore Banking Regions	USA, Canada	Other Countries			Total
Risk Groups ⁽¹⁾									
Receivables from Central Governments or Central Banks	1,169,245,680	8,227,202			494,693	32,348,062			1,210,315,637
Receivables from Regional Government or Domestic Government	1,989,784					31			1,989,815
Receivables from Administrative Units and Non-Commercial Enterprises	1,021,387					155			1,021,542
Receivables from Multilateral Development Banks		215,541	1,012,225						1,227,766
Receivables from International Organizations									
Receivables from Banks and Intermediaries	135,602,327	33,136,706	42,534,070	665,780	8,949,441	5,933,584			226,821,908
Corporate Receivables	1,125,058,779	11,325,177	20,531,966	2,119,571	176,561	25,738,106			1,184,950,160
Retail Receivables	641,842,936	1,499,087	564,626	5,810	207,318	7,442,967			651,562,744
Receivables Secured by Residential Property	163,787,121	353,651	211,133	2,983	82,649	546,823			164,984,360
Non-Performing Receivables	10,521,522	120,438	25,871	66	10,702	42,852			10,721,451
Receivables are identified as high risk by the Board	2,529,230	60,156	9			12			2,589,407
Secured Marketable Securities									
Short-term Receivables and Short-term Corporate Receivables from Banks and Intermediaries									
Investments as Collective Investment Institutions	35,564,124								35,564,124
Other Receivables	199,875,557		324,419						200,199,976
Stock Investments							115,142,874		115,142,874
Total	3,487,038,447	54,937,958	65,204,319	2,794,210	9,921,364	72,052,592	115,142,874		3,807,091,764

⁽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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							Investments in Associates, Subsidiaries and Jointly Controlled Entities	Unallocated Assets/ Liabilities ⁽³⁾	
Prior Period	Domestic	European Union	OECD Countries ⁽²⁾	Off-Shore Banking Regions	USA, Canada	Other Countries			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.



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13. Risk Profile by Sectors or Counterparties:

	Current Period								Current Period									
	Consolidated								Consolidated									
	(1) ^(*)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	TL	FC	Total	
Sectors/Counterparty ^(*)																		
Agriculture	77,010		38				13,757,348	35,313,991		2,284,153	163,683	553			46,127,463	5,469,313	51,596,776	
Farming and Stockbreeding	75,074		38				9,812,637	35,094,922		2,240,461	162,083	549			45,701,166	1,684,598	47,385,764	
Forestry	1,768						111,348	115,070		16,527	1,593	1			226,614	19,693	246,307	
Fishing	168						3,833,363	103,999		27,165	7	3			199,683	3,765,022	3,964,705	
Industry	5,193,866		1,686				542,884,130	38,740,713		30,309,454	1,307,103	395,781		80,680,556	319,683,430	379,829,859	699,513,289	
Mining	127,592						9,984,341	649,597		771,985	3,195	11,921			5,841,193	5,707,438	11,548,631	
Production	5,043,690						422,146,243	37,549,802		28,242,855	934,880	376,095		80,680,556	288,819,788	286,154,333	574,974,121	
Electricity, gas, and water	22,584		1,686				110,753,546	541,314		1,294,614	369,028	7,765			25,022,449	87,968,088	112,990,537	
Construction	532,632		8,614				96,233,302	19,631,994		13,501,034	1,356,781	1,135,627			73,787,971	58,612,013	132,399,984	
Services	529,213,290		930,754	1,221,610		206,569,824	425,416,562	175,218,167		66,114,375	2,195,991	339,756	12,817,629	391,601	31,828,636	878,741,425	573,516,770	1,452,258,195
Wholesale and Retail Trade	1,993,024						176,172,935	100,345,388		32,936,005	1,483,743	74,893			345,567	251,458,811	61,892,744	313,351,555
Hotel, Food and Beverage																		
Services	139,882						20,683,737	12,410,937		10,201,296	141,055	78,127			22,599,856	21,055,178	43,655,034	
Transportation and																		
Telecommunication	137,279						91,591,415	39,897,431		6,733,956	316,330	170,486			187,231	70,619,740	68,414,388	139,034,128
Financial Institutions	526,651,993		15	1,221,610		206,569,824	66,990,705	3,737,579		1,524,886	5,630	78	12,817,629	391,601	31,295,838	480,963,095	370,244,293	851,207,388
Real Estate and Renting Services	33,136		603,350				33,389,458	6,522,492		11,680,844	108,226	7,433			27,920,107	24,424,832		52,344,939
Self-Employment Services	55,775		323,635				3,838,284	5,004,899		1,018,933	103,972	6,081			7,704,063	2,647,516		10,351,579
Education Services	50,122		2,326				3,325,364	1,674,955		407,072	11,659	59			3,324,428	2,147,129		5,471,557
Health and Social Services	152,079		1,428				29,424,664	5,624,486		1,611,383	25,376	2,599			14,151,325	22,690,690		36,842,015
Other	675,298,839	1,989,815	80,450	6,156		20,252,084	106,658,818	382,657,879		52,775,344	5,697,893	717,690	22,746,495	199,808,375	2,633,682	1,179,175,829	292,147,691	1,471,323,520
Total	1,210,315,637	1,989,815	1,021,542	1,227,766		226,821,908	1,184,950,160	651,562,744		164,984,360	10,721,451	2,589,407	35,564,124	200,199,976	115,142,874	2,497,516,118	1,309,575,646	3,807,091,764

⁽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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14. Analysis of maturity-bearing exposures according to remaining maturities:

Risk Groups ⁽¹⁾	Current Period					
	Remaining Maturities					
	1 Month	1-3 Months	3-6 Months	6-12 Months	Over 1 Year	Total
Receivables from Central Governments or Central Banks	39,166,081	14,378,573	43,102,720	33,785,656	556,527,943	686,960,973
Receivables from Regional Governments or Domestic Governments	18,666	8,419	54,176	125,176	365,131	571,568
Receivables from Administrative Units and Non-Commercial Enterprises	155,002	1,059	2,029	572,089	100,196	830,375
The multilateral development banks and non-contingent receivables	6,156	116,462	175,676	99,848	829,624	1,227,766
Receivables from Banks and Intermediaries	99,431,328	20,768,750	24,681,149	16,760,030	18,658,218	180,299,475
Corporate Receivables	75,375,780	145,088,495	141,160,743	300,007,709	455,068,291	1,116,701,018
Retail Receivables	12,513,079	14,695,507	32,160,870	103,169,196	122,763,301	285,301,953
Collateralized Receivables with Real Estate Mortgages	4,438,161	5,856,955	16,049,597	31,728,503	90,253,503	148,326,719
Receivables are identified as High Risk by the Board	206,392	192,681	100,482	198,407	993,925	1,691,887
Total	231,310,645	201,106,901	257,487,442	486,446,614	1,245,560,132	2,421,911,734

⁽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.

If a specific rating has been assigned to the receivable, the relevant credit rating is used to determine the risk weight to be applied to that receivable.

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

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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 ⁽¹⁾	1,227,595,657	239,309,546	87,161,033	269,037,870	642,327,972	1,337,285,394	6,049,386	554,844	35,635,223	15,967,654
Amount After Credit Risk Mitigation	1,236,114,070	239,260,617	87,070,702	265,603,994	632,749,100	1,304,455,431	5,647,782	554,844	35,635,224	15,967,654

⁽¹⁾ The figures represent total risk amounts before credit risk mitigation and after credit conversion factor.

16. Miscellaneous Information According to Type of Counterparty of Major Sectors

Significant Sectors/Counterparty Current Period		Loans	Provisions	
		Depreciated (TFRS 9)		Expected Credit Loss (TFRS 9)
		Significant Increase in Credit Risk (Stage 2)	Non-Performing (Stage 3)	
1	Agricultural	3,493,398	271,500	405,793
1.1	Farming and Raising Livestock	3,482,891	269,037	402,997
1.2	Forestry	8,653	1,197	1,268
1.3	Fishing	1,854	1,266	1,528
2	Industry	35,448,498	8,908,118	17,101,843
2.1	Mining	146,621	83,723	103,947
2.2	Production	14,117,609	3,291,261	4,981,573
2.3	Electricity, gas, and water	21,184,268	5,533,134	12,016,323
3	Construction	12,623,445	8,430,056	11,044,806
4	Services	36,021,382	6,635,105	9,593,131
4.1	Wholesale and Retail Trade	8,327,717	3,045,410	2,965,602
4.2	Hotel, Food and Beverage Services	6,202,532	189,238	1,048,661
4.3	Transportation and Telecommunication	9,551,062	1,306,230	2,318,975
4.4	Financial Institutions	60,197	154,132	75,983
4.5	Real Estate and Renting Services	9,288,188	1,654,852	2,503,500
4.6	Self-Employment Services	2,195,774	189,027	602,071
4.7	Education Services	131,664	17,448	20,128
4.8	Health and Social Services	264,248	78,768	58,211
5	Other	74,751,391	16,589,553	15,482,347
6	Total	162,338,114	40,834,332	53,627,920

17. Information on Value Adjustments and Change in Credit Provisions

	Beginning Balance	Provisions	Reversal of Provisions	Other Value Adjustments	Ending Balance
Stage 3 Provisions	23,447,175	15,100,554	(8,851,491)		29,696,238
Stage 1 and Stage 2 Provisions	24,851,338	29,321,827	(22,378,339)		31,794,826



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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
Türkiye	1,242,678,308	9,020,615	1,251,698,923
England	13,444,089	2,707	13,446,796
TRNC	12,314,419		12,314,419
Germany	5,872,759	3,000	5,875,759
Georgia	3,632,580		3,632,580
Russia	2,795,146		2,795,146
Iraq	2,257,109		2,257,109
Kosovo	2,023,822		2,023,822
Malta	1,866,839		1,866,839
Cayman Islands	1,863,121		1,863,121
Other	11,488,571	289,562	11,778,133

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.

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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
31.12.2024 ⁽¹⁾	35.0000	36.4956
30.12.2024	34.9527	36.2809
27.12.2024	34.7621	36.2638
26.12.2024	34.7021	36.2116
25.12.2024	34.7619	36.1975
24.12.2024	34.8353	36.3854

⁽¹⁾ Balance sheet valuation exchange rate.

The Parent Bank’s last 30-days arithmetical average foreign currency purchase rates:

USD: 34.5962 TL	EURO: 36.2401 TL
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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	(2,607,656)	431,900
	10% decrease	2,607,656	(431,900)
EUR	10% increase	(221,685)	262,337
	10% decrease	221,685	(262,337)
IQD	10% increase	368,406	48,550
	10% decrease	(368,406)	(48,550)
GEL	10% increase	326,761	201,857
	10% decrease	(326,761)	(201,857)

⁽¹⁾ 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 Türkiye ⁽¹⁾	125,162,871	144,178,168	84,755,436	354,096,475
Banks	16,619,693	20,776,314	30,112,676	67,508,683
Financial Assets at Fair Value through Profit/Loss ⁽²⁾	2,282,306	8,791,287	25,486,293	36,559,886
Money Market Placements				
Financial Assets at Fair Value through Other Comprehensive Income	25,895,777	145,884,613	21,245	171,801,635
Loans ⁽³⁾	448,347,900	352,172,973	21,399,492	821,920,365
Investments in Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures)				
Financial Assets measured at Amortized Cost	4,294,687	26,791,596	9,982,062	41,068,345
Derivative Financial Assets Held for Risk Management ⁽²⁾		255,963		255,963
Tangible Assets ⁽⁴⁾	268,113	3,127	295,201	566,441
Intangible Assets	158,227	2,831	77,346	238,404
Other Assets ⁽²⁾	3,204,409	16,473,646	3,855,454	23,533,509
Total Assets	626,233,983	715,330,518	175,985,205	1,517,549,706
Liabilities				
Bank Deposits	7,438,811	5,844,012	739,170	14,021,993
Foreign Currency Deposits ⁽⁵⁾	316,772,218	368,379,118	276,743,357	961,894,693
Money Market Funds	10,296,643	87,208,035	352,376	97,857,054
Funds Provided from Other Financial Inst,	97,914,411	154,550,288	248,426	252,713,125
Marketable Securities Issued ⁽⁶⁾	6,642,627	199,169,404	7,561,674	213,373,705
Miscellaneous Payables	10,857,642	20,014,960	3,375,806	34,248,408
Derivative Financial Liabilities Held for Risk Management ⁽²⁾		417,848		417,848
Other Liabilities ⁽²⁾⁽⁷⁾	19,923,874	43,666,899	4,014,196	67,604,969
Total Liabilities	469,846,226	879,250,564	293,035,005	1,642,131,795
Net Balance Sheet Position	156,387,757	(163,920,046)	(117,049,800)	(124,582,089)
Net Off Balance Sheet Position	(160,129,109)	139,942,871	131,539,459	111,353,221
Derivative Financial Assets ⁽⁸⁾	46,809,632	282,813,126	143,579,842	473,202,600
Derivative Financial Liabilities ⁽⁸⁾	206,938,741	142,870,255	12,040,383	361,849,379
Non-Cash Loans	131,807,664	161,153,596	14,848,485	307,809,745
Prior Period				
Total Assets	461,399,881	626,612,674	116,947,681	1,204,960,236
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	59,994,933	218,727,216	109,864,634	388,586,783
Derivative Financial Liabilities	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

⁽¹⁾ This item includes precious metal accounts amounting to TL 80,804,970.

⁽²⁾ In accordance with the provisions of the Regulation on the Calculation and Application of the Foreign Currency Net General Position/Equity Standard Ratio on a Consolidated and Non-Consolidated Basis by Banks, the following items have been excluded from the exchange rate risk calculation: TL 9,619,040 of Derivative Financial Asset Discounts from assets, TL 698,377 of Prepaid Expenses, TL 6,372,829 of Derivative Financial Liability Discounts from liabilities, and TL 5,079,120 from Equity. Other Assets and Other Liabilities include Expected Credit Loss Provisions, with the expected loss provision balance for foreign currency-indexed loans amounting to TL 6,792.

⁽³⁾ This item includes balances from leasing receivables and factoring receivables, as well as foreign currency-indexed loans tracked in Turkish Lira accounts. Of the total TL 724,376 in foreign currency-indexed loans and receivables, TL 363,763 is indexed to USD, and TL 360,613 is indexed to EUR.

⁽⁴⁾ Includes Non-Current Assets Held for Sale and Assets Related to Discontinued Operations (Net).

⁽⁵⁾ This item includes precious metal deposit accounts amounting to TL 194,465,898.

⁽⁶⁾ Includes subordinated debt instruments classified under subordinated borrowings in the balance sheet.

⁽⁷⁾ Borrower funds are reported under the Other Liabilities line item based on the relevant foreign currency.

⁽⁸⁾ Derivative transactions within the scope of forward foreign currency purchase and forward foreign currency sale commitments as defined in the aforementioned Regulation have been considered.

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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	(1,277,484)	1,022,934	(10,780,052)	(7,317,460)
100 bps decrease	100 bps decrease	1,971,423	(538,116)	11,653,854	7,931,980

⁽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 Türkiye	229,509,781					403,036,755	632,546,536
Banks	43,295,948	6,860,187	1,401,892			38,865,584	90,423,611
Financial Assets at Fair Value through Profit/Loss ⁽¹⁾	11,780,978	8,070,626	9,876,301	17,525,666	319,289	48,189,697	95,762,557
Money Market Placements	7,338,988	1,395,838	2,078,539				10,813,365
Financial Assets at Fair Value Through Other Comprehensive Income	75,904,055	38,513,176	66,692,411	124,465,558	116,104,915	4,468,913	426,149,028
Loans ⁽²⁾	661,102,497	196,417,042	589,741,531	403,715,600	98,161,334	1,494,182	1,950,632,186
Financial Assets Measured at Cost	39,237,150	61,045,791	76,904,323	68,853,324	35,316,591		281,357,179
Other Assets ⁽³⁾	30,290,901	3,425,217	2,512,596	216,697		336,568,448	373,013,859
Total Assets	1,098,460,298	315,727,877	749,207,593	614,776,845	249,902,129	832,623,579	3,860,698,321
Liabilities							
Bank Deposits	50,809,208	1,517,783	3,867,624			3,346,709	59,541,324
Other Deposits	936,917,204	245,819,977	72,412,685	12,356,651	2,802,934	849,566,755	2,119,876,206
Money Market Funds	325,652,696	25,678,929	6,301,572	21,096			357,654,293
Miscellaneous Payables	14,902,807	78,320	124,403	(52,198)		168,650,943	183,704,275
Marketable Securities Issued ⁽⁴⁾	18,500,946	63,872,751	33,382,948	87,081,081	27,485,311		230,323,037
Funds Provided from Other Financial Institutions	154,579,278	86,720,421	45,482,364	13,942,611	976,458		301,701,132
Other Liabilities ^{(5) (6)}	6,258,851	4,373,767	4,650,977	1,052,458	3,018,288	588,543,713	607,898,054
Total Liabilities	1,507,620,990	428,061,948	166,222,573	114,401,699	34,282,991	1,610,108,120	3,860,698,321
Balance Sheet Long Position			582,985,020	500,375,146	215,619,138		1,298,979,304
Balance Sheet Short Position	(409,160,692)	(112,334,071)				(777,484,541)	(1,298,979,304)
Off Balance Sheet Long Position	26,900,051	31,720,515		19,704,446			78,325,012
Off Balance Sheet Short Position			(72,110,785)		(446,141)		(72,556,926)
Total Position	(382,260,641)	(80,613,556)	510,874,235	520,079,592	215,172,997	(777,484,541)	5,768,086

⁽¹⁾Includes derivative financial assets.
⁽²⁾Includes balances from leasing receivables and factoring receivables.
⁽³⁾Expected credit loss provisions are presented under the non-interest-bearing column.
⁽⁴⁾Includes subordinated debt instruments classified under subordinated borrowings in the balance sheet.
⁽⁵⁾Total equity is presented under the non-interest-bearing column.
⁽⁶⁾Borrower funds are presented within the maturity bracket of up to one month.

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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 Türkiye	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 Institutions	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 balances from leasing receivables and factoring receivables.
⁽³⁾Expected credit loss provisions are presented under the non-interest-bearing column.
⁽⁴⁾Includes subordinated debt instruments classified under subordinated borrowings in the balance sheet.
⁽⁵⁾Total equity is presented under the non-interest-bearing column.
⁽⁶⁾Borrower funds are presented within the maturity bracket of up to one month.



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b. Average interest rates applied to monetary financial instruments:

	EUR	USD	JPY	TL
	%	%	%	%
Current Period				
Assets				
Cash (Cash in Vault. Foreign Currency Cash. Money in Transit. Cheques Purchased) and Balances with the Central Bank of Türkiye	3.50	3.50		35.11
Banks	2.77	4.31		52.53
Financial Assets at Fair Value through Profit/Loss	2.31	4.70		50.21
Money Market Placements				48.32
Financial Assets at Fair Value Through Other Comprehensive Income	4.81	6.75		34.87
Loans ⁽¹⁾	6.62	8.25		49.21
Financial Assets Measured at Cost	3.71	7.11		34.18
Liabilities				
Bank Deposits	3.62	6.99		48.09
Other Deposits	0.31	0.25		37.27
Money Market Funds	3.33	6.00		48.68
Miscellaneous Payables				
Debt Securities Issued ⁽²⁾	5.51	7.25		47.39
Funds				
Funds Provided from Other Financial Institutions	4.73	6.28		46.14

⁽¹⁾ Includes leasing receivables and factoring receivables.

⁽²⁾ Includes Tier 2 subordinated bond which is classified on the balance sheet as subordinated loan.

	EUR	USD	JPY	TL
	%	%	%	%
Prior Period				
Assets				
Cash (Cash in Vault. Foreign Currency Cash. Money in Transit. Cheques Purchased) and Balances with the Central Bank of Türkiye	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 Amortized 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 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:

	Comparison		
	Book Value	Fair Value	Market Value
Investment in Shares			
Quoted			
Investment in Shares Group A			
Subsidiaries			
Financial Subsidiaries			
Non-Financial Subsidiaries ⁽¹⁾	80,739,136		128,694,810
Non-Quoted			
Associate and Subsidiaries			
Financial Subsidiaries ⁽²⁾	554,844		
Non-Financial Subsidiaries	96,438		
Subsidiaries			
Financial Subsidiaries			
Non-Financial Subsidiaries	29,876,922		

⁽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:

	Realised Gains/ losses During the period	Revaluation Increases Including into Tier I Capital	Unrealized Gains and Losses Including into Tier I Capital	Total
Portfolio				
Private Equity Investments				
Shares Traded on a Stock Exchange		77,827,216	77,827,216	
Other Stocks		11,399,795	11,399,795	
Total	89,227,011	89,227,011		

d. Capital requirement as per equity shares:

	Carrying Value	Total RWA	Minimum Capital Requirement
Portfolio			
Private Equity Investments			
Share Traded on a Stock Exchange	80,739,136	80,739,136	6,459,131
Other Stocks	30,528,204	31,360,470	2,508,838
Total	111,267,340	112,099,606	8,967,969



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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 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. In order to prevent potential concentrations on the funding side from adversely affecting the Bank's liquidity risk profile, concentration limits on deposits and non-deposit borrowings are actively utilized.

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 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. The Bank's Asset Liability Management Committee (ALCO) is responsible for reviewing the liquidity situation and determining the appropriate liquidity level, determining the required funding source and maturity structure within the limits approved 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. In order to balance cash flows and thus reduce liquidity risk exposure, in addition to managing the portfolio of free securities that may be subject to repurchase agreements and collateralized borrowing, the Bank also evaluates liquidity generation and long-term borrowing opportunities through transactions based on remittance flows, mortgage-backed securities based on asset pools created from relatively small amounts of mortgage loans distributed over a large number of borrowers, or other structured financing products.

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.

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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, 2024	158.05	362.72
November 30, 2024	151.87	323.27
December 31, 2024	148.26	313.79
	Prior 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

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			710,111,189	379,980,700
High Quality Liquid Assets				
Cash Outflows				
Retail and Small Business Customers, of which;	1,471,169,035	717,639,244	132,261,179	71,763,924
Stable deposits	297,114,489		14,855,724	
Less stable deposits	1,174,054,546	717,639,244	117,405,455	71,763,924
Unsecured wholesale funding, of which;	836,196,014	302,745,626	466,450,993	177,214,286
Operational deposits	8,561,676	39,011	2,117,409	9,753
Non-operational deposits	583,362,197	231,062,831	302,016,961	110,542,139
Other unsecured funding	244,272,141	71,643,784	162,316,623	66,662,394
Secured funding			9,895,838	10,187,890
Other cash outflows, of which;	9,192,000	19,836,349	9,192,000	19,836,349
Derivatives cash outflow and liquidity needs related to market valuation changes on derivatives or other transactions	5,114,852	15,759,201	5,114,852	15,759,201
Obligations related to structured financial products				
Commitments related to debts to financial markets and other off-balance sheet obligations	4,077,148	4,077,148	4,077,148	4,077,148
Other revocable off-balance sheet commitments and contractual obligations	12,734,928	8,936,712	636,746	446,836
Other irrevocable or conditionally revocable off-balance sheet obligations	1,562,026,387	328,725,435	120,924,977	29,638,556
Total Cash Outflows			739,361,733	309,087,841
Cash Inflows				
Secured lending	430,480			
Unsecured lending	378,287,833	158,104,116	265,922,362	138,158,271
Other cash inflows	6,620,240	54,304,775	6,620,240	54,304,775
Total Cash Inflows	385,338,553	212,408,891	272,542,602	192,463,046
Values with Upper Limit Applied				
Total HQLA Stock			710,111,189	379,980,700
Total Net Cash Outflows			466,819,131	116,624,795
Liquidity Coverage Ratio (%)			152.73	333.26

⁽¹⁾ The simple arithmetic average calculated for the last three months of weekly simple arithmetic average.



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Prior 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 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 derivative 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 the monthly simple arithmetic average.

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Compared to the prior period, it is observed that in the last quarter of 2024, the FX liquidity coverage ratio declined due to the increase in net cash outflows, while the total liquidity coverage ratio decreased despite the rise in the stock of high-quality liquid assets, also driven by the increase in net cash outflows. Nevertheless, both the total and FX liquidity coverage ratios continue to remain well above the minimum regulatory thresholds of 100% and 80%, respectively.

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 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.

Cash flows of derivatives that will take place within 30 days are considered 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.



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The consolidated total results of the net stable funding ratio, which is complementary to the liquidity coverage ratio and another indicator used in the measurement of liquidity risk, are presented below for the current and prior periods.

Net Stable Funding Ratio:

Current Period		a	b	c	d	e
		Unweighted amount by residual maturity				
		Undated/No Maturity	Up to 6 months	6 months to 1 year	1 year and more than 1 year	Weighted Amount
Available Stable Funding						
1	Capital Instruments				408,930,520	408,930,520
2	Regulatory capital				401,034,251	401,034,251
3	Other capital instruments				7,896,269	7,896,269
4	Deposits (from retail and small business customers)	627,121,374	822,400,771	21,564,815	10,425,683	1,348,530,957
5	Stable Deposits (from retail and small business customers)	104,005,713	198,548,581	812,538	24,732	288,221,986
6	Less Stable Deposits (from retail and small business customers)	523,115,661	623,852,190	20,752,277	10,400,951	1,060,308,971
7	Wholesale funding	186,385,981	1,081,921,469	110,374,128	270,665,130	653,322,756
8	Operational deposits	8,637,980	26,703,601			17,670,791
9	Other wholesale funding	177,748,001	1,055,217,868	110,374,128	270,665,130	635,651,965
10	Liabilities with matching interdependent assets					
11	Other liabilities		267,364,415	10,182,173	88,453,059	201,309,720
12	Net Derivatives Liabilities					
13	All other liabilities and equity not included in the above categories		267,364,415	10,182,173	88,453,059	201,309,720
14	TOTAL AVAILABLE STABLE FUNDING					2,612,093,953
Required Stable Funding						
15	High Quality Liquid Assets (HQLA)					31,248,863
16	Deposits held at other financial institutions for operational purposes					
17	Performing loans and securities:	270,506,164	904,213,943	278,337,558	692,607,590	1,451,692,414
18	Performing loans to financial institutions secured by Level 1 HQLA		2,482,757			248,276
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	29,499,724	90,644,890	23,765,880	4,584,905	36,629,405
20	Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs	241,006,440	799,100,378	244,706,675	551,961,230	1,287,033,414
21	35% or Lower Risk Weight	4,093,739	5,541,319	3,752,204	3,995,011	9,904,449
22	Residential Mortgage Secured Loans		6,450,836	5,000,655	55,128,520	43,641,951
23	35% or Lower Risk Weight		4,472,933	3,982,598	44,715,183	33,292,635
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities		5,535,082	4,864,348	80,932,935	84,139,368
25	Assets with matching interdependent liabilities					
26	Other assets		227,192,470	1,621,648	368,864,514	549,214,950
27	Physical traded commodities (including gold)	2,451,535				2,083,804
28	Initial Margin of Derivative Contracts or Default Funds Provided to a Central Counterparty				34,689,641	29,486,195
29	Net Derivative Assets				11,499,936	11,499,936
30	Derivatives Liabilities Before Deducting Variation Margin Posted				516,240	516,240
31	All other assets not included in the above categories		222,573,377	1,621,648	322,158,698	505,628,775
32	Off Balance Sheet Liabilities		605,505,290	3,373,181	1,028,717,412	81,879,794
33	TOTAL REQUIRED STABLE FUNDING					2,114,036,021
34	NET STABLE FUNDING RATIO (%)					123.56

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As of December 31, 2024, the consolidated total net stable funding rate was 123.56%. (Previous Period: 127.92%)

Compared to the previous quarter, it is observed that in the final quarter of 2024, a slight decline in the consolidated Net Stable Funding Ratio. This decrease was driven by the increase in assets requiring stable funding outpacing the marginal rise in the amount of available stable funding.

Net stable funding rate, which was created to make the liability-structure of banks more stable and reliable by directing banks to medium and long-term funding sources, is the minimum stable funding required by the bank's funding structure and activities, with a maturity perspective longer than one month, unlike liquidity coverage ratio, it is based on comparing the requirements. The rate is calculated by dividing the “current stable funding amount” by the “required stable funding amount”. While the current stable funding amount is determined according to the maturity and counterparties of the items in the liabilities, including equity; the required stable funding amount is calculated by taking into account varying rates depending on the maturity and liquidity quality of the items in assets.

The development of the relevant ratio in October, November, and December 2024, along with the three-month average, is presented in the table below.

Period	Ratio
October 31, 2024	126.34%
November 31, 2024	127.23%
December 31, 2024	123.56%
Average of 3-months	125.71%



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Prior Period		a	b	c	d	e
		Unweighted amount by residual maturity				
		Undated/No Maturity	Up to 6 months	6 months to 1 year	1 year and more than 1 year	Weighted Amount
Available Stable Funding						
1	Capital Instruments				337,621,118	337,621,118
2	Regulatory capital				334,234,388	334,234,388
3	Other capital instruments				3,386,730	3,386,730
4	Deposits (from retail and small business customers)	471,038,273	617,536,020	24,986,019	7,603,428	1,018,215,643
5	Stable Deposits (from retail and small business customers)	72,283,991	109,978,655	1,082,893	20,018	174,197,279
6	Less Stable Deposits (from retail and small business customers)	398,754,282	507,557,365	23,903,126	7,583,410	844,018,364
7	Wholesale funding	170,449,999	679,841,960	106,465,380	202,406,093	492,457,094
8	Operational deposits	2,005,597	9,747,132			5,876,365
9	Other wholesale funding	168,444,402	670,094,828	106,465,380	202,406,093	486,580,729
10	Liabilities with matching interdependent assets					
11	Other liabilities		175,510,065	6,384,898	194,605,195	264,980,437
12	Net Derivatives Liabilities				179,672	
13	All other liabilities and equity not included in the above categories		175,510,065	6,384,898	194,425,522	264,980,437
14	TOTAL AVAILABLE STABLE FUNDING					2,113,274,292
Required Stable Funding						
15	High Quality Liquid Assets (HQLA)					19,105,827
16	Deposits held at other financial institutions for operational purposes					
17	Performing loans and securities:	158,192,503	693,912,196	228,062,060	576,499,937	1,116,034,302
18	Performing loans to financial institutions secured by Level 1 HQLA		374,552			37,455
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	28,357,736	92,179,100	16,045,651	7,747,342	34,113,233
20	Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs	129,834,767	591,323,432	203,999,743	372,101,151	885,117,197
21	35% or Lower Risk Weight	2,156,532	3,620,365	1,890,722	1,879,768	5,379,138
22	Residential Mortgage Secured Loans		3,639,358	3,178,131	35,014,584	28,189,935
23	35% or Lower Risk Weight		2,183,397	2,188,946	24,906,029	18,375,090
24	Securities that are not in default and do not qualify as HQLA, including exchange- traded equities		6,395,754	4,838,535	161,636,860	168,576,482
25	Assets with matching interdependent liabilities					
26	Other assets		146,321,485	1,090,154	357,248,361	465,920,658
27	Physical traded commodities (including gold)	921,730				783,471
28	Initial Margin of Derivative Contracts or Default Funds Provided to a Central Counterparty				12,589,195	10,700,815
29	Net Derivative Assets				9,019,002	9,019,002
30	Derivatives Liabilities Before Deducting Variation Margin Posted				721,338	721,338
31	All other assets not included in the above categories		145,399,754	1,090,154	334,918,827	444,696,032
32	Off Balance Sheet Liabilities		445,893,461	4,741,284	569,665,480	51,015,011
33	TOTAL REQUIRED STABLE FUNDING					1,652,075,798
34	NET STABLE FUNDING RATIO (%)					127.92

The progress of the relevant rate in October, November and December 2023 and its 3-month averages are shown in the table below.

Period	Ratio
October 31, 2023	126.24%
November 31, 2023	126.04%
December 31, 2023	127.92%
Average of 3-months	126.73%

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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 Türkiye	319,995,453	312,551,083						632,546,536
Banks	45,546,105	36,615,427	6,860,187	1,401,892				90,423,611
Financial Assets at Fair Value through Profit/Loss ⁽²⁾	47,590,883	12,041,272	7,951,669	10,405,900	17,347,442	425,391		95,762,557
Money Market Placements		7,338,988	1,395,838	2,078,539				10,813,365
Financial Assets at Fair Value Through Other Comprehensive Income	4,468,913	758,715	9,337,044	50,139,241	229,058,088	132,387,027		426,149,028
Loans ⁽³⁾⁽⁴⁾	84,687,561	421,150,114	244,196,761	556,770,523	506,077,002	96,915,893	40,834,332	1,950,632,186
Financial Assets Measured at Amortized Cost		6,002,269	10,907,462	32,145,938	157,110,584	75,190,926		281,357,179
Other Assets	22,052,855	52,841,542	4,100,860	2,512,596	2,835,660		288,670,346	373,013,859
Total Assets	524,341,770	849,299,410	284,749,821	655,454,629	912,428,776	304,919,237	329,504,678	3,860,698,321

Liabilities								
Bank Deposits	3,346,709	50,809,208	1,517,783	3,867,624				59,541,324
Other Deposits	849,566,755	936,916,625	245,819,791	72,407,959	12,362,142	2,802,934		2,119,876,206
Funds Provided from Other Financial Institutions		45,877,892	13,196,499	131,772,942	54,912,894	55,940,905		301,701,132
Money Market Funds		317,233,064	5,733,880	19,485,123	15,202,226			357,654,293
Marketable Securities Issued ⁽⁵⁾		16,517,637	7,869,348	40,431,661	119,188,240	46,316,151		230,323,037
Miscellaneous Payables	42,936,588	138,979,504	1,392,657	138,293	257,233			183,704,275
Other Liabilities ⁽⁶⁾	3,002,227	41,330,012	5,230,177	5,694,551	2,061,475	638,706	549,940,906	607,898,054
Total Liabilities	898,852,279	1,547,663,942	280,760,135	273,798,153	203,984,210	105,698,696	549,940,906	3,860,698,321
Liquidity Gap	(374,510,509)	(698,364,532)	3,989,686	381,656,476	708,444,566	199,220,541	(220,436,228)	

Net Off Balance Sheet Position								
	(5,183,657)	1,707,949	901,201	2,637,323	1,371,114			1,433,930
Derivative Financial Assets		292,008,626	125,567,146	105,964,486	229,357,818	83,528,607		836,426,683
Derivative Financial Liabilities		297,192,283	123,859,197	105,063,285	226,720,495	82,157,493		834,992,753
Non-cash Loans	295,328,604	22,044,332	54,420,882	155,804,663	51,712,653	13,905,817		593,216,951

Prior Period								
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
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

⁽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.

In compliance with the "TFRS 7", the following table indicates the maturities of the Group's major financial liabilities which are not qualified as



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derivatives. The following tables have been prepared in accordance with the provisions of TFRS 7 “Financial Instruments: Disclosures.” and 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
Deposits	852,913,464	1,000,274,340	258,091,809	80,925,106	13,735,314	3,019,060	2,208,959,093	29,541,563	2,179,417,530
Funds Provided from Other Financial Institutions		46,937,943	16,588,901	141,826,211	74,814,246	73,798,638	353,965,939	52,264,807	301,701,132
Money Market Funds		317,716,335	6,135,345	20,948,147	17,360,542		362,160,369	4,506,076	357,654,293
Marketable Securities Issued (Net) ⁽¹⁾		18,966,367	9,236,491	53,465,415	159,112,360	49,164,846	289,945,479	59,622,442	230,323,037
Leasing Liabilities		142,765	329,679	1,261,439	3,251,266	1,287,855	6,273,004	2,400,594	3,872,410

⁽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
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 Tier 2 subordinated bond which is classified on the balance sheet as subordinated loan.

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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	27,327,705	10,883,869	23,330,516	38,053,213	3,728,549	3,121,073	106,444,925
Letters of Guarantee	266,384,126	8,629,822	27,215,758	98,060,946	46,420,026	8,142,530	454,853,208
Acceptances	48,936	2,530,641	3,874,608	19,269,082	358,720	131,339	26,213,326
Other	1,567,837			421,422	1,205,358	2,510,875	5,705,492
Total	295,328,604	22,044,332	54,420,882	155,804,663	51,712,653	13,905,817	593,216,951

Prior 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

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	14,177,988	21,768,374	26,014,118	1,763,598		63,724,078
Forwards Contracts- Sell	13,560,864	21,985,747	26,064,482	1,778,362		63,389,455
Swaps Contracts -Buy	219,738,255	69,352,819	69,263,013	227,119,220	77,699,095	663,172,402
Swaps Contracts -Sell	267,633,559	96,719,026	68,552,775	224,592,133	76,327,979	733,825,472
Futures Transactions-Buy	763,000	1,016,462	24,132			1,803,594
Futures Transactions-Sell	814,806	436,394	13,140			1,264,340
Options-Call	8,420,419	3,475,392	9,684,486	475,000	5,829,513	27,884,810
Options-Put	7,774,674	3,852,060	9,443,091	350,000	5,829,513	27,249,338
Other	56,317,344	30,820,069	1,968,534			89,105,947
Total	589,200,909	249,426,343	211,027,771	456,078,313	165,686,100	1,671,419,436

Prior 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



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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 5.65% (December 31, 2023: 6.44%). 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 ⁽¹⁾	3,592,484,116	3,012,024,797
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	244,475,743	57,282,226
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⁾	(8,069,522)	(12,761,335)
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⁾	268,232,366	60,610,743
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⁾	27,205,080	20,464,892
The other differences between amount of assets and risk in the Communiqué on Preparation of Consolidated Financial Statements of Banks ⁽²⁾	(13,140,307)	772,547
Total Exposures ⁽²⁾	5,469,097,900	3,793,088,619

⁽¹⁾ Since the consolidated financial statements dated 31.12.2024, prepared in accordance with Article 5, Paragraph 6 of the "Communiqué on the Preparation of Consolidated Financial Statements of Banks," have not yet been published as of the reporting date in compliance with legal regulations, the balances from the consolidated financial statements dated 30.06.2024 have been presented.

⁽²⁾ The amounts presented in the table represent three-month averages.

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)	3,764,909,286	2,748,990,955
Asset amounts deducted in determining Basel III Tier 1 capital	(16,735,219)	(6,698,908)
The total amount of risk on-balance sheet exposures	3,748,174,067	2,742,292,047
Derivative exposures and credit derivatives		
Replacement cost associated with derivative financial instruments and credit derivatives	20,301,107	26,558,286
The potential amount of credit risk with derivative financial instruments and credit derivatives	8,069,522	12,761,335
The total amount of risk on derivative financial instruments with credit derivatives	28,370,629	39,319,621
Investment securities or commodity collateral financing transactions		
The amount of risk investment securities or commodity collateral financing transactions (Excluding on balance sheet items)	70,153,325	27,687,784
Risk amount of exchange brokerage operations		
The total amount of risk investment securities or commodity collateral financial transactions	70,153,325	27,687,784
Off -Balance Sheet Items		
Gross notional amount for off-balance sheet items	1,647,026,584	1,001,650,208
Adjustments for conversion to credit equivalent amounts	(24,626,705)	(17,861,041)
The total amount of risk for off-balance sheet items	1,622,399,879	983,789,167
Capital and Total Exposures		
Tier 1 Capital	309,019,533	244,442,367
Total Exposures	5,469,097,900	3,793,088,619
Leverage Ratio		
Leverage Ratio	5.65	6.44

⁽¹⁾ Three-month average of the amounts in Leverage Ratio table.

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VIII. Explanations on Other Price Risk

The Group is exposed to equity price risk arising from investments in companies listed on Borsa İstanbul A.Ş. and foreign stock exchanges.

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 İstanbul and followed under Financial Assets at Fair Value through Profit or Loss account, expected to have an effect amounting to TL 640,742 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	10,813,365	7,939,685	10,813,365	7,939,685
Banks	90,423,611	85,267,737	90,407,299	85,232,825
Financial Assets at Fair Value Through Other Comprehensive Income	426,149,028	297,025,226	426,149,028	297,025,226
Financial Assets Measured at Amortized Cost	281,357,179	216,178,048	254,977,157	203,858,397
Loans ⁽¹⁾	1,909,797,854	1,350,352,203	1,961,143,197	1,280,192,453
Financial Liabilities				
Banks Deposits	59,541,324	95,801,924	59,742,083	95,803,711
Other Deposits	2,119,876,206	1,614,249,896	2,121,434,607	1,613,688,089
Funds Provided from Other Financial Institutions	301,701,132	241,240,593	301,114,434	240,033,197
Marketable Securities Issued ⁽²⁾	230,323,037	149,014,549	234,697,796	148,491,671
Miscellaneous Payables and funds borrowed	184,388,174	257,055,896	184,388,174	257,055,896

⁽¹⁾ Factoring and Leasing Receivables are included.

⁽²⁾ Includes Tier 2 subordinated bond which is classified on the balance sheet as subordinated loan.

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.



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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	25,905,825	1,768,437	534,261
Equity Securities	6,407,420	467,439	
Derivative Financial Assets at Fair Value through Profit and Loss		19,988,226	
Other	27,665,623	13,025,326	
Financial Assets at Fair Value Through Other Comprehensive Income⁽¹⁾			
Debt Securities	137,580,273	278,844,416	5,255,426
Equity Securities	206,640	4,081,354	
Other	27,945		
Derivative Financial Liabilities		11,797,973	

⁽¹⁾ Securities classified under financial assets at fair value through other comprehensive income (TL 152,974) have been recognized in the financial statements at acquisition cost due to the absence of an active market. Accordingly, these securities are not included in this table.

Prior 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 Held for Trading		21,100,639	
Other	12,247,618	7,715,358	
Financial Assets Available-for-Sale⁽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⁾ Securities classified under financial assets at fair value through other comprehensive income (TL 149,379) have been recognized in the financial statements at acquisition cost due to the absence of an active market. Accordingly, these securities are not included 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	5,229,439	3,850,525
Purchases	5,890,974	2,077,141
Redemption or Sales	(6,039,514)	(2,181,515)
Valuation Difference	674,341	1,369,873
Transfers		
Foreign Currency Difference	34,447	113,415
Balance at the end of the Period	5,789,687	5,229,439

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 clasiffied both in the 2nd and 3rd level.

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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

Explanations according to “Communiqué on Public Disclosures about Risk Management” published on the Official Gazette No.29511 dated 23 October 2015, are included below. Parent Bank uses standardised approach for calculation of capital adequacy, therefore other explanations within internal ratings-based 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. This is not merely a legal reporting requirement but has become an industry standard for corporate governance today. 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.



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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.

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-e.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 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.

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In the management of credit risk, the Bank employs risk limits mandated by regulatory requirements, as well as those established by the Board of Directors, which define the maximum credit risk exposure permissible across various risk groups and sectors. These limits are structured to prevent risk concentration. In the event of a breach, the exceedance and its underlying causes are promptly reported to the Risk Committee and the Board of Directors. The Board of Directors holds the authority to determine the necessary remedial actions and the timeframe for resolution. The results of limit breach assessments, along with comprehensive evaluations, are submitted to Senior Management and the Board of Directors by the Internal Audit and Risk Management Group.

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.

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.



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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)	1,946,292,860	1,473,074,629	155,703,429
Of which standardised approach (SA)	1,946,292,860	1,473,074,629	155,703,429
Of which internal rating-based (IRB) approach			
Counterparty credit risk	30,437,706	17,246,745	2,435,016
Of which standardised approach for counterparty credit risk (CCR)	30,437,706	17,246,745	2,435,016
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	35,564,124	17,506,880	2,845,130
Equity investments in funds - mandate-based approach			
Equity investments in funds - 1250% weighted risk approach			
Settlement risk	13	488,675	1
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	73,974,638	36,747,700	5,917,971
Of which standardised approach (SA)	73,974,638	36,747,700	5,917,971
Of which internal model approaches (IMM)			
Operational Risk	218,426,329	127,564,191	17,474,106
Of which Basic Indicator Approach	218,426,329	127,564,191	17,474,106
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)	1,387,110	1,132,565	110,969
Floor adjustment			
Total	2,306,082,780	1,673,761,385	184,486,622

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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:

	Carrying values in financial statements prepared as per TAS ⁽¹⁾	Carrying values in consolidated financial statements prepared as per TAS	Carrying values of items in accordance with Turkish Accounting Standards (TAS)				Not subject to capital requirements or subject to deduction from capital
			Subject to credit risk	Subject to counterparty credit risk	Securitization Positions	Subject to market risk	
Current Period Assets							
Cash and CBRT	506,595,383	632,546,536	632,546,536				
Banks and Money Market Placements	176,032,560	101,236,976	101,236,976				
Financial Assets at Fair Value Through Profit/Loss	67,710,416	75,774,331	54,973,228			20,801,103	
Financial Assets at Fair Value Through Other Comprehensive Income	353,464,825	426,149,028	426,149,028			7,749,684	
Derivative Financial Assets at Fair Value Through Profit/Loss	22,134,230	19,988,226		19,988,226		7,671,973	
Derivative Financial Assets at Fair Value Through Other Comprehensive Income	630,833						
Financial Assets at Measured at Amortised Cost - Loans ⁽²⁾	1,686,430,221	1,950,632,186	1,950,625,917				6,269
Financial Assets at Measured at Amortised Cost - Other Financial Assets	270,447,290	281,357,179	281,357,179				
Financial Assets at Measured at Amortised Cost - Expected Credit Loss (-)	51,943,423	61,683,244	61,683,244				
Assets Held for Sale and Discontinued Operations	1,557,862	52,344	52,344				
Investment in Associates, Subsidiaries and Joint-Ventures	16,139,363	111,411,807	111,411,807				
Tangible Assets	167,802,181	71,145,598	70,620,991				524,607
Intangible Assets	48,419,297	12,314,368	733,212				11,581,156
Investment Properties	39,614,079	25,407,317	25,407,317				
Current Tax Asset	460,796	110,073	110,073				
Deferred Tax Asset	34,730,141	30,811,538	26,949,645				3,861,893
Other Assets	252,258,062	183,444,058	183,444,058				
Total Assets	3,592,484,116	3,860,698,321	3,803,935,067	19,988,226		36,222,760	15,973,925
Liabilities							
Deposits	1,885,043,043	2,179,417,530					2,179,417,530
Funds Borrowed	346,580,394	301,701,132		57,371,606			244,329,526
Money Market Funds	297,533,984	357,654,293		343,056,947			14,597,346
Marketable Securities Issued	196,232,589	172,536,840					172,536,840
Derivative Financial Liabilities at Fair Value Through Profit/Loss	17,263,356	11,797,973		11,797,973		7,262,654	
Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income	1,534,745						
Leasing Liability	6,771,796	3,872,410					3,872,410
Provisions	138,204,322	158,589,929					158,589,929
Current Tax Liability	14,492,393	15,415,268					15,415,268
Deferred Tax Liability	4,031,880	2,935,714					2,935,714
Subordinated Debts	54,544,823	57,786,197					
Other Liabilities	210,535,174	226,278,921					226,278,921
Shareholders' Equity	419,715,617	372,712,114					
Total Liabilities	3,592,484,116	3,860,698,321		412,226,526		7,262,654	3,017,973,484

⁽¹⁾ Since the consolidated financial statements dated 31.12.2024, prepared in accordance with Article 5, Paragraph 6 of the “Communiqué on the Preparation of Consolidated Financial Statements of Banks,” have not yet been published as of the reporting date in compliance with legal regulations, the balances from the consolidated financial statements dated 30.06.2024 have been presented.

⁽²⁾ Includes balances from leasing receivables and factoring receivables.



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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)				Not subject to capital requirements or subject to deduction from capital
			Subject to credit risk	Subject to counterparty credit risk	Securitization Positions	Subject to market risk	
Assets							
Cash and CBRT	525,647,394						
Banks and Money Market Placements	111,228,368	526,634,646	526,634,646				
Financial Assets at Fair Value Through Profit/Loss	50,576,888	93,207,422	93,207,422				
Financial Assets at Fair Value Through Other Comprehensive Income	297,288,207	44,496,042	33,936,258			10,559,784	
Derivative Financial Assets at Fair Value Through Profit/Loss	21,890,848	297,025,226	297,025,226			1,077,774	
Derivative Financial Assets at Fair Value Through Other Comprehensive Income	973,908	21,100,639		21,100,639		7,441,999	
Financial Assets at Measured at Amortised Cost - Loans ⁽¹⁾	1,369,216,971						
Financial Assets at Measured at Amortised Cost - Other Financial Assets	217,833,659	1,381,512,252	1,381,509,022				3,230
Financial Assets at Measured at Amortised Cost - Expected Credit Loss (-)	48,509,794	216,178,048	216,178,048				
Assets Held for Sale and Discontinued Operations	1,562,955	48,509,794	48,509,794				
Investment in Associates, Subsidiaries and Joint-Ventures	15,070,815	1,562,954	1,562,954				
Tangible Assets	146,171,470	81,346,534	81,346,534				
Intangible Assets	42,051,854	44,795,538	44,524,306				271,232
Investment Properties	32,503,851	7,138,241	252,198				6,886,043
Current Tax Asset	328,911	18,056,230	18,056,230				
Deferred Tax Asset	18,808,725	50,335	50,335				
Other Assets	209,379,767	14,637,453	14,637,453				
Total Assets	3,012,024,797	255,510,805	255,510,805				
Liabilities							
Deposits	1,686,623,408	1,710,051,820					1,710,051,820
Funds Borrowed	282,235,160	241,240,593		15,328,103			225,912,490
Money Market Funds	137,713,038	137,713,038		126,840,596			10,872,442
Marketable Securities Issued	141,637,957	109,143,567					109,143,567
Derivative Financial Liabilities at Fair Value Through Profit/Loss	8,361,763	8,364,356		8,364,356		7,040,197	
Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income	1,257,772						
Leasing Liability	4,887,216	2,297,514					2,297,514
Provisions	133,575,012	107,633,317					107,633,317
Current Tax Liability	16,257,751	13,729,348					13,729,348
Deferred Tax Liability	3,049,543	114,193					114,193
Subordinated Debts	39,829,304	39,870,982					
Other Liabilities	168,235,282	281,227,003					281,227,003
Shareholders' Equity	388,361,591	303,356,840					
Total Liabilities	3,012,024,797	2,954,742,571		150,533,055		7,040,197	2,460,981,694

⁽¹⁾ Leasing and Factoring Receivables are included.

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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 Position	Counterparty credit risk	Market risk
1	Asset carrying value amount under scope of TAS	3,860,698,321	3,803,935,067		19,988,226	36,222,760
2	Liabilities carrying value amount under scope of TAS				(400,428,553)	7,262,654
3	Total net amount under regulatory scope of consolidation	3,860,698,321	3,803,935,067		420,416,779	28,960,106
4	Off-balance sheet amounts	2,582,369,556	390,579,003		29,753,051	
5	Repurchase Transactions Valuation Adjustments ⁽¹⁾				74,789,892	
6	Differences in valuations					
7	Differences due to different netting rules					
8	Differences due to consideration of provisions					
9	Differences due to prudential filters		(437,980,371)			
10	Differences due to risk mitigation ⁽²⁾		(36,633,697)			
11	Risk Amounts	3,719,900,002			104,542,943	28,960,106

⁽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	2,954,742,571	2,915,921,643		21,100,639	19,079,557
2	Liabilities carrying value amount under scope of TAS				(142,168,699)	7,040,197
3	Total net amount under regulatory scope of consolidation	2,954,742,571	2,915,921,643		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.



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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:

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	40,834,332	1,909,797,854	29,696,238	1,920,935,948
Debt Securities		696,601,956		696,601,956
Off-balance sheet exposures	5,689,081	1,668,768,875	2,631,737	1,671,826,219
Total	46,523,413	4,275,168,685	32,327,975	4,289,364,123

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	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

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	31,160,049	27,212,758
Loans and debt securities that have defaulted since the last reporting period	32,307,641	18,368,786
Receivables back to non-defaulted status	(1,184,023)	(1,818,237)
Amounts written off	(5,135,033)	(3,202,500)
Other Changes	(16,314,302)	(9,400,758)
Defaulted loans and debt securities at end of the reporting period	40,834,332	31,160,049

⁽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.

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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 2024 is TL 5,135,033.

	Current Period		Prior Period	
	Non-Performing Loans	Specific Provisions	Non-Performing Loans	Specific Provisions
Domestic	39,252,593	28,453,005	29,761,459	22,304,229
EU Countries	990,570	842,525	945,389	827,061
OECD Countries ⁽¹⁾	253,282	119,334	191,676	93,406
Off-Shore Banking Regions	198	132		
USA, Canada	33,392	22,777	23,645	14,543
Other Countries	304,297	258,465	237,880	207,936
Total	40,834,332	29,696,238	31,160,049	23,447,175

⁽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.

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.



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c.3.2. 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
			Collateralized amount of exposures secured by collateral		Collateralized amount of exposures secured by financial guarantees		Collateralized amount of exposures secured by credit derivatives
Loans	1,852,860,375	57,786,104	43,472,599	10,289,469	8,529,234		
Debt securities	696,601,956						
Total	2,549,462,331	57,786,104	43,472,599	10,289,469	8,529,234		
Of which defaulted	40,834,332						

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
			Collateralized amount of exposures secured by collateral		Collateralized amount of exposures secured by financial guarantees		Collateralized amount of exposures secured by credit derivatives
Loans ⁽¹⁾	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						

⁽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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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	1,201,751,282	32,934	1,210,258,296	57,341	26,964,066	2.23%
Exposures to regional and local governments	1,988,050	4,439	1,988,049	1,766	994,923	50.00%
Exposures to administrative bodies and non-commercial entities	1,120,277	1,106,546	873,122	148,420	1,021,542	100.00%
Exposures to multilateral development banks	1,221,608	30,790	1,221,608	6,158		0.00%
Exposures to international organizations						
Exposures to banks and securities firms	124,955,521	48,169,836	124,955,522	101,866,386	66,837,091	29.47%
Exposures to corporates	942,890,706	615,920,743	908,910,541	276,039,619	1,023,116,559	86.34%
Retail exposures	640,773,935	868,468,740	632,095,865	19,466,879	474,561,825	75.00%
Exposures secured by residential property	84,039,871	6,450,634	83,965,024	3,105,678	30,474,746	35.00%
Exposures secured by commercial property	69,728,563	13,123,725	69,728,563	8,185,095	45,664,798	58.61%
Past-due Receivables	10,721,451		10,721,451		7,370,788	68.75%
Exposures in higher-risk categories	1,379,276	4,470,224	1,379,115	1,210,292	6,399,432	247.14%
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	35,564,124		35,564,124		35,564,124	100.00%
Other exposures	199,867,839	28,283,662	199,867,839	332,137	169,756,772	84.79%
Equity investments	115,142,873		115,142,874		115,975,137	100.72%
Total	3,431,145,376	1,586,062,273	3,396,671,993	410,419,771	2,004,701,803	52.66%

⁽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	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 loans	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%
Equity investments	141,116,389	18,573,132	141,116,389	778,852	120,713,057	85.07%
Other exposures	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.



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c.3.3 Standardised Approach: Receivables according to risk classes and risk weights:

Current Period	Risk Weights Consolidated						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	1,183,351,571							26,964,066				1,210,315,637
Exposures to regional and local governments						1,989,784		31				1,989,815
Exposures to administrative bodies and non-commercial entities								1,021,542				1,021,542
Exposures to multilateral development banks	1,227,766											1,227,766
Exposures to international organizations												
Exposures to banks and securities firms	54,309	116,764,249				78,519,337		3,221,187	296,033		27,966,793	226,821,908
Exposures to corporates	2,223,576	122,496,368				113,028,086		937,069,465	3,264,273		6,868,392	1,184,950,160
Retail exposures	18,813,644						632,749,100					651,562,744
Exposures secured by residential property					87,070,702							87,070,702
Exposures secured by commercial property						64,497,720		13,415,938				77,913,658
Past-due loans						7,418,085		2,586,608	716,758			10,721,451
Exposures in higher-risk categories						150,982		267,668	1,370,718		800,039	2,589,407
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								35,564,124				35,564,124
Equity investments								114,588,030		554,844		115,142,874
Other exposures	30,443,204							169,756,772				200,199,976
Total	1,236,114,070	239,260,617		87,070,702		265,603,994	632,749,100	1,304,455,431	5,647,782	554,844	35,635,224	3,807,091,764

⁽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 risk Yatırım Varlık Kiralama A.Ş. a group companies.

Prior Period	Risk Weights Consolidated						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 risk Yatırım Varlık Kiralama A.Ş. a group companies.

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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 mitigaiton 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:

	Replacement Cost	Potential Future Exposure	EEPE (Effective Expected Positive Exposure)	Alpha used for computing regulatory EAD	Exposure after Credit Risk Mitigation	Risk Weighted Amounts
Current Period						
Standardised Approach- CCR (for derivatives)	5,625,722	5,579,691		1.4	15,687,578	6,739,164
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)					36,668,998	14,021,840
Value-at-Risk (VaR) (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)						
Total						20,761,004

	Replacement Cost	Potential Future Exposure	EEPE (Effective Expected Positive Exposure)	Alpha used for computing regulatory EAD	Exposure after Credit Risk Mitigation	Risk Weighted Amounts
Prior Period						
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

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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	15,687,578	8,896,813	13,927,221	4,584,733
Total subject to the CVA capital change	15,687,578	8,896,813	13,927,221	4,584,733

d.4 CCR Exposures by risk class and risk weights:

Current Period Risk Groups	Risk Weights								Total Credit Exposure
	0%	10%	20%	50%	75%	100%	150%	Other ⁽¹⁾	
Conditional and unconditional exposures to sovereigns and their central banks	35,658								35,658
Conditional and unconditional exposures to regional and local governments									
Conditional and unconditional exposures to administrative bodies and non-commercial entities						12,859			12,859
Conditional and unconditional exposures to multilateral development banks									
Conditional and unconditional exposures to international organizations							41,342		41,342
Conditional and unconditional exposures to banks and securities firms			23,308,099	24,445,009		612,307			48,365,415
Exposures to corporates			640,294	387,326		2,850,869			3,878,489
Retail exposures					22,813				22,813
Other exposures ⁽¹⁾								34,835,185	34,835,185
Total	35,658	23,948,393	24,832,335	22,813	3,476,035	41,342	34,835,185	87,191,761	

⁽¹⁾ Other receivables include the amounts reported in the table “d.7. Risks to the Central Counterparty.



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Prior Period Risk Groups	Risk Weights								Total Credit Exposure
	0%	10%	20%	50%	75%	100%	150%	Other ⁽¹⁾	
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 ⁽¹⁾								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

⁽¹⁾ Other receivables include the amounts reported in the table "d.7. Risks to the Central Counterparty.

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	Collateral	Collateral
Cash- Domestic Currency					281,116,706	
Cash- Other Currencies					87,208,365	
Government bills/bonds-Domestic					143,215	
Total					368,468,286	

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	Collateral	Collateral
Cash- Domestic Currency					72,308,779	
Cash- Other Currencies					43,192,554	
Government bills/bonds-Domestic					95,827	
Total					115,597,160	

d.6. Credit derivatives exposures:

None.

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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)	779,889			173,838
Exposures for trades at WCCPs (excluding initial margin and default fund contributions); of which	34,835,185	696,705	8,262,215	165,244
(i) OTC Derivatives	7,681,438	153,629	5,681,915	113,638
(ii) Exchange-traded Derivatives				
(iii) Repo-reverse transactions, credit securities transactions and securities or commodities lending or borrowing	27,153,747	543,076	2,580,300	51,606
(iv) Netting sets where cross-product has been approved				
Segregated initial margin	270,301		81,017	
Non-segregated initial margin				
Paid guarantee fund amount	2,309,750	83,184	89,465	8,594
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) Repo-reverse transactions, credit securities transactions and securities or commodities lending or borrowing				
(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 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.

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 Comittee and to the Board via the Audit Committee by the Risk Management Department.



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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	72,692,251	32,588,451
Interest rate risk (general and specific)	11,349,650	9,899,613
Equity risk (general and specific)	17,987,488	9,292,763
Foreign exchange risk	41,297,400	10,044,800
Commodity risk	2,057,713	3,351,275
Options	1,282,387	4,159,249
Simplified approach		
Delta-plus method	1,282,387	4,159,249
Scenario approach		
Securitisations		
Total	73,974,638	36,747,700

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, 2024, the consolidated operational risk amount is TL 218,426,329 information about the calculation is given below (December 31, 2023: TL 127,564,191).

				Total/Positive Years of Gross		
Current Period	2PP Amount	1PP Amount	CP Amount	Income Amount	Rate (%)	Total
Gross Income	45,254,025	123,722,534	180,505,567	3	15	17,474,106
Value at operational risk (Total*12.5)						218,426,329

				Total/Positive Years of Gross		
Prior Period	2PP Amount	1PP Amount	CP Amount	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

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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 Managemant Committee and the measurement results are reported to the Board of Directors on a monthly basis.

In accordance with the legal regulations, interest rate risk arising from banking accounts is measured and monitored on a monthly basis under the "Regulation on Measurement and Assessment of Interest Rate Risk Arising from Banking Accounts Using the Standard Shock Method," published in the Official Gazette No. 28034 dated August 23, 2011. The gains and losses calculated within the scope of this methodology do not represent the profit or loss that would be realized in the event of actual interest rate changes but rather reflect the changes in the economic values of the Parent Bank's assets and liabilities, representing the potential impact of their liquidation under prevailing market conditions.

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 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)	Revenue/Shareholders' Equity -	
		Gains Loss	Loss/Shareholders' Equity
TL	(+) 500	(26,934,114)	(7.35)%
TL	(-) 400	25,062,970	6.84%
EUR	(+) 200	2,350,231	0.64%
EUR	(-) 200	(2,212,866)	(0.60)%
USD	(+) 200	(8,462,988)	(2.31)%
USD	(-) 200	10,975,431	3.00%
Total (for Negative Shocks)		33,825,535	9.24%
Total (for Positive Shocks)		(33,046,871)	(9.02)%

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 2024, the Remuneration Committee met 8 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 2024, 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.



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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.

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.

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Information about The Group's segments are presented below.

	Corporate/ Commercial Banking	Individual/ Private Banking	Treasury Transaction/ Investment Activities	Insurance and Reinsurance Activities	Other/ Unallocated	Total
Current Period						
Interest Income	264,506,067	103,434,195	214,500,656		16,577,269	599,018,187
Interest Expense	167,918,235	167,892,851	139,525,660	387	44,215,131	519,552,264
Fees and Commissions						
Income/Expense (Net)	62,121,056	25,708,022	3,455,266	(7,904,458)	1,982,124	85,362,010
Dividend Income			318,657			318,657
Trading Income/Loss (Net)			9,971,460			9,971,460
Other Income	5,937,256	1,280,124	12,164,102	67,871,489	18,454,629	105,707,600
Expected Credit Loss and Other Provision Expenses	8,945,936	7,436,493	148,449	656,445	8,513,540	25,700,863
Other Operating Expense	20,616,985	51,029,733	4,891,380	65,976,224	50,681,317	193,195,639
Income/Loss from Investments in Subsidiaries Accounted by Equity Method			10,167,726			10,167,726
Income Before Tax						72,096,874
Tax Provision						8,329,621
Net Period Profit						63,767,253
Group Profit/Loss						45,536,879
Minority Interest Profit/Loss						18,230,374
Total Assets	1,338,198,054	500,417,145	1,115,843,993	66,609,390	839,629,739	3,860,698,321
Total Liabilities	792,287,602	1,403,465,304	933,256,291	173,620,470	558,068,654	3,860,698,321

	Corporate/ Commercial Banking	Individual/ Private Banking	Treasury Transaction/ Investment Activities	Insurance and Reinsurance Activities	Other/ Unallocated	Total
Prior Period						
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/Expense (Net)	37,096,476	12,281,383	2,167,401	(4,568,633)	(6,843,561)	40,133,066
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



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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 Türkiye:

a.1. Information on Cash and Balances with the Central Bank of the Republic of Türkiye:

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL/Foreign Currency	9,316,465	26,152,260	5,531,808	25,345,814
Central Bank of the Republic of Türkiye	269,133,596	325,467,494	160,293,810	334,500,936
Other		2,476,721		962,278
Total	278,450,061	354,096,475	165,825,618	360,809,028

a.2. Information on Balances with the CBRT:

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposit	161,735,514	120,322,609	135,665,280	157,731,281
Unrestricted Time Deposit				
Restricted Time Deposit				
Other ⁽¹⁾	107,398,082	205,144,885	24,628,530	176,769,655
Total	269,133,596	325,467,494	160,293,810	334,500,936

⁽¹⁾ The amount of reserve deposits held at the Central Bank of the Republic of Türkiye.

a.3. Explanations on reserve requirement application:

As per the Communiqué no. 2013/15 “Reserve Deposits” of the Central Bank of the Republic of Türkiye (“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 3% - 33% 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. Additionally, an additional TL-denominated required reserve of 4% is applied to foreign currency deposits, excluding foreign bank deposits and precious metal deposit accounts.

Obligations subject to reserve requirements are calculated and set aside every two weeks on Friday for 14-day periods.

For the required reserves in Turkish Lira held by deposit banks, the Central Bank pays interest differentiated according to the “Renewal and Transition to TL Ratio” for accounts with exchange rate/price protection support provided by the Central Bank and for Turkish Lira deposit accounts.

For foreign currency deposit/participation fund liabilities (excluding foreign bank deposits/participation funds), there is a commission applied by the Central Bank based on the renewal of accounts with exchange rate/price protection support (conversion accounts) and the transition to Turkish Lira and the share of Turkish Lira, calculated on the amount required for reserve requirements and notice foreign currency deposit accounts (excluding the portion held in Turkish Lira).

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 2024, amount to TL 605,425 (December 31, 2023: TL 465,061).

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 2024, amount to 22,268,576 TL (December 31, 2023: TL 16,675,686).

b.3. TL 3,559,392 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. (December 31, 2023: TL 2,676,996).

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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	924,847	813,588	323,868	667,547
Swap Transactions	2,208,751	14,451,024	147,262	19,118,937
Futures				
Options	104,841	365,768	65,573	466,813
Other				
Total	3,238,439	15,630,380	536,703	20,253,297

⁽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	13,263,189	7,937,492	17,163,490	4,703,047
Foreign Banks	9,651,739	59,571,191	1,567,572	61,833,628
Foreign Head Office and Branches				
Total	22,914,928	67,508,683	18,731,062	66,536,675

d.2. Information on foreign banks:

	Current Period		Prior Period	
	Unrestricted Amount	Resticted Amount	Unrestricted Amount	Resticted Amount
EU Countries	16,551,238	734,675	33,406,404	913,393
USA, Canada	4,413,852		4,307,724	113,128
OECD Countries ⁽¹⁾	13,586,901	2,670,582	3,406,500	989,187
Off-shore Banking Regions				
Other	16,766,120	14,499,562	13,238,769	7,026,095
Total	51,318,111	17,904,819	54,359,397	9,041,803

⁽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	382,386			170,156		
Additional provisions within the period	146,630			143,367		
Transfers within the period	(109,433)			(26,175)		
Write-offs from Assets						
Transfer to Stage 1						
Transfer to Stage 2						
Transfer to Stage 3						
Currency Exchange Difference	35,753			95,038		
Provisions at the end of the period	455,336			382,386		



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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 98,247,680 as of December 31, 2024 (December 31, 2023: TL 92,723,492).

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 226,227,108 as of December 31, 2024 (December 31, 2023: TL 104,654,004).

e.3. Information on financial assets at fair value through other comprehensive income:

	Current Period	Prior Period
Debt Securities	449,644,464	314,922,338
Quoted on a Stock Exchange	171,264,692	189,956,184
Not-Quoted ⁽¹⁾	278,379,772	124,966,154
Share Certificates	4,445,669	3,108,895
Quoted on a Stock Exchange	180,000	267,927
Not-Quoted	4,265,669	2,840,968
Provision for Impairment Losses (-)	27,969,050	21,075,868
Other	27,945	69,861
Total	426,149,028	297,025,226

⁽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	1,969,598	1,686	1,682,003	1,239
Total	1,969,598	1,686	1,682,003	1,239

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f.2. Information about the Standard Loans and Loans Under Close Monitoring and Loans Under Close Monitoring that have been restructured:

	Loans Under Close Monitoring			
	Standard Loans	Loans Not Subject to Restructuring	Restructured Loans	
			Loans with Revised Contract Terms	Refinanced
Cash Loans				
Non-specialized loans	1,747,459,740	77,926,491	52,219,359	32,192,264
Corporation Loans	509,468,238	18,101,854	22,528,648	25,997,632
Export Loans	287,531,401	1,566,031	20,609	128,388
Import Loans				
Loans Extended to Financial Sector	70,846,860			
Consumer Loans	204,564,429	28,847,674	4,782	5,565,268
Credit Cards	306,190,576	20,948,549	21,258,156	
Other	368,858,236	8,462,383	8,407,164	500,976
Specialized Loans				
Other Receivables				
Total	1,747,459,740	77,926,491	52,219,359	32,192,264

	Current Period	Prior Period	
	Standard Loans	Loans Under Close Monitoring	Loans Under Close Monitoring
12 Month Expected Credit Losses	7,863,144		5,878,898
Significant Increase in Credit Risk		23,931,682	18,972,440

f.3. Information on Maturity analysis of cash loans:

	Loans Under Close Monitoring		
	Standard Loans	Loans Not Subject to Restructuring	Refinanced
Cash Credit			
Short-term Loans	843,646,114	47,220,636	12,474,724
Medium and Long-term Loans	903,813,626	30,705,855	71,936,899



Türkiye İş Bankası A.Ş.

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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	63,738,251	130,055,741	4,944,285	198,738,277
Real Estate Loans	106,403	61,848,792	989,864	62,945,059
Vehicle Loans	1,009,915	3,712,020	68,887	4,790,822
General Purpose Consumer Loans	62,621,933	64,494,929	3,885,534	131,002,396
Other				
Consumer Loans - FC Indexed		148	5,997	6,145
Real Estate Loans		148	5,997	6,145
Vehicle Loans				
General Purpose Consumer Loans				
Other				
Consumer Loans - FC	4,449	110,362	374	115,185
Real Estate Loans		15,532	101	15,633
Vehicle Loans				
General Purpose Consumer Loans	4,449	94,830	273	99,552
Other				
Retail Credit Cards-TL	235,437,886	16,143,276	4,640,383	256,221,545
With Installments	75,020,278	16,143,054	2,109,974	93,273,306
Without Installments	160,417,608	222	2,530,409	162,948,239
Retail Credit Cards-FC	952,307			952,307
With Installments				
Without Installments	952,307			952,307
Personnel Loans-TL	437,174	282,369	79,072	798,615
Real Estate Loans	1,353	11,272	327	12,952
Vehicle Loans	903	3,513	124	4,540
General Purpose Consumer Loans	434,918	267,584	78,621	781,123
Other				
Personnel Loans- FC Indexed				
Real Estate Loans				
Vehicle Loans				
General Purpose Consumer Loans				
Other				
Personnel Loans-FC	1,031	12,403	89	13,523
Real Estate Loans		6,302	25	6,327
Vehicle Loans				
General Purpose Consumer Loans	1,031	6,101	64	7,196
Other				
Personnel Credit Cards-TL	953,677	7,954	4,151	965,782
With Installments	319,957	7,954		327,911
Without Installments	633,720		4,151	637,871
Personnel Credit Cards-FC	8,383			8,383
With Installments				
Without Installments	8,383			8,383
Overdraft Accounts - TL (real persons)	37,776,066		1,459,411	39,235,477
Overdraft Accounts - FC (real persons)	74,931			74,931
Total	339,384,155	146,612,253	11,133,762	497,130,170

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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	28,208,500	146,244,745	6,287,269	180,740,514
Real Estate Loans	500	3,611,481	163,935	3,775,916
Vehicle Loans	2,208,887	14,687,287	579,828	17,476,002
General Purpose Commercial Loans	25,999,113	127,945,977	5,543,506	159,488,596
Other				
Commercial Loans with Installments-FC				
Indexed		18,228	156,299	174,527
Real Estate Loans		292	2,489	2,781
Vehicle Loans				
General Purpose Commercial Loans		17,936	153,810	171,746
Other				
Commercial Loans with Installments-FC	2,884,731	17,756,286	196,928	20,837,945
Real Estate Loans				
Vehicle Loans		7,562		7,562
General Purpose Commercial Loans	454,574	10,915,261	95,822	11,465,657
Other	2,430,157	6,833,463	101,106	9,364,726
Corporate Credit Cards-TL	87,839,155	1,310,192	1,005,756	90,155,103
With Installments	26,242,871	1,310,192		27,553,063
Without Installments	61,596,284		1,005,756	62,602,040
Corporate Credit Cards-FC	94,161			94,161
With Installments				
Without Installments	94,161			94,161
Overdraft Accounts - TL (corporate)				
(corporate)	15,149,588		240,515	15,390,103
Overdraft Accounts - FC (corporate)				
Total	134,176,135	165,329,451	7,886,767	307,392,353



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f.6. Distribution of credits according to users:

	Current Period	Prior Period
Public	11,227,056	9,423,604
Private	1,898,570,798	1,340,928,599
Total	1,909,797,854	1,350,352,203

f.7. Domestic and foreign loans:

	Current Period	Prior Period
Domestic Loans	1,847,269,708	1,299,257,450
Foreign Loans	62,528,146	51,094,753
Total	1,909,797,854	1,350,352,203

f.8. Loans granted to subsidiaries and associates:

	Current Period	Prior Period
Direct Loans Granted to Subsidiaries and Associates	14,844,971	10,195,890
Indirect Loans Granted to Subsidiaries and Associates		
Total	14,844,971	10,195,890

f.9. Information on impairment provisions of Loans (Stage 3):

	Current Period	Prior Period
Loans with Limited Collectability	6,159,988	6,300,081
Loans with Doubtful Collectability	6,185,079	3,133,708
Uncollectible Loans	17,351,171	14,013,386
Total	29,696,238	23,447,175

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)	1,579,065	499,384	6,642,519
Restructured Loans	1,579,065	499,384	6,642,519
Prior 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

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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 Uncollectible Loans
Prior 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
Additions (+)	29,293,290	287,658	2,726,693
Corporate and Commercial Loans	7,206,947	151,450	486,917
Retail Loans	8,698,395	25,206	389,871
Credit Cards	13,387,948	111,002	15,509
Other			1,834,396
Transfers from Other NPL Categories (+)		22,303,222	13,764,387
Corporate and Commercial Loans		10,036,717	8,520,127
Retail Loans		4,881,177	2,523,844
Credit Cards		7,385,328	2,720,416
Other			
Transfers to Other NPL Categories (-)	22,495,282	13,572,327	
Corporate and Commercial Loans	10,228,777	8,328,067	
Retail Loans	4,881,177	2,523,844	
Credit Cards	7,385,328	2,720,416	
Other			
Collections (-)	6,674,842	3,663,713	7,290,071
Corporate and Commercial Loans	1,168,455	1,511,782	5,759,363
Retail Loans	2,285,322	1,052,458	1,099,997
Credit Cards	3,221,065	1,099,473	422,525
Other			8,186
Write-Offs (-) ⁽¹⁾	10,598	1,535	1,810,228
Corporate and Commercial Loans	4,909	146	48,352
Retail Loans	2,148	559	4,748
Credit Cards	3,541	830	2,301
Other			1,754,827
Debt Sale (-) ⁽²⁾	6,210	1,157	3,305,305
Corporate and Commercial Loans			325,349
Retail Loans	721	419	1,524,182
Credit Cards	5,489	738	1,450,112
Other			5,662
Currency Exchange Effect	2,522	21,483	106,296
Corporate and Commercial Loans	1,215	18,758	92,467
Retail Loans	1,307	2,725	13,751
Credit Cards			
Other			78
Current Period Ending Balance	10,680,063	9,581,530	20,572,739
Corporate and Commercial Loans	4,610,737	2,517,952	16,478,571
Retail Loans	2,409,591	2,592,467	2,272,962
Credit Cards	3,659,735	4,471,111	1,690,211
Other			130,995
Specific Provisions (-)	6,159,988	6,185,079	17,351,171
Corporate and Commercial Loans	2,932,702	1,585,473	14,575,804
Retail Loans	1,046,556	1,441,240	1,254,441
Credit Cards	2,180,730	3,158,366	1,407,952
Other			112,974
Net Balance on Balance Sheet	4,520,075	3,396,451	3,221,568

⁽¹⁾ As of December 31, 2024, an amount of TL 1,765,318 has been written off in accordance with the amendment to the "Regulation on the Procedures and Principles for the Classification of Loans and the Provisions to be Set Aside for These Loans," published in the Official Gazette No. 30961 dated November 27, 2019.

⁽²⁾ In March 2024, non-performing loan receivables amounting to TL 401,424 were transferred to Gelecek Varlık Yönetim A.Ş. for a cash consideration of TL 186,500. In May 2024, non-performing loan receivables amounting to TL 1,375,847 were transferred to Sümer Varlık Yönetim A.Ş., Ortak Varlık Yönetim A.Ş., and Gelecek Varlık Yönetim A.Ş. for a total cash consideration of TL 607,750. In September 2024, non-performing loan receivables amounting to TL 1,535,402 were transferred to Birikim Varlık Yönetim A.Ş., Dünya Varlık Yönetim A.Ş., Gelecek Varlık Yönetim A.Ş., and AGS Varlık Yönetim A.Ş. for a cash consideration of TL 539,500.

After the sale of the portfolio consisting of written-off receivables and non-performing loans, as of 31.12.2024, the Group's non-performing loan ratio decreased from 2.35% to 2.09%.



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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	428,243	319,073	10,202,193
Provisions (-)	155,541	216,865	9,041,876
Net Balance on Balance Sheet ⁽¹⁾	272,702	102,208	1,160,317
Prior 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

⁽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)	4,520,075	3,396,451	3,221,568
Loans to Individuals and Corporate (Gross)	10,680,063	9,581,530	20,441,744
Provisions (-)	6,159,988	6,185,079	17,238,197
Loans to Individuals and Corporate (Net)	4,520,075	3,396,451	3,203,547
Banks (Gross)			
Provisions (-)			
Banks (Net)			
Other Loans (Gross)			130,995
Provisions (-)			112,974
Other Loans (Net)			18,021
Prior 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

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)	528,797	497,693	244,593
Interest accruals and valuation differences	1,123,506	1,408,183	1,915,043
Provisions (-)	594,709	910,490	1,670,450
Prior 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

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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:

- 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	5,878,898	18,972,440	23,447,175	4,718,789	14,637,767	20,565,590
Additional provisions within the period	11,048,388	16,222,779	14,429,206	7,241,997	10,552,905	7,558,695
Transfers within the period	(9,328,487)	(11,311,577)	(3,672,664)	(6,906,199)	(5,616,127)	(4,055,244)
Write-offs from Assets			(5,135,033)			(2,804,424)
Transfer to Stage 1	661,386	(645,901)	(15,485)	1,083,095	(1,043,460)	(39,635)
Transfer to Stage 2	(518,626)	546,935	(28,309)	(544,920)	591,554	(46,634)
Transfer to Stage 3	(94,225)	(479,523)	573,748	(213,259)	(1,911,030)	2,124,289
Currency Exchange Difference	215,810	626,529	97,600	499,395	1,760,831	144,538
Provisions at the end of the period	7,863,144	23,931,682	29,696,238	5,878,898	18,972,440	23,447,175

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 62,331,689 as at December 31, 2024 (December 31, 2023: TL 60,579,384).

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 136,950,399 at December 31, 2024 (December 31, 2023: TL 22,560,328).



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g.3. Information on government securities measured at Amortized cost:

	Current Period	Prior Period
Government Bonds	260,651,589	199,506,867
Treasury Bills		
Other Public Debt Securities		
Total	260,651,589	199,506,867

g.4. Information on financial assets measured at amortized cost:

	Current Period	Prior Period
Debt Securities	281,357,179	216,178,048
Quoted on a Stock Exchange	249,273,030	192,762,735
Not Quoted ⁽¹⁾	32,084,149	23,415,313
Impairment Losses (-)		
Total	281,357,179	216,178,048

⁽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	216,178,048	106,956,161
Foreign Exchange Differences Arising on Monetary Assets	5,968,244	11,268,869
Purchases During the Year	125,503,427	121,861,350
Transfers		
Disposals through Sales and Redemption	(89,906,221)	(40,745,444)
Impairment Losses (-)		
Valuation Effect	23,613,681	16,837,112
Balance at the End of the Period	281,357,179	216,178,048

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	211,281			68,670		
Additional provisions within the period	167,891			195,247		
Transfers within the period	(190,123)			(56,199)		
Write-offs from Assets						
Transfer to Stage 1						
Transfer to Stage 2						
Transfer to Stage 3						
Currency Exchange Difference	3,131			3,563		
Provisions at the end of the period	192,180			211,281		

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”.

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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/Türkiye	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
20,055,553	2,696,580	1,458,250	1,379,612	35,953	198,554	162,652	

⁽¹⁾ Includes interest income on securities.

h.3. Movement of investments in consolidated associates ⁽¹⁾:

	Current Period	Prior Period
Beginning Balance	453,026	385,225
Movements during the period		
Purchases		
Bonus shares acquired		
Dividends received from the current year profit		
Sales		
Revaluation Increase ⁽²⁾	101,818	67,801
Impairment		
Balance at the end of the period	554,844	453,026
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	554,844	453,026
Insurance Companies		
Factoring Companies		
Leasing Companies		
Finance Companies		
Other Financial Participations		
Total	554,844	453,026

⁽¹⁾ Includes the information related to associate which is a credit institution in which the Bank has direct shares.

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.



Türkiye İş Bankası A.Ş.

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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.

A domestically incorporated company named Elüs Market Ürün Piyasası Aracı Kurumu A.Ş., with a total capital of 21,450 TL, has been established, and one of the subsidiaries within the Group’s consolidation scope, İş Yatırım Menkul Değerler A.Ş., holds a 24.24% share in the capital. In accordance with the provisions of the “Regulation on Intermediary Activities and the Supervision and Auditing of Intermediaries on the Turkish Commodity Exchange,” the company was founded to engage in intermediary activities for electronic warehouse receipts and futures contracts based on these receipts on the Turkish Commodity Exchange. The company was registered with the Trade Registry as of 29 April 2024.

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	57,087,202	32,895,935	15,178,714	8,850,407
Deductions from Common Equity Tier I Capital (-)	958,454	1,388,026	152,459	54,389
Total Common Equity Tier I Capital	56,128,748	31,507,909	15,026,255	8,796,018
ADDITIONAL TIER I CAPITAL				
Additional Tier I Capital before Deductions		10,519,950		
Deductions from Additional Tier I Capital (-)				
Total Capital	56,128,748	42,027,859	15,026,255	8,796,018
TIER II CAPITAL				
Tier II Capital Before Deductions		1,837,994		
Deduction from Tier II Capital (-)				
Total Additional Tier II Capital		1,837,994		
Total Capital and Tier II Capital	56,128,748	43,865,853	15,026,255	8,796,018
Deductions from Total Capital and Additional Tier I Capital (-)				
CAPITAL	56,128,748	43,865,853	15,026,255	8,796,018

i.2. Information on unconsolidated subsidiaries: None.

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i.3. Information on consolidated subsidiaries:

		Bank’s Share		Bank’s Risk Group	
No	Title	Address (City/ Country)	Percentage-If Different. Voting Rights (%) ⁽¹⁾	Share Percentage (%)	
1-	Anadolu Anonim Türk Sigorta Şirketi	Istanbul/Türkiye	50.23		49.77
2-	Anadolu Hayat Emeklilik A.Ş.,	Istanbul/Türkiye	74.84		25.16
3-	Efes Varlık Yönetim A.Ş.,	Istanbul/Türkiye	66.29		33.71
4-	İş Faktoring A.Ş.,	Istanbul/Türkiye	46.51		53.49
5-	İş Finansal Kiralama A.Ş.,	Istanbul/Türkiye	45.42		54.58
6-	İş Gayrimenkul Yatırım Ortaklığı A.Ş.,	Istanbul/Türkiye	60.63		39.37
7-	İş Girişim Sermayesi Yatırım Ortaklığı A.Ş.,	Istanbul/Türkiye	35.37		64.63
8-	İş Portföy Yönetimi A.Ş.,	Istanbul/Türkiye	67.47		32.53
9-	İş Yatırım Menkul Değerler A.Ş.,	Istanbul/Türkiye	67.98		32.02
10-	İş Yatırım Ortaklığı A.Ş.,	Istanbul/Türkiye	24.46		75.54
11-	İşbank AG	Frankfurt/Germany	100.00		0.00
12-	JSC İşbank	Moscow/Russia	100.00		0.00
13-	JSC Isbank Georgia	Tbilisi/Georgia	100.00		0.00
14-	Levent Varlık Kiralama A.Ş.,	Istanbul/Türkiye	67.98		32.02
15-	Maxis Girişim Sermayesi Portföy Yönetimi A.Ş.,	Istanbul/Türkiye	67.98		32.02
16-	Maxis Investments Ltd,	London/England	67.98		32.02
17-	Milli Reasürans T.A.Ş.,	Istanbul/Türkiye	87.60		12.40
18-	Moka Ödeme ve Elektronik Para Kuruluşu A.Ş.,	Istanbul/Türkiye	100.00		0.00
19-	TSKB Gayrimenkul Yatırım Ortaklığı A.Ş.,	Istanbul/Türkiye	44.71		55.29
20-	Türkiye Sınai Kalkınma Bankası A.Ş.,	Istanbul/Türkiye	50.46		49.54
21-	Yatırım Finansman Menkul Değerler A.Ş.,	Istanbul/Türkiye	48.90		51.10
22-	Yatırım Varlık Kiralama A.Ş.,	Istanbul/Türkiye	48.90		51.10

⁽¹⁾ Indirect share of the Group is considered as the Parent Bank’s share percentage.

Financial statement information related to consolidated subsidiaries in the above order:

									Additional Shareholders’ Equity Required
		Total			Current			Fair	
		Shareholders’	Tangible	Interest	Securities	Period	Prior Period	Value ⁽²⁾	
	Total Assets	Equity	Assets	Income ⁽¹⁾	Income	Profit/Loss	Profit/Loss		
1-	89,267,932	23,726,137	1,597,926	6,241,459	8,467,666	11,538,847	6,380,160	51,686,500	
2-	260,339,161	10,071,526	528,712	3,352,370	1,687,376	4,305,802	2,853,815	45,060,560	
3-	760,461	469,950	10,323	432,807	4,348	104,108	97,261		
4-	37,798,320	4,555,968	36,925	7,265,695	42,334	1,007,450	1,159,924		
5-	69,747,305	9,842,182	97,954	11,678,929	189,425	1,925,193	1,767,060	9,287,157	
6-	43,904,496	36,380,872	37,161,958	192,183	469,768	11,080,257	11,175,211	18,183,653	
7-	5,085,933	4,179,909	17,482	85,657	23,749	1,945,145	1,227,673	2,933,320	
8-	2,351,770	2,041,902	58,913	74,333	686,873	1,178,849	459,899		
9-	71,897,283	27,482,934	717,390	12,714,018	3,024,423	12,489,979	9,811,742	71,028,000	
10-	520,163	514,595	3,589	88,923	98,199	148,866	109,910	1,381,475	
11-	78,150,152	17,112,654	382,451	6,404,932		1,331,536	860,199		
12-	18,821,950	2,672,097	141,268	1,695,514		1,287,802	422,943		
13-	6,157,972	1,852,576	136,471	461,732		144,543	155,201		
14-	102,144	146		25		-98	-6		
15-	409,715	363,471	16,826	139,973	46,538	78,966	266,187		
16-	6,799,350	569,829	8,105	72,267		148,821	101,702		
17-	33,749,308	16,474,891	181,309	1,494,187	477,506	5,933,631	3,629,008		
18-	2,930,925	109,433	90,732	166,939	3,731	14,425	47,877		
19-	5,276,934	4,715,146	5,009,004	40,697		1,370,581	1,535,587	4,533,750	
20-	237,528,982	33,152,700	5,568,758	30,331,870	272,729	10,356,755	7,149,926	34,277,600	
21-	8,901,613	937,968	139,483	1,610,075	157,484	335,579	282,714		
22-	2,065,248	2,101				1,428	371		

⁽¹⁾ Includes interest income on securities.

⁽²⁾ Fair value is the companies’ market value.



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The financial statement information presented in the table above reflects amounts not adjusted for inflation accounting, as disclosed in the companies' publicly announced financial reports or in material event disclosures. In the preparation of the consolidated financial statements, these balances have been adjusted in line with the Group's accounting policies to meet the requirements of consolidation.

i.4. Movement of investments in subsidiaries ⁽¹⁾:

	Current Period	Prior Period
Balance at the Beginning of the Period	67,465,619	37,373,370
Movements in the Period		
Purchases ⁽²⁾	29,954	53,758
Bonus Shares Acquired		
Dividends Received from the Current Year Profit		
Sales		
Revaluation Surplus/Deficit ⁽³⁾	31,349,655	30,038,491
Impairment		
Balance at the End of the Period	98,845,228	67,465,619
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 prior period balance results from the classification of shares of Anadolu Hayat Emeklilik A.Ş. and İş Finansal Kiralama A.Ş., which are tracked under the Financial Assets at Fair Value Through Profit or Loss account, as subsidiaries.
⁽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	38,145,018	28,573,981
Insurance Companies	22,573,033	14,039,712
Factoring Companies		
Leasing Companies	2,021,433	1,472,096
Finance Companies		
Other Financial Subsidiaries	36,105,744	23,379,830
Total	98,845,228	67,465,619

⁽¹⁾ Reveals the information related to companies subject to consolidation in which Bank directly owns share.

i.6. Consolidated subsidiaries traded on stock exchange ⁽¹⁾:

	Current Period	Prior Period
Traded on domestic stock exchanges	62,257,824	40,271,948
Traded on foreign stock exchanges		

⁽¹⁾ Reveals the information related to companies subject to consolidation in which Bank directly owns share.

i.7. Consolidated subsidiaries disposed of in the current period: None

i.8. Subsidiaries acquired in the current period: None

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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”.

On February 1, 2024, the capital of Trakya Yatırım Holding A.Ş., in which the Parent Bank is 100% shareholder, has been increased by TL 2,840,000.

On February 1, 2024, İş Girişim Sermayesi Yatırım Ortaklığı A.Ş.'s shareholding in Toksöz Spor Malzemeleri Ticaret A.Ş. increased from 90.63% to 100% with the acquisition of 9.37% shares for TL 90,000 and on March 26, 2024, the title of Toksöz Spor Malzemeleri Ticaret A.Ş. was changed as Sportive Spor Malzemeleri Tic. A.Ş.

As of May 31, 2024, all shares of Maxi Digital GMBH., fully owned by Isbank AG, were transferred to Is United Payment Systems Limited for a consideration of EUR 9,6 million.

On August 19, 2024, 50% of the capital in Sportive Spor Malzemeleri Ticaret A.Ş., a wholly owned subsidiary of İş Girişim Sermayesi Yatırım Ortaklığı A.Ş., amounting to a nominal value of TL 18,775 was sold to Marka Mağazacılık A.Ş., one of the Fiba Group companies, for TL 493,392. In the current period, Sportive Spor Malzemeleri Ticaret A.Ş. has been classified under jointly controlled entities in the balance sheet.

On December 2, 2024, İş Girişim Sermayesi Yatırım Ortaklığı A.Ş. acquired a 24.06% stake in Tatilbudur Seyahat Acenteliği ve Turizm A.Ş., with a nominal value of TL 8,900, for a total consideration of TL 1,066,000. In the current period, Tatilbudur Seyahat Acenteliği ve Turizm A.Ş. has been classified under non-financial subsidiaries.

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	16,935,446	13,706,168	13,690,050	10,975,364
1-4 Years	14,407,367	12,507,918	13,428,777	11,884,748
More than 4 Years	1,011,912	859,753	1,139,279	900,585
Total	32,354,725	27,073,839	28,258,106	23,760,697

k.2. Information regarding net investments made on finance lease:

	Current Period	Prior Period
Gross Finance Lease Investment	32,354,725	28,258,106
Unearned Finance Revenue from Finance Lease (-)	5,280,886	4,497,409
Net Finance Lease Investment	27,073,839	23,760,697

k.3. Presentation of operating lease receivables according to their remaining maturities:

As at December 31, 2024 the remaining maturities of the Group's operating lease receivable is less than 1 year the total amount is TL 64,995. (December 31, 2022; TL 93,070).



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I. Positive differences table for hedging derivative financial assets:

	Current Period		Prior Period	
	Net	Gross	Net	Gross
Part of Derivative Financial Assets at Fair Value Through Profit Loss ⁽¹⁾				
Hedging Derivative Financial Assets		1,119,407		310,639
Hedging Cash Flow				
Protection from Net Investment Risk Abroad				
Total		1,119,407		310,639

⁽¹⁾ Includes information on derivative financial assets for hedging purposes classified under derivative financial assets.

Explanations on hedging derivative financial assets:

	Current Period			Prior Period		
	Contract Sum	Assets	Liability	Contract Sum	Assets	Liability
Derivative Financial Liabilities at Fair Value through Profit/Loss						
Interest Rate Swap Transactions	38,602,372	18,436	417,848	12,304,847	94,859	130,762
FC	38,602,372	18,436	417,848	12,304,847	94,859	130,762
TL						
Currency Swap Transactions	30,696,329	1,100,971		26,483,208	215,780	39,214
FC	30,696,329	1,100,971		26,483,208	215,780	39,214
TL						

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	(27,268)	21,597		(5,671)
Interest Rate Swap Transactions	Fixed Rate Loans Used	Interest Risk	106,172		(113,852)	(7,680)
Cross Currency Swap Transactions	Fixed Interest Rate Eurobond	Interest Risk	(73,032)	104,084		31,052

⁽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 Eurobonds and Greenbonds	Interest rate risk	(112,672)		77,745	(34,927)
Interest Rate Swap Transactions	Fixed Rate Loans Used	Interest rate risk	107,833		(115,332)	(7,499)
Cross Currency Swap Transactions	Fixed Interest rate Eurobonds	Interest rate 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.

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m. Information on Tangible Assets:

Current Period	Real Estate	Right-to-Use Assets	Buildings Under Construction	Vehicles	Other MDV	Total
Previous Period						
Cost	38,677,652	5,163,854	528,473	114,950	7,674,348	52,159,277
Accumulated Depreciation	(31,811)	(3,073,526)		(56,933)	(4,201,469)	(7,363,739)
Net Book Value	38,645,841	2,090,328	528,473	58,017	3,472,879	44,795,538
Current Period						
Net Book Value at the Beginning of Period	38,645,841	2,090,328	528,473	58,017	3,472,879	44,795,538
Current Period Changes (Net) ⁽¹⁾	21,022,971	2,752,192	2,304,349	250,715	3,146,025	29,476,252
Depreciation Fee	(509,176)	(1,379,189)		(34,333)	(1,329,480)	(3,252,178)
Provision for Impairment (Net)	44,438					44,438
Foreign Exchane Differences (Net) ⁽¹⁾	(1,439)	76,901		1,149	4,937	81,548
End of Term Cost	59,265,489	8,268,645	2,832,822	361,064	10,705,023	81,433,043
Accumulated Depreciaton at the End of the Period	(62,854)	(4,728,413)		(85,516)	(5,410,662)	(10,287,445)
Net Book Value at the End of the Period	59,202,635	3,540,232	2,832,822	275,548	5,294,361	71,145,598

⁽¹⁾ Includes the movements in cost value and accumulated depreciation items.

n. 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	7,110,247	4,051,819
Change During the Period (Net) ⁽¹⁾	7,524,334	4,386,262
Depreciation	(2,374,289)	(1,425,520)
Impairment		
Currency Translation Differences ⁽¹⁾	26,082	97,686
Cost at Period End	20,556,548	12,969,359
Accumulated Depreciation at Period End	(8,270,174)	(5,859,112)
Net Book Value at the End of the Period	12,286,374	7,110,247

⁽¹⁾ The balance includes the movements in cost and accumulated depreciation items .

o. 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 887,301. (December 31, 2023: TL 536,694).

	Current Period	Prior Period
Net Book Value at the Beginning of the Period	18,056,230	11,320,190
Change During the Period (Net)	(1,916,137)	(1,395,323)
Revaluations Surplus/Deficit	9,267,224	8,131,363
Net Book Value at the End of the Period	25,407,317	18,056,230



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p. Information on deferred tax asset:

As of December 31, 2024, the Parent Bank and the other consolidated Group companies has deferred tax asset amounting to TL 30,811,538. 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 ⁽¹⁾	2,742,358	629,472
Provisions ⁽²⁾	(21,758,888)	(15,396,760)
Finance Lease Income Accruals	146,532	107,969
Valuation of Financial Assets	563,564	386,583
Other ⁽³⁾	(12,505,104)	(364,717)
Net Deferred Tax Asset	(30,811,538)	(14,637,453)

⁽¹⁾ Deferred tax assets arising from the inflation adjustment under the provisions of Temporary Article 33 of the Tax Procedure Law are included.
⁽²⁾ Employee benefit obligations consist of the actual and technical deficit of the pension fund, insurance technical provisions, credit card point provisions, expected credit loss provisions for Stage I and Stage II loans, and other provisions.
⁽³⁾ The current period amount also includes deferred tax assets arising from tax losses.

	Current Period	Prior Period
Balance at the Beginning of the Period	14,523,260	(625,273)
Deferred Tax Income/(Expense) (Net)	6,640,070	6,780,453
Deferred Tax Accounted Under Equity	7,199,058	7,333,400
Deferred Tax Accounted Under Previous Year P/L	(482,534)	1,042,313
Exchange rate differences	(4,030)	(7,633)
Net Deferred Tax Asset/(Liability) ⁽¹⁾	27,875,824	14,523,260

⁽¹⁾ In the consolidated financial statements for the current period, a deferred tax asset of TL 30,811,538 and a deferred tax liability of TL 2,935,714 are recorded, with the movement schedule presented on a net basis. Explanations regarding the deferred tax liability are provided in Footnote II.h.2 of Section Five.

q. Information on assets held for sale and discontinued operations:

	Current Period	Prior Period
Net Balance at the Beginning of the Period	1,562,954	1,618,994
Change during the periods (Net)	(1,512,692)	(62,651)
Amortized Cost		
Provision for Decrease in Value	(34)	(190)
Foreign Currency Difference	2,116	6,801
Net Book Value at the End of the Period	52,344	1,562,954

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.

r. Information on other assets of the group:

Other assets item does not exceed 10% of the balance sheet total.

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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	103,661,630		43,374,108	365,887,910	190,225,901	5,224,033	10,655,257	4,897	719,033,736
Foreign Currency Deposits	486,566,547		42,742,165	155,323,928	25,162,623	17,348,763	40,281,895	2,874	767,428,795
Residents in Türkiye	399,873,278		34,747,770	109,781,773	16,723,396	3,855,342	6,824,659	2,874	571,809,092
Residents Abroad	86,693,269		7,994,395	45,542,155	8,439,227	13,493,421	33,457,236		195,619,703
Public Sector Deposits	7,991,829		366,595	583,038	127,838		6		9,069,306
Commercial Deposits	74,715,532		162,798,744	98,850,338	42,236,819	2,324,568	15,704,829		396,630,830
Other Institutions Deposits	5,271,088		6,470,540	16,323,684	5,113,612	66,198	2,519		33,247,641
Precious Metals Deposits	171,360,129		4,422	9,897,194	1,764,738	10,848,552	590,863		194,465,898
Interbank Deposits	3,346,709		45,857,569	2,026,025	532,641	150,447	7,627,933		59,541,324
The Central Bank of Türkiye	1,207								1,207
Domestic Banks	589,364		41,946,350	1,555,813					44,091,527
Foreign Banks	2,755,200		3,911,219	470,212	532,641	150,447	7,627,933		15,447,652
Participation Banks	938								938
Other									
Total	852,913,464		301,614,143	648,892,117	265,164,172	35,962,561	74,863,302	7,771	2,179,417,530

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	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 Türkiye	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 Türkiye	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

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 December 31, 2024, the amount of the foreign exchange-protected deposits opened within this scope is TL 145,226,061. (31.12.2023: 279,584,133 TL).



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a.2. Savings deposits which are under the guarantee of Savings Deposits Insurance Fund exceeding the insurance limit:

	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	296,130,386	179,078,644	415,169,414	320,081,874
Foreign Currency Savings Deposits	180,312,282	142,427,842	282,017,177	271,482,690
Other Deposits in the Form of Savings Deposits	85,739,717	53,207,056	98,328,906	60,492,920
Foreign Branches’ Deposits Under Foreign Authorities’ Insurance	40,066,728	30,095,707	19,044,036	15,598,500
Off-shore Banking Regions’ Deposits Under Foreign Authorities Insurance				

⁽¹⁾ The amount of insured deposits for the current period is TL 650 (previous period: TL 400). With the amendment published in the Official Gazette dated 27.08.2022 and numbered 31936, the scope of insured deposits was revised to include deposits held in domestic branches of banks, except those belonging to official institutions and credit and financial institutions, up to the specified limits. Accordingly, in the current period, there is TL 48,842,920 (31.12.2023: TL 36,217,680) of commercial deposits under insurance coverage, which is not presented 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	19,044,036	15,598,500
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	139,177	77,781
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 Türkiye		

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	2,780	2,205,139	184,450	796,917
Swap Transactions	179,539	8,564,354	413,616	5,677,628
Futures				
Options	96,799	331,514	4,211	1,117,558
Other				
Total	279,118	11,101,007	602,277	7,592,103

⁽¹⁾ Includes information related to derivative financial liabilities held for trading and classified under derivative financial liabilities. Information on derivative financial liabilities for hedging purposes is disclosed in Note II.g of Section Five.

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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	6,841,285	12,583,921	6,579,759	7,068,265
Foreign banks, institutions and funds	42,146,722	240,129,204	3,508,820	224,083,749
Total	48,988,007	252,713,125	10,088,579	231,152,014

c.2. Maturity analysis of funds borrowed:

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-term	33,198,979	24,061,291	7,320,155	13,300,977
Medium and Long-term	15,789,028	228,651,834	2,768,424	217,851,037
Total	48,988,007	252,713,125	10,088,579	231,152,014

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 2024	USD 442,000,000 + EURO 562,700,000	1 year
August 2024	USD 48,600,000 + EURO 129,700,000	1 year
November 2024	USD 584,500,000 + EURO 494,900,000	1 year

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	6,964,236		6,165,382	735,314
Asset backed security	2,052,309		1,508,031	
Bonds	5,592,604	157,927,691	2,642,046	98,092,794
Total	14,609,149	157,927,691	10,315,459	98,828,108

Information on funds received through securitization:

The Parent Bank has obtained funding through TIB Diversified Payment Rights Finance Company (TIB), a structured entity established abroad and included in the scope of consolidation, by subjecting all rights and receivables related to remittance flows in USD, EUR, and GBP to transactions based on future flows. These funds are recorded under loans received in the consolidated financial statements for the previous period and under issued securities for the current period.



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Details regarding the funds obtained through transactions based on future flows are provided below.

Date	Amount	Final Maturity	Remaining Debt Amount as at December 31, 2024
December 2013	EURO 50,000,000	12 years	EURO 5,000,000
December 2014	USD 220,000,000	14 years	USD 80,000,000
March 2015	USD 15,000,000	15 years	USD 9,843,750
October 2015	USD 221,200,000	10 years	USD 20,737,500
October 2016	USD 55,000,000	12 years	USD 21,463,408
December 2016	USD 158,800,000	10-13 years	USD 50,363,096
December 2017	USD 125,000,000	9 years	USD 53,571,429
August 2022	USD 227,000,000	5 years	USD 192,076,923
November 2023	USD 195,000,000	5 years	USD 195,000,000
November 2023	EURO 50,000,000	5 years	EURO 50,000,000
February 2024	USD 140,000,000	5-6 years	USD 140,000,000
May 2024	USD 221,855,000	5-6 years	USD 221,855,000
September 2024	USD 450,000,000	10 years	USD 450,000,000
September 2024	EURO 100,000,000	10 years	EURO 100,000,000

e. Concentration of the liabilities of the Group:

Group's liabilities 56% are comprised of deposits, 8% are comprised of funds borrowed, 6% are comprised subordinated debt and marketable securities issued and 9% 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	309,461	221,246	100,418	60,323
1-4 years	1,364,688	1,019,925	648,076	489,502
More than 4 years	4,598,855	2,631,239	2,726,586	1,747,689
Total	6,273,004	3,872,410	3,475,080	2,297,514

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		417,848		169,976
Cash Flow Hedges				
Net Investment Hedge Abroad				
Total		417,848		169,976

⁽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.

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i. Information on Provisions:

i.1. Reserves for employee benefits:

In accordance with the related legislation and collective labor agreements, the Bank is required to make lump-sum termination indemnities to each employee who retires, dies, leaves the Bank due to military service, whose employment is terminated as specified in the related legislation and to each female employee who leaves the Bank voluntarily within one year following her marriage. In accordance with the relevant legislation, severance pay is one month's salary for each year of service. As of the balance sheet date, the one-month salary amount is considered without exceeding the ceiling applicable for severance pay. Provision for employment termination benefits is recognized by calculating the present value of the future probable obligation of the Company arising from the retirement of the employees. As of December 31, 2024, the Group's provision for severance pay liability amounts to TL 6,088,071. (31 December 2023: TL 5,643,824).

Main actuarial assumptions used in calculation of severance pay liability are as follows:

- In the calculation, the discount rate is 26.70%, the inflation rate is 21.85%, and the real wage increase rate is 2%.
- In the calculation, the ceiling of 41,828.42 TL (full TL amount) valid as of December 31,2024 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	5,643,824	5,605,220
Current Service Cost	420,542	432,431
Interest Cost	1,108,842	1,216,303
Benefits paid	(2,516,360)	(1,841,112)
Loss/(Gain) due to Settlements/Reductions/Terminations	20,689	2,642
Prior Year Service Cost		239,358
Actuarial loss/(gain)	1,410,534	(11,018)
Defined benefit obligation at the end of the period	6,088,071	5,643,824

The sensitivity analysis of the defined benefit obligation related to past service as of December 31, 2024, based on assumptions, is presented below:

- If the discount rate is increased by 1% annually, the defined benefit obligation decreases by 9.3%.
- If the discount rate is decreased by 1% annually, the defined benefit obligation increases by 10.7%.
- If the annual inflation rate is increased by 1%, the defined benefit obligation increases by 10.3%.
- If the annual inflation rate is decreased by 1%, the defined benefit obligation decreases by 9.1%.

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, 2024, the unused vacation provision amount is TL 1,016,351. (December 31, 2023: TL 530,788).

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, 2024, and December 31, 2023 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, 2024, TL 2,631,737 provision (December 31, 2023: TL 2.976.310) is allocated for the non-cash loans of companies whose loans are followed under non-performing loans accounts.



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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, 2024 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 21,100,818 .According to the actuarial report as at December 31, 2024 of Milli Reasürans T.A.Ş. besides the Parent Bank, the amount of actuarial and technical deficit was determined to be TL 654,542. 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, 2024, 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.
- 34.75% total premium rate is used.
- CSO 1980 woman/man mortality tables are used.

Additionally, the “Ceiling Base Salary Increase for Premium” is determined based on the “Ceiling Base Salary for Premium” set by the Social Security Institution (SGK). It is assumed that real increases above inflation will occur in the earnings of premium-paying members and ceiling salaries, considering past realizations.

In the calculation of the liability amount for vested benefits, in addition to the aforementioned assumptions, certain actuarial assumptions are also applied. Accordingly, the final liability amount to be incurred by the Bank upon the realization of the transfer may vary depending on factors such as the discount rate, mortality rates, pension increases, salary increases for active members, and withdrawal rates.

Below table shows the cash values of premium and salary payments of the Parent Bank as of December 31, 2024, 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	(110,173,970)	(57,235,905)
Net Present Value of Long Term Insurance Line Premiums	52,768,803	25,775,506
Net Present Value of Total Liabilities Other Than Health	(57,405,167)	(31,460,399)
Net Present Value of Health Liabilities	(11,408,363)	(6,190,532)
Net Present Value of Health Premiums	38,916,992	18,687,242
Net Present Value of Health Liabilities	27,508,629	12,496,710
Pension Fund Assets	8,795,720	4,674,947
Amount of Actuarial and Technical Deficit	(21,100,818)	(14,288,742)

The assets of the pension fund are as follows:

	Current Period	Prior Period
Cash and Cash Equivalents	7,071,179	3,366,702
Securities Portfolio	634,320	604,264
Other	1,090,221	703,981
Total	8,795,720	4,674,947

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 1,198,281 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, 2024. (December 31, 2022: TL 642,592)

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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 (75 million USD), 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 5 February 2024, The Turkish lira equivalent of this amount, TL 1,754,786, was transferred to off-balance sheet accounts on February 20, 2024, and subsequently written off along with the related specific provision.

i.4.4. Other provisions, excluding those mentioned above, consist of expense provisions, provisions for ongoing legal cases, and other provisions set aside for various reasons. Considering potential developments in the economy and financial markets, in line with the prudence principle, the entire amount of TL 10,000,000 in free provisions, which had been allocated in previous years, was reversed in the current period.

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, 2024, 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 4,158,889 (December 31, 2023 TL 9,361,158) and as a result of the separate clarification process of each partnership and tax authority, current tax asset amounting to TL 110,073 (December 31, 2023 TL 50,335) occurs.

j.1.2. Information on taxes payable:

	Current Period	Prior Period
Corporate Tax Payable	4,158,889	9,361,158
Tax on Securities Income	4,186,893	1,050,214
Tax on Real Estate Income	17,766	10,422
Banking Insurance Transaction Tax	5,191,276	2,091,978
Foreign Exchange Transaction Tax	57,312	40,098
Value Added Tax Payable	436,632	261,828
Other	1,123,465	773,056
Total	15,172,233	13,588,754

i.1.3. Information on premiums:

	Current Period	Prior Period
Social Security Premiums - Employees	39,195	27,338
Social Security Premiums - Employer	49,847	33,931
Bank Pension Fund Premiums - Employees		
Bank Pension Fund Premiums - Employer		
Pension Fund Membership Fees and Provisions-Employees	79,949	38,284
Pension Fund Membership Fees and Provisions-Employer	65	44
Unemployment Insurance - Employees	24,634	13,588
Unemployment Insurance - Employer	49,345	27,291
Other		118
Total	243,035	140,594



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j.2. Information on deferred tax liabilities:

The Parent Bank and the consolidated Group companies have TL 2,935,714 deferred tax liability as of December 31, 2024. 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	426,219	26,847
Provisions	2,270,315	(115,856)
Valuation of Financial Assets	181,006	147,596
Other	58,174	55,606
Deferred Tax Liability	2,935,714	114,193

⁽³⁾ 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.

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.

I. Information on subordinated loans

Debt instruments to be included in the additional Tier 1 capital calculation:

One of the subsidiaries included in the consolidation, TSKB, issued a perpetual subordinated debt instrument with a nominal value of USD 300 million on March 21, 2024, targeting non-resident legal entities. This instrument bears an interest rate of 9.75%, with fixed semi-annual interest payments. As of the period-end, the balance sheet value of the mentioned debt instrument is TL 10,800,864 (December 31, 2023: Not applicable).

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 Türkiye.

Nominal value contribution capital has issued borrowing instruments that will be included in the calculation of bonds. The bills mentioned are amounting to TL 46,985,333 as of December 31, 2024 (December 31, 2023 TL 39,870,982)

The total amount of the aforementioned debt instruments as of the period-end is TL 57,786,197 (December 31, 2023: TL 39,870,982).

	Current Period		Prior Period	
	TL	FC	TL	FC
Debt Instruments To Be Included In Additional Capital Calculation	10,800,864			
Subordinated Loans				
Subordinated Debt Instrument	10,800,864			
Debt Instruments To Be Included In Contribution Capital Calculation	2,340,183	44,645,150	2,324,411	37,546,571
Subordinated Loans				
Subordinated Debt Instrument	2,340,183	44,645,150	2,324,411	37,546,571
Total	2,340,183	55,446,014	2,324,411	37,546,571

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m. Information on consolidated shareholders' equity:

m1. Presentation of paid-in capital:

	Current Period	Prior Period
Common shares	24,999,970	9,999,970
Preferred shares	30	30
Total	25,000,000	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	25,000,000	25,000,000

m.3. The capital increase made in current period:

It has been decided to increase the Bank's paid-in capital from TL 10,000,000 to TL 25,000,000 entirely through internal resources (extraordinary reserves). In this regard, the capital increase process was completed within the period, and the registration of the new capital was finalized on March 1, 2024.

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:

Within the scope of the Board of Directors' resolution dated August 17, 2018, the Bank repurchased 130 million shares, representing 2.89% of its capital, between August 28, 2018, and December 31, 2018. With the Board of Directors' resolution dated May 31, 2019, the General Management was authorized to dispose of these shares at a price not lower than the repurchase cost. Following the bonus capital increases carried out on June 14, 2022, and February 27, 2024, the number of these shares reached 722,200,364.31. Of these, 306,000,000 shares, representing 1.22% of the capital, were sold on Borsa Istanbul on December 13, 2024. The pre-tax profit of TL 3,845,106 generated from this sale was recognized in equity accounts in accordance with the Capital Markets Board's Communiqué II-22.1 on Repurchased Shares and was not reflected in the income statement.

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.

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.



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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	(19,032,966)	(926,161)	4,420,683	(1,461,390)
Valuation Difference	(27,777,446)	(1,363,582)	5,810,836	(2,063,705)
Deferred Tax Effect on Valuation	8,513,256	437,421	(1,584,704)	602,315
Foreign Exchange Differences	231,224		194,551	
Total	(19,032,966)	(926,161)	4,420,683	(1,461,390)

n. Information on minority interest

	Current Period	Prior Period
Balance at the beginning of the period	35,159,671	18,801,765
Distributed Dividend	(631,084)	(346,380)
Subsidiaries Profit/Loss on minority interest	18,230,374	14,116,181
Effect of change in subsidiaries equity	1,821,127	2,723,743
Effect of change in Group's minority interest	(36,860)	(135,638)
Period Ending Balance	54,543,228	35,159,671

m. Information on Dividend Distribution

- At the Bank's Ordinary General Assembly, held on March 29, 2024, it was decided to allocate net profit from operating activities of 2023, amounting to TL 72,264,798 as follows;
- Adding a total of TL 299,959 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 72,564,757 formed accordingly, TL 276,721 arising from real estate sales gains, of which it was decided to be used in capital increase, including the separation of TL 6,233 venture capital investment related to R&D discount, allocating a total of TL 1,165,806 as special reserves, of which TL 889,085 is allocated to venture capital investment trusts and funds,
 - Addition of the provision amount of TL 1,905,000 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 73,303,951;
 - TL 7,226,470 to A, B and C group shares as cash,
 - TL 10 to the founding shares as cash,
 - TL 1,903,117 as cash dividend to employees to be distributed,
 - TL 64,174,354 as legal and extraordinary reserves to be reserved, has been decided. As of March 29, 2024; TL 64,174,354 was transferred to reserves account, cash dividends were distributed to the shares other than the shares acquired by the Bank, as of April 1, 2024.

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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 737,663,382 and commitment to pay for cheque leaves amounts to TL 15,115,800. The amount of commitment for the forward purchase of assets is TL 17,759,623 and for the forward sale of assets is TL 17,795,841.

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 2,631,737 as of December 31, 2024 (December 31, 2023: TL 2,976,310) 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	26,213,326	14,395,310
Letters of Credit	106,444,925	91,063,527
Other Guarantees	5,705,492	6,236,053
Total	138,363,743	111,694,890

a.4. Certain guarantee, provisional guarantees, suretyships and similar transactions:

	Current Period	Prior Period
Letters of Tentative Guarantees	11,113,505	6,461,015
Letters of Certain Guarantees	282,969,065	185,238,771
Letters of Advance Guarantees	54,580,443	43,825,683
Letters of Guarantee Given to Customs Offices	22,644,795	14,947,470
Other Letters of Guarantee	83,545,400	69,327,517
Total	454,853,208	319,800,456

a.5. Total Non-cash Loans:

	Current Period	Prior Period
Non-cash Loans against Cash Risks	82,060,683	75,434,184
With Original Maturity of 1 Year or Less	14,994,391	13,279,229
With Original Maturity More Than 1 Year	67,066,292	62,154,955
Other Non-cash Loans	511,156,268	356,061,162
Total	593,216,951	431,495,346



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a.6. Sectoral risk concentration of non-cash loans:

	Current Period				Prior Period			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agriculture	1,450,462	0.51	114,864	0.04	915,302	0.54	281,184	0.11
Farming and Livestock	1,322,097	0.46	75,894	0.02	790,750	0.47	265,733	0.10
Forestry	86,675	0.03		0.00	112,662	0.07		0.00
Fishery	41,690	0.02	38,970	0.02	11,890	0.00	15,451	0.01
Industry	109,207,396	38.26	180,337,962	58.59	63,734,022	37.77	145,952,470	55.55
Mining and Quarrying	1,945,166	0.68	2,812,261	0.91	2,224,842	1.32	1,825,487	0.69
Manufacturing Industry	91,790,798	32.16	156,963,957	50.99	50,226,268	29.76	123,233,517	46.90
Electricity, Gas, Water	15,471,432	5.42	20,561,744	6.69	11,282,912	6.69	20,893,466	7.96
Construction	44,464,988	15.58	48,427,703	15.73	22,680,828	13.44	40,429,597	15.39
Services	129,465,266	45.36	76,251,915	24.77	80,938,974	47.96	69,580,248	26.48
Wholesale and Retail Trade	72,729,019	25.48	39,455,936	12.82	45,774,873	27.12	30,578,217	11.64
Hotel and Restaurant Services	2,488,717	0.87	1,646,075	0.53	1,852,852	1.10	808,327	0.31
Transport and Communications	15,393,631	5.39	12,795,776	4.16	8,149,862	4.83	19,334,249	7.36
Financial Institutions	25,807,179	9.04	15,421,367	5.01	18,971,238	11.24	14,717,032	5.60
Real Estate and Rental Services.	8,027,933	2.81	6,266,613	2.04	4,043,004	2.40	3,438,762	1.31
Self-Employment Services	2,018,636	0.71	247,185	0.08	1,034,103	0.61	216,365	0.08
Education Services	847,016	0.30	10,915	0.00	386,245	0.23	8,671	0.00
Health and Social Services	2,153,135	0.76	408,048	0.13	726,797	0.43	478,625	0.18
Other	819,094	0.29	2,677,301	0.87	495,541	0.29	6,487,180	2.47
Total	285,407,206	100.00	307,809,745	100.00	168,764,667	100.00	262,730,679	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	282,053,202	299,075,457	2,912,521	3,711,183
Letters of Guarantee	259,542,862	184,108,912	2,890,221	2,957,185
Bank Acceptances	20,443,388	5,734,662	22,300	12,976
Letters of Credit	2,063,314	103,538,451		741,022
Endorsements				
Underwriting Commitments of the Securities Issued				
Factoring Related Guarantees				
Other Guaranties and Warranties	3,638	5,693,432		

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 52,790,694.

Due to the cheques given to the customers, the payment obligation amounting to TL 15,115,800, 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 8,650 (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.

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d. Explanations related to transactions made on behalf of or on the account of others:

It is explained in Note X under Section Four.

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	172,488,596	15,913,460	60,110,182	10,868,072
Medium and Long-term Loans	142,072,434	43,084,967	57,012,723	32,493,410
Interest on Non-performing Loans	6,665,765	92,359	3,735,258	11,244
Premiums Received from State Resource Utilization Support Fund				
Total	321,226,795	59,090,786	120,858,163	43,372,726

⁽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 Türkiye				38,987
Domestic Banks	7,895,691	690,967	2,707,515	125,451
Foreign Banks	1,911,087	1,372,985	88,128	811,649
Foreign Head Offices and Branches				
Total	9,806,778	2,063,952	2,795,643	976,087

a.3. Information on interest income from securities:

	Current Period		Current Period	
	TL	FC	FC	FC
Financial Assets at Fair Value through Profit and Loss	308,910	525,507	76,557	398,697
Financial Assets at Fair Value through Other Comprehensive Income	67,324,405	9,829,324	39,363,179	6,410,969
Financial Assets Measured at Amortized Cost	69,645,000	2,240,742	30,675,940	1,392,378
Total	137,278,315	12,595,573	70,115,676	8,202,044

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. As of 31 December 2024, the valuation of the aforementioned securities has been performed based on an annual inflation forecast of 37.34%. In the event of a 100 basis points increase or decrease in the CPI forecast, the Parent Bank's pre-tax profit as of 31 December 2024 will increase by approximately TL 243 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	3,197,178	426,042



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b. Interest Expense

b.1. Information on interest expense from funds borrowed:

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	11,377,198	7,349,932	2,171,832	7,247,451
Central Bank of Türkiye				
Domestic Banks	2,323,508	604,648	1,734,647	339,275
Foreign Banks	9,053,690	6,745,284	437,185	6,908,176
Foreign Head Offices and Branches				
Other Institutions	4,302	8,346,774	2,691	5,084,589
Total ⁽¹⁾	11,381,500	15,696,706	2,174,523	12,332,040

⁽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	1,999,610	2,027,892

b.3. Information on interest paid on marketable securities issued:

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest on Securities Issued	7,424,902	15,161,275	2,363,193	7,976,338

b.4. Information on Interest Expense on Deposits According to Maturity Structure:

Current Period	Demand Deposits	Time Deposits					Accumulated Deposits	Total
		Up to One Month	Up to Three Months	Up to Six Months	Up to One Year	Over One Year		
TL								
Bank Deposits	184	24,370,632	559,297					24,930,113
Savings Deposits	1,114	10,402,011	104,006,118	88,802,610	5,720,088	3,975,065	889	212,907,895
Public Sector Deposits	61	46,870	147,322	48,526	2			242,781
Commercial Deposits	45,944	46,559,192	28,678,832	23,599,593	4,934,660	5,665,298		109,483,519
Other Institutions Deposits	16	2,206,838	4,094,141	3,935,903	403,971	386		10,641,255
Deposits with 7 Days Notice								
Total	47,319	83,585,543	137,485,710	116,386,632	11,058,721	9,640,749	889	358,205,563
FC								
Foreign Currency Deposits	5,132	682,611	1,049,771	234,089	424,816	1,505,245	1	3,901,665
Bank Deposits	19,447	55,115	18,824	56,780	245,270	520,926		916,362
Deposits with 7 Days Notice								
Precious Metals Deposits			7,971	999	10,525	475		19,970
Total	24,579	737,726	1,076,566	291,868	680,611	2,026,646	1	4,837,997
TOTAL	71,898	84,323,269	138,562,276	116,678,500	11,739,332	11,667,395	890	363,043,560

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Prior Period	Demand Deposits	Time Deposits					Accumulated Deposits	Total
		Up to One Month	Up to Three Months	Up to Six Months	Up to One Year	Over One Year		
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

c. Explanations on dividend income:

	Current Period	Prior Period
Financial Assets with Fair Value Differences Recognized in Profit/Loss	142,060	340,620
Financial Assets with Fair Value Differences Recognized in Comprehensive Income	176,597	80,902
Other		
Total	318,657	421,522

d. Information on trading profit/losses (Net):

	Current Period	Prior Period
Profit	3,017,545,382	2,507,981,258
Securities Trading Gains	612,830,123	229,156,069
Gains on Derivative Financial Instruments ⁽¹⁾	73,487,090	80,995,783
Foreign Exchange Gains	2,331,228,169	2,197,829,406
Losses (-)	3,007,573,922	2,467,236,519
Securities Trading Losses	576,356,807	211,227,197
Losses on Derivative Financial Instruments ⁽¹⁾	131,280,958	81,931,866
Foreign Exchange Losses	2,299,936,157	2,174,077,456
Trading Income/Losses (Net)	9,971,460	40,744,739

⁽¹⁾ The profit amount arising from exchange rate fluctuations related to derivative transactions is TL 40,560,426, while the loss amount is TL 98,053,700, resulting in a net loss of TL 57,493,274. (As of 31.12.2023: profit amount TL 48,532,783, loss amount TL 54,086,470, net loss TL 5,553,687.)

e. Information on other operating income:

As at reporting period, TL 65,654,291 of other operating income sources from inclusion and classification of operations of insurance and reinsurance companies; 92% of which is from insurance premiums. (December 31, 2023: TL 38,547,396, 90%). 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. 10,000,000 TL of free provisions for possible risks in prior periods have been reversed in the current period. (December 31, 2023: TL 2,000,000)



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f. Information on expected credit loss and other provision expense:

	Current Period	Prior Period
Expected Credit Loss	24,863,488	19,759,355
Expected Credit Loss for 12 Months (Stage 1)	3,482,138	2,059,578
Significant Increase in Credit Risk (Stage 2)	5,621,357	5,615,275
Non-Performing Loans (Stage 3)	15,759,993	12,084,502
Impairment Losses on Marketable Securities	150,972	1,935
Financial Assets at Fair Value through Profit and Loss	148,449	824
Financial Assets at Fair Value Through Other Comprehensive Income	2,523	1,111
Impairment Losses on Associates, Subsidiaries and Joint-Ventures		
Associates		
Subsidiaries		
Jointly Controlled Entities		
Other	686,403	4,628,282
Total	25,700,863	24,389,572

g. Other operating expenses:

	Current Period	Prior Period
Reserve for Employee Termination Benefits	16,143	760,336
Bank Pension Fund Deficit Provisions	7,127,334	6,013,017
Impairment Losses on Tangible Assets	5,457	142,047
Depreciation Expenses of Tangible Assets	3,252,178	2,000,702
Impairment Losses on Intangible Assets		
Impairment Losses on Goodwill		
Amortization Expenses of Intangible Assets	2,374,289	1,425,520
Impairment Losses on Investments Accounted Under Equity Method		
Impairment Losses on Assets to be Disposed	6,626	7,403
Depreciation Expenses of Assets to be Disposed		
Impairment Losses on Assets Held for Sale and Subject to Discontinued Operations	173	923
Other Operating Expenses	52,038,884	31,020,238
Leasing Expenses Related to Exceptions to TFRS 16	783,094	499,200
Repair and Maintenance Expenses	1,527,781	981,110
Advertisement Expenses	5,486,375	1,805,980
Other Expenses	44,241,634	27,733,948
Loss on Sale of Assets	5,629	9,081
Other	70,327,395	51,632,349
Total	135,154,108	93,011,616

The amount spent by the Group on donations, aid, and social responsibility projects during the current period is TL 388,166 (31.12.2023: TL 375,735).

In the table above, TL 53,478,820 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, 2023: TL 39,732,789).

In the current period, TL 5,837,919 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 2,488,465 of it consists of taxes, duties, fees and fund expenses.

h. Explanations on net profit/loss of continued and discontinued operations:

The Group's profit before tax arises from continuing operations. As of December 31,2024, the profit before tax consists of TL 79,465,923 of net interest income, TL 85,362,010 of net fees and commission income, and the total of personnel expenses and other operating expenses is TL 193,195,639.

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h1. Information on provision for taxes from continuing and discounted operations

As of December 31,2024, the Group's tax provision amounting to TL 8,329,621 consists of current tax provision of TL 14,969,691 and deferred tax income of TL 193,195,639. The Group does not have any discontinued operations.

h2. Explanations on net profit/loss of continued and discontinued operations:

The net profit of the Group from its ongoing operations as of December 31, 2024 is TL 63,767,253.

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, 2024-December 31, 2024.

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	18,230,374	14,116,181

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.ı.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 March 26,2021, 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	134,396	81,759
Other Assurance Services and Other Non-Audit Fees	28,702	20,191
Total	163,098	101,950

V. DISCLOSURES AND FOOTNOTES ON CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS’ EQUITY

The paid-in capital is TL 25,000,000 in legal records. As of balance sheet date, the balance of legal reserves is TL 16,487,587 the balance of extraordinary reserves is TL 139,352,179 and the balance of statutory reserves is TL 863,802.

The details of revaluation surplus account of securities are shared in the Note Section V-II-j-9. TL (8,950,677) of this amount is the deferred tax effect on marketable securities at fair value through other comprehensive income (December 31, 2023: TL (982,389)).

Foreign exchange differences amounting to TL 1,691,123 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”.



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VI. DISCLOSURES AND FOOTNOTES ON THE CONSOLIDATED STATEMENTS OF CASH-FLOWS

The consolidated operating profit of TL 105,489,934 before the changes in operating assets and liabilities mostly comprised of TL 553,873,874 of interest received from loans and securities, and TL 507,499,807 of interest paid on deposits, money market transactions and funds borrowed by the Bank. An important part of other revenues, TL 104,620,903 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 (41,348,358) (December 31, 2023: TL (22,429,632)).

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 290,105,081 (December 31, 2023: TL 160,819,031 increase).

The Net Cash Provided from Other Investing Activities account includes net cash flows from the sale of intangible assets and declined by TL 7,526,427 (December 31, 2023: TL 4,288,012 decrease).

Foreign currency exchange differences on cash and cash equivalents are on the positive side TL1,954,703 (December 31, 2023: TL 8,591,643) as of December 31, 2024. 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 Türkiye, 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, 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 Türkiye 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

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, 2024	December 31, 2023
Cash	340,461,641	325,236,461
Cash in TL and Foreign Currency	35,468,725	30,877,622
Central Bank of Türkiye and Other	304,992,916	294,358,839
Cash Equivalents	54,669,045	72,058,144
Receivables from Money Market Operations	10,595,706	7,811,536
Banks’ Demand Deposits and Time Deposits Up to 3 Months	44,073,339	64,246,608
Total Cash and Cash Equivalents	395,130,686	397,294,605

Notes To The Consolidated Financial Statements For The Year Ended December 31, 2024

(Amounts expressed in thousand Turkish Lira (TL) unless otherwise stated.)
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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	10,195,890	28,515,121			3,363,190	2,191,348
Balance at the end of the period	14,844,971	31,592,293			2,929,736	2,973,354
Interest and commission income received	3,197,178	9,096			830,352	30,425

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	2,343,655	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

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	
	Current Period		Current Period		Current Period	
Deposits						
Balance at the beginning of the period		21,601,646		1,700,282		4,383,964
Balance at the end of the period		14,493,197		2,014,110		14,696,828
Interest expense on deposits		1,999,610		1,591,850		1,861,213

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	
	Prior Period		Prior Period		Prior Period	
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



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For The Year Ended December 31, 2024

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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				
Balance at the end of the period						
Total Profit/Loss	(2,208)				8,958	
Transactions for hedging purposes						
Beginning of the period						
End of the period						
Total Profit/Loss						

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 0.96%, while the ratio to the overall assets is 0.46% the ratio of deposits of the risk group corporations to the overall deposits is 1.43%, while the ratio to overall liabilities is 0.81%, 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. 36 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 TL1,129,582 (December 31, 2023: TL 599,919).

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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⁾	1,012	20,175	Country of Incorporation		
Foreign Representative Offices	1	2	China		
	1	3	Egypt		
				Total Assets	Legal Capital
Foreign Branches	2	59	England	87,814,785	4,381
	15	238	TRNC	80,158,390	80,000
	2	50	Iraq	19,518,245	2,613,955
	2	27	Kosovo	4,057,791	364,956
	1	6	Bahrain	17,566,136	
Off-Shore Branches					

⁽¹⁾ The Branches located in Free Trade Zones in Türkiye are included among domestic branches.

İşbank AG

	Number	Employees			
Domestic Branches ⁽¹⁾	8	146	Country of Incorporation		
Foreign Representative Offices					
				Total Assets	Legal Capital
Foreign Branches	1	7	Netherlands	8,103,974	
Off-Shore Branches					

⁽¹⁾ The branches of the company, which is headquartered in Germany, in Germany are shown as domestic branches

Milli Reasürans T.A.Ş.

	Number	Employees			
Domestic Branches	1	147	Country of Incorporation		
Foreign Representative Offices					
				Total Assets	Legal Capital
Foreign Branches					
Off-Shore Branches	1	12	Singapore	1,400,719	1,166,345

JSC İşbank

	Number	Employees			
Domestic Branches ⁽¹⁾	1	94	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.

Türkiye İş Bankası A.Ş.

Notes To The Consolidated Financial Statements For The Year Ended December 31, 2024

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JSC İşbank Georgia

	Number	Employees
Domestic Branches ⁽¹⁾	1	51
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 Anonim Türk Sigorta Şirketi	1,797
Anadolu Hayat Emeklilik A.Ş.	1,059
Efes Varlık Yönetimi A.Ş.	85
İş Faktoring A.Ş.	119
İş Finansal Kiralama A.Ş.	141
İş Gayrimenkul Yatırım Ortaklığı A.Ş.	72
İş Girişim Sermayesi Yatırım Ortaklığı A.Ş.	15
İş Portföy Yönetimi A.Ş.	90
İş Yatırım Menkul Değerler A.Ş.	627
İş Yatırım Ortaklığı A.Ş.	6
Maxis Girişim Sermayesi Yatırım Ortaklığı A.Ş	23
Maxis Investments Ltd ⁽¹⁾	11
Moka Ödeme ve Elektronik Para Kuruluşu A.Ş.	83
TSKB Gayrimenkul Yatırım Ortaklığı A.Ş.	12
Türkiye Sınai Kalkınma Bankası A.Ş.	456
Yatırım Finansman Menkul Değerler A.Ş.	184

⁽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.

IX. SUBSEQUENT EVENTS

The Parent Bank, within the scope of the Board of Directors’ resolution dated October 3, 2024 regarding the issuance of debt instruments, issued a financing bond with a nominal value of TL 7,500,000 after December 31, 2024.

Additionally, in line with the Board of Directors’ resolutions dated July 8, 2024 and November 20, 2024 regarding the issuance of debt instruments abroad, the Parent Bank issued financing bonds with nominal values of USD 192.3 million and GBP 50 million after December 31, 2024.

On January 15,2025, in accordance with the Board of Directors’ resolution dated November 29, 2024 concerning the issuance of additional Tier 1 capital-eligible debt instruments abroad, the Parent Bank issued an additional Tier 1 capital-eligible bond with a nominal value of USD 500 million, a fixed interest rate of 9.125%, and a perpetual maturity. This bond includes a call option exercisable between January 15, 2030 and July 25, 2030, and subsequently on each coupon payment date every six months.

Furthermore, on January 22, 2025, the Parent Bank exercised its call option for the repayment of USD 750 million worth of subordinated bonds previously issued abroad, resulting in the full redemption of these bonds as of the relevant date.

Regulatory approvals from the Banking Regulation and Supervision Agency (BRSA), the Capital Markets Board (CMB), and the Ministry of Trade of the Republic of Türkiye have been obtained for increasing the Parent Bank's registered capital ceiling to TL 100,000,000. However, as per the relevant legislation, the amendment to the article of association regarding the registered capital ceiling must be submitted for approval at the General Assembly within the prescribed period.

Additionally, on January 27, 2025, İş Girişim Sermayesi Yatırım Ortaklığı A.Ş. acquired a 35.83% stake in Tatilbudur Seyahat Acenteliği ve Turizm A.Ş., with a nominal value of TL 13,258, for TL 1,775,000. As a result, the total ownership increased to 99.98%.

Türkiye İş Bankası A.Ş.

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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	B1	Positive
Long-term Local Currency Deposit	B1	Positive
Long-term Foreign Currency Senior Debt	B1	-
Short-term Foreign Currency Deposit	Not-Prime	-
Short-term Local Currency Deposit	Not-Prime	-
FITCH RATINGS		
Long-term Foreign Currency Issuer Default Rating	BB-	Stable
Long-term Local Currency Issuer Default Rating	BB-	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	bb-	-

The dates when the Bank’s credit ratings/outlooks were last updated are given below:

Moody's: 23.07.2024, Fitch Ratings: 17.09.2024

İş Finansal Kiralama A.Ş.

	Rating	Outlook
FITCH RATINGS		
Long-term Foreign Currency Issuer Default Rating	BB-	Stable
Long-term Local Currency Issuer Default Rating	BB-	Stable
Short-term Foreign Currency Issuer Default Rating	B	Stable
Short-term Local Currency Issuer Default Rating	B	Stable
National Long-term Rating	AA-(tur)	Stable
Support Rating	bb-	-

The date when the credit ratings/outlooks of İş Finansal Kiralama A.Ş were last updated are given below:

Fitch Ratings: 17.09.2024



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Türkiye Sınai Kalkınma Bankası A.Ş.

MOODY'S	Rating	Outlook ^(*)
Long-term Foreign Currency Issuer Rating	B1	Positive
Long-term Local Currency Issuer Rating	B1	Positive
Long-term Counterparty Risk Rating	B1	-
Counterparty Risk Assessment	B1(cr)	-
Baseline Credit Assessment	b2	-
Adjusted Baseline Credit Assessment	b2	
Senior Unsecured Notes	B1	Positive
Foreign Currency MTN Rating	(P)B1	-
FITCH RATINGS	Rating	Outlook ^(*)
Long-term Foreign Currency Loan Default Rating	B+	Positive
Long-term Local Currency Loan Default Rating	BB-	Stable
Short-term Foreign Currency Loan Default Rating	B	-
Short-term Local Currency Loan Default Rating	B	-
Government Support Rating	b+	-
National Long-term Rating	AA	Stable
Financial Capacity Rating	b+	-
Long-term Senior Unsecured Notes	B+	-
Short-term Senior Unsecured Debt	B	-
Capital-Related Debt Rating (AT-1)	CCC+	-

The date when the credit ratings/outlooks of TSKB were last updated are given below:

Moody's: 23.07.2024, Fitch Ratings: 17.09.2024

^(*) 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 Group's consolidated financial statements and footnotes as of December 31, 2024, which will be disclosed to the public, have been audited by PwC Independent Audit and Certified Public Accounting Inc. The independent auditor's report dated February 12, 2025 is presented in the introduction section of this report.

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 outbound 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 Türkiye 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 overseas 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 service received from Definex Danışmanlık A.Ş. related to software, testing, and event log solutions within various software development projects conducted by the Bank,	• 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 • Support services received from Enuygun Com İnternet Bilgi Hizmetleri Teknoloji ve Ticaret A.Ş. for marketing individual 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 individual loan, • 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,	• Service received from Worldline Pos Teknoloji Çözüm ve Servisleri A.Ş. related to the operation and maintenance of the Bank application on POS terminals, • 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 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, • Support services received from Konut Kredisı 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 Loomis Güvenlik Hizmetleri A.Ş. for the transportation of precious metals, • 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, • Software development and maintenance services from Topkapı Danışmanlık Elektronik Hizmetler Pazarlama ve Ticaret A.Ş., • Service recieved from İş Merkezleri Yönetim ve İşletim A.Ş. for document Scanning and Barcode Reading Agreement, • 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 service received from Figo Ticari Bilgi ve Uygulama Platformu A.Ş. for the procurement of supplier financing needs through the Easy Financing Platform,
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Activities for which Support Services are Received in Accordance with the Regulation on Procurement of Support Services for Banks

- Support services received from AVİ 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,
- Software service received from Aspero Bilgi Teknolojileri Tic. Ltd. Şti. related to the legal reporting platform,
- Data management consultancy service received from Veri Yönetimi Danışmanlık ve Yazılım Hiz. A.Ş.,
- Analytical applications software consultancy and development service received from Smartmind Veri Yönetimi Teknoloji Hiz. A.Ş.,
- Consultancy service related to machine learning studies received from PragmaCraft Yazılım Ltd. Şti.,
- Software service related to İşÇep and Internet Branch developments received from Commencis Teknoloji A.Ş.,
- Software service received from ODC İş Çözümleri Danışmanlık Tic. A.Ş. for SMS sending to customers via operators,
- Service related to software used for real-time mobile approval code sending and voice, written, and video communication with customers, received from Diyalog Yazılım Teknolojileri Ltd. Şti.,
- Maintenance and additional development services for software used in security applications for bank cards and merchant businesses, received from Verisoft Bilgi İşlem Ticaret ve San. A.Ş.,
- Android POS service, bank application software installation, and maintenance services received from Pavo Finansal Teknoloji Çözümleri A.Ş.,
- Customer collection, transportation, processing, and storage services received from Desmer Güvenlik Hizmetleri Tic. A.Ş.,
- Customer collection, transportation, processing, and storage services received from Bantaş Nakit ve Kıymetli Mal Taşıma Güvenlik Hizmetleri A.Ş.,
- Collaboration for customer referral and free services from ATMs under the partnership agreement with Birleşik Ödeme Hizmetleri ve Elektronik Para A.Ş. and SütBir Wallet and Card,
- Service received from Compay Ödeme Çözümleri A.Ş. related to receiving vehicle loan applications through the togg.com.tr website,
- MPI 3DSS outsourcing service received from Payten Teknoloji A.Ş.,
- Service received from Topkapı Danışmanlık Elektronik Hiz. Paz. Tic. A.Ş. regarding Instant Shopping Credit/Installment Extra Account on Pazarama.

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
Güzide 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
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
Bahattin Özarslantürk	Board Member	Member of the Board of Directors of the Türkiye İş Bankası A.Ş. Supplementary Pension Fund Foundation

The independence declaration of Mr. Ahmet Gökhan Sungur, Independent Member of the Board

Mr. Ahmet Gökhan Sungur was 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, who was 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,
- I have not been a member of the Board of Directors of İşbank for more than six years in total within the last decade,

Additional Information Provided Within the Scope of Relevant Legislation

- 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 29 March 2024, a net allocation of TL 135,000 is paid to the members of the Board of Directors on an individual basis every month. Benefits paid to key management personnel in 2024 amount to TL 249,048 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 78,833 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 2024

- The Commercial Banking Sales Division has been renamed as the Corporate and Commercial Banking Sales Division.
- It has been decided to merge the Retail Loans Division with the Retail Banking Products Division, and for the consolidated unit to continue its operations under the name Retail Banking Products Division.
- A new Division, the Transaction Banking Division, has been established.
- Within the Agricultural Banking Marketing Division, a specialized unit named the Tourism Expertise Unit has been established.
- The scope of activities of the Credit Portfolio Management Division has been expanded to include the analytical and process management functions previously handled by the Retail Loan Allocation Division. The unit has been restructured into an agile framework and renamed the Credit Strategy Management Division.

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 2024. 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.

- Mr. Hakan Aran, Board Member and Chief Executive Officer, also serves as the Chairperson of the Board of Türkiye Sınai ve Kalkınma Bankası A.Ş. (TSKB), a subsidiary of İşbank, within the framework of the consent obtained regarding the prohibition to trade with and compete against the company based on related regulations of the Turkish Commercial Code.
- 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 2024 were performed.
- Mr. Bahattin Özarslantürk has been appointed to the Board of Directors to replace Mr. Gökhan Şen, pursuant to Article 363 of the Turkish Commercial Code.
- The approvals of the Banking Regulation and Supervision Agency (BRSA), the Capital Markets Board (CMB), and the Ministry of Trade have been obtained regarding the amendment to Article 5 of the Bank's Articles of Association. The approval processes regarding the proposed amendments to Articles 29 and 38 of the Articles of Association are still ongoing. The proposed changes to these articles will be submitted for the approval of the Bank's General Assembly.
- By resolution of the Board of Directors, the Artificial Intelligence Division and the Data Management Division were merged under the name Data Analytics and Artificial Intelligence Division as of 28 February 2025.
- The Bank's capital has been increased from TL 10,000,000,000 to TL 25,000,000,000.

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 2024, the loans extended to Group companies were all below the regulatory risk limits.

İşbank's Subsidiaries

FINANCE

İşbank has financial service subsidiaries operating in 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 sectors.

Financial service subsidiaries, which enrich the product range and services provided by the Bank to individual and corporate customers in different business lines, also offer cross and complementary product and sales opportunities.

Türkiye Sınai Kalkınma Bankası (TSKB)

The first privately-owned development and investment bank of Türkiye

TSKB, a leader among privately-owned development and investment banks, has played an important role in the economic development of Türkiye since its establishment in 1950.

The Bank continues to add sustainable value to its stakeholders and the national economy with the value it produces in economic, environmental and social areas. Offering a wide range of innovative services to its customers with its deep knowledge in corporate banking, investment banking and advisory services, TSKB has adopted the

mission of continuously and increasingly contributing to the inclusive and sustainable development of the country.

With the resources it obtains from development finance institutions and international financial institutions, TSKB offers loans with social themes such as renewable energy, energy efficiency, emission reduction, circular economy and adaptation to climate change, development of earthquake-affected regions and green transformation in these regions, as well as women's employment and support for employment management in priority regions for development. The Bank indirectly transfers resources to SMEs and exporters' investments in different sectors through APEX loans it provides to financial institutions.

TSKB accelerated its funding efforts to support its growth strategy in 2024, during which it maintained its sustainable high performance. Its strong relationship with International Development Finance Institutions for many years and its past high performance in the use of themed loans were the factors supporting the provision of new resources in 2024. With the loan agreements signed with six separate development finance institutions, two of which were for the first time during the year, the total resources it successfully obtained from capital markets and global financial institutions exceeded USD 1.7 billion, reaching a historical record level.

In May 2024, TSKB signed the “Accelerating Market Transition for Distributed Energy in Türkiye Project” agreement with the World Bank (IBRD) under the guarantee of the Ministry of Treasury and Finance for the financing of distributed solar projects and battery electricity storage systems for the domestic consumption needs of private sector companies throughout Türkiye. Within the scope of the project, a loan of Euro 300 million was obtained from IBRD, a loan of USD 15 million from the Clean Technology Fund (CTF) through IBRD, and a grant of USD 1.5 million from the Energy Sector Management Assistance Program (ESMAP).

In July 2024, TSKB completed a syndicated agreement worth USD 190 million with the participation of 14 banks from 11 different countries, with a renewal rate of 160%, above the sector average.

Again in July, under the parallel co-financing structure with French Development Agency (AFD) and Italian Public Development Bank (CDP), and within the scope of the “Joint European Financiers for International Cooperation” (JEFIC), “Green Reconstruction” loan agreements totaling Euro 100 million (Euro 50 million each) were signed. The CDP portion of this agreement is provided on behalf of the Italian Climate Fund. With these loans, TSKB aims to finance the green investments of companies affected by the earthquake disaster.



İşbank’s Subsidiaries

In August, financing of USD 50 million was provided by the International Islamic Trade Finance Corporation (ITFC), a member of the Islamic Development Bank Group. The purpose of the loan is to meet the working capital needs of companies directly or indirectly affected by the earthquake.

In October 2024, TSKB successfully completed a 5-year bond issuance in RegS/144A format with an amount of USD 350 million in intraday trading in international capital markets. The issuance, which received approximately 3 times the demand, was attended by investors from the United Kingdom, USA, Europe, Asia, and the Middle East, mainly funds and fund managers.

In addition, the Bank signed a second loan agreement of Euro 100 million with the EBRD within the framework of the Green Economy Financing Fund (GEFF) to support green economy investments in Türkiye. The loan aims to finance green investments to be supported within the framework of energy efficiency, renewable energy and climate resilience measures, taking into account gender equality criteria.

In December, TSKB signed a new loan agreement with IFC for USD 100 million. With this resource, TSKB aims to increase the integration of women in Türkiye into working life and their access to the workforce through companies and investments that promote gender equality, also considering the regions affected by the earthquake.

Within the framework of the Green Finance Project loan agreement of USD 155 million signed between TSKB and IBRD in December 2023 under the guarantee of the Ministry of Treasury and Finance of the Republic of Türkiye, the establishment process of the Türkiye Green Fund was successfully completed in 2024. Through the said fund, the Bank aims to provide capital investment to

green companies and companies in the green transformation process in Türkiye in the coming period.

As of the end of 2024, TSKB reached a consolidated shareholders’ equity of TL 33.2 billion and total assets of TL 237.5 billion.

Having placed climate change financing at the center of its business model for many years, TSKB carries out crediting activities aimed at increasing Türkiye’s resilience in this area with products it has diversified, such as investments in adaptation to the physical effects of climate change in the private sector, strengthening the position of women in the workforce, and circular economy investments, not just climate change mitigation investments.

Supporting its customers with consultancy services as well as financing to create a proper climate strategy, to set science-based targets, and to make business plans or goals in line with the roadmaps announced by the relevant ministries, TSKB has included the “transition finance” dimension in the TSKB Sustainable Finance Framework published in August 2024. Thus, the Bank aims to provide green and sustainable resources to its high-emission customers who have entered or will enter the transformation path.

As of the end of 2024, the weight of the Bank’s Sustainable Development Goals (SDG)-related loans in the total portfolio is nearly 92%, while the share of loans contributing to climate and environment-related SDGs is approximately 60%.

Addressing its future goals and actions from a climate perspective in its second Climate Report published in March 2024, TSKB prepared the report by taking into account the “Türkiye Sustainability Reporting Standards (TSRS) S2 Climate-Related Disclosures” prepared and put into effect by the Public Oversight

Authority (KGK) in parallel with the ultimate standards published by the International Sustainability Standards Board (ISSB) in 2023.

Working for the development and sustainable growth of Türkiye, TSKB is ranked 13th among approximately 100 international development banks and 16th in the sector ranking of more than a thousand banks, with a score of 7.4, which is a negligible, lowest risk level, as of October 2024 in the Environmental, Social and Governance (ESG) risk rating made in line with the updated methodology by the independent expert organization Sustainalytics. However, the Bank maintains its 1st position in Türkiye.

On the other hand, TSKB ranked first among 1,500 companies evaluated in the “Emerging Markets Gender Equality Index” conducted by the Netherlands-based independent data company Equileap with a gender equality score of 71%, and was the only institution from Türkiye having a place on the 2024 list.

TSKB opened 8 school libraries in 2024 within the scope of the “11 Libraries in 11 Provinces” project, which was initiated in order to contribute to quality education in cities affected by the earthquakes centered in Kahramanmaraş in 2023.

Registering 2 June as “TSKB Development Day” with the Turkish Patent and Trademark Office, TSKB honored its 74-year history dedicated to multi-faceted qualified development with a special day.

Being also among the pioneering institutions in corporate governance, the Bank had its SAHA Corporate Governance Rating Score updated in October and increased from 9.66 to 9.67 out of 10.

TSKB’s Credit Rating was updated upwards by Fitch Ratings on 16 April 2024. The Long-Term Foreign Currency Credit Rating was increased from “B-”

to “B”, and the outlook of the rating was assigned as “Positive”. The Bank’s Financial Capacity Note was upgraded from “b-” to “b” and the Long-Term Senior Unsecured Debt Rating from “B-” to “B”, and the outlook of the rating was confirmed by Fitch. With the new action taken on 7 September 2024, Fitch Ratings increased TSKB’s Long-Term Foreign Currency Credit Rating from “B” to “B+”, and maintained the outlook of the rating as “Positive”. Fitch upgraded the Bank’s Long-Term Local Currency Credit Rating from “B+” to “BB-”, and revised the outlook of the rating to “Stable”. In addition, the Bank’s Financial Capacity Note was upgraded from “b” to “b+”, its State Support Note from “b-” to “b+” and its Shareholder Support Note from “b-” to “b+”.

On 17 January 2024, Moody’s Rating revised the outlook of TSKB’s Long-Term Foreign Currency and Local Currency Issuer Ratings and Core Credit Assessment Ratings from “Stable” to “Positive”. On 23 July 2024, Moody’s upgraded the Bank’s Long-Term Foreign Currency and Local Currency Issuer Ratings, Long-Term Counterparty Risk Rating and Counterparty Risk Assessment Rating from “B3” to “B1”. The Core Credit Assessment and Adjusted Core Credit Assessment Ratings were updated from “caa1” to “b2”.

www.tskb.com.tr/en

İşbank Germany

Europe’s leading Turkish-capital financial institution

Established in 1992, İşbank Germany has grown and developed within the European financial system over the past 32 years and has contributed to the access of customers in Türkiye to the European financial system.

İşbank Germany, which has managed to adapt to changing dynamics during its operations spanning over a quarter of a

century, has a branch in the Netherlands in addition to its 8 branches in Germany.

Employing 193 people, the Bank has an asset size of Euro 2.1 billion as of the end of 2024 and its shareholders’ equity is Euro 469 million. İşbank Germany finances foreign trade transactions focused on corporate banking between Türkiye and European Union countries.

www.isbank.de

İşbank Georgia

İşbank’s organization in Georgia

İşbank’s presence in Georgia, Türkiye’s border neighbor to the Caucasus, began with a branch opened in Batumi in 2012. The Tbilisi Branch was put into operation in 2014, and the current branch structure began operating as a bank under the roof of JSC Isbank Georgia in 2015.

Following the closure of the Batumi Branch in July 2024, JSC Isbank’s activities continue through the Head Office and Tbilisi Branch.

İşbank Georgia, which mainly provides corporate banking services and has 51 employees, has an asset size of GEL 490 million (USD 174 million) as of the end of 2024, and its shareholders’ equity is at the level of GEL 147 million (USD 53 million).

www.isbank.ge

İşbank Russia

Services at 3 locations in Russia

İşbank has been maintaining its presence and effectiveness in Russia, one of Türkiye’s important trade partners, since 2011.

Having 94 employees, İşbank Russia has 1 branch in Moscow and 1 representative office in Saint-Petersburg and one in Kazan. İşbank Russia, which mainly provides corporate banking services, has an asset size of RUB 60,404 million (USD

594 million) and shareholders’ equity of RUB 8,575 million (USD 84 million) as of the end of 2024.

www.isbank.com.ru

Anadolu Hayat Emeklilik

The first publicly-traded private pension and life insurance company

Anadolu Hayat Emeklilik A.Ş., which started its operations in 1990 as Türkiye’s first life insurance company, is also the first publicly-traded company operating in the private pension and life insurance sector.

As of the end of 2024, the company has TL 260 billion in consolidated assets and TL 10 billion in shareholders’ equity, and its consolidated net profit increased by 51% compared to the same period of the previous year and reached TL 4.3 billion.

As of the end of 2024, the total fund size managed by Anadolu Hayat Emeklilik in the private pension system and life branch has increased by 60% compared to the same period of the previous year and exceeded TL 240 billion.

As of the end of 2024, Anadolu Hayat Emeklilik maintained its leadership among privately-owned companies in the voluntary PPS participant numbers and automatic enrolment PPS fund categories and continued to be the company with the highest number of participants in 2024 with its private pension product “PPS for My Child” for participants under the age of 18.

In addition to Sustainability Stock Fund, carbon emissions that it has been continuing to reduce to zero since 2016, and its strong position in the BIST Sustainability Index, Anadolu Hayat Emeklilik recycles coffee waste in offices to diminish the amount of waste, donates unused electronic devices collected in electronic waste collection boxes to the Koruncuk Foundation,



İşbank’s Subsidiaries

thereby both reducing the amount of electronic waste and supporting a project that contributes to society.

Anadolu Hayat Emeklilik has created the Supplier Code of Conduct document in order for its suppliers to comply with human rights and for the company to only cooperate with suppliers that comply with these principles. In addition, the company has updated its Code of Ethics and Implementation Principles and established an ethics line.

The company has published its 2023 Integrated Sustainability Report, prepared in accordance with GRI Standards, on its corporate website. Participating in various activities within the scope of its membership in the Sustainable Development Association Türkiye, which is the regional network and business partner of the World Business Council for Sustainable Development (WBCSD) in Türkiye, Anadolu Hayat Emeklilik has continued its commitment to comply with the sustainability principles of the United Nations Global Compact (UN Global Compact), of which it is a signatory, and the United Nations Principles for Responsible Investment (UN PRI).

Anadolu Hayat Emeklilik, which continues its activities in the Tohum Kumbaram social responsibility project initiated in cooperation with Buğday Association, has reached 20 thousand children as of the second year of the project, which aims to reach 25 thousand children in total.

The company has contributed to the education activities on nature carried out by the TEMA Foundation, which it cooperates with, on behalf of its customers who receive the “PPS For My Child” plan, in order to strengthen the ecological literacy skills of the students.

Anadolu Hayat Emeklilik, which is at the forefront with its activities on gender equality and equal opportunities in the workplace, constitutes an important example in the private pension and life insurance sector with its female employment and special practices for female employees. The company, which has a female employee ratio of 58%, has become the first and only company in the private pension and life insurance sector to receive the Equal Opportunity Model (FEM) certificate developed by the Women Entrepreneurs Association of Türkiye (KAGİDER) with the technical support of the World Bank, after passing the evaluation process of an independent auditing firm.

www.anadoluhayat.com.tr/en

Anadolu Sigorta

A leading company in the Turkish insurance sector

Anadolu Anonim Türk Sigorta Şirketi, operating in non-life insurance branches, is among the leading insurance companies in our country.

As of the end of 2024, the company, which produced TL 69.6 billion in premiums, has a consolidated total asset of TL 89 billion and TL 23.7 billion in shareholders’equity.

Anadolu Sigorta’s Corporate Governance Rating Note increased from 9.59 to 9.63 according to the report prepared in November 2024.

The company continues to be included in the BIST Sustainability Index, which it was included in 2021, shares its sustainability performance transparently with its sustainability reports and CDP climate change declarations.

Anadolu Sigorta aims to expand its portfolio in the coming periods with products and services such as Wind and Solar Power Plant Insurance, Individual Roof Type Solar Energy Panel Insurance and Electric Vehicle Insurance intended to extend renewable energy investments and low carbon emissions.

Anadolu Sigorta carries out various studies to reduce the negative environmental impacts arising from its activities. The company’s greenhouse gas emissions calculated in accordance with the ISO 14064 standard have also been verified by an independent auditing organization. Closely monitoring the numerical data on waste management and recycling, Anadolu Sigorta provides in-house information on sustainability and organizes workshops on the UN Sustainable Development Goals with the participation of employees from different units.

Within the scope of the zero waste system, Anadolu Sigorta ensured that waste such as paper, plastic and glass were thrown into special recycling bins in the General Directorate building. In addition to these, the company included electronic waste to be transformed into products such as cups, straws and forks, the income of which will be donated to TODEV, and filter-espresso coffee pulps in its waste management. In this context, 80 kg of electronic waste was collected in the first 10 months of 2024, and 250 kg of carbon emissions were prevented by recycling coffee pulp.

In order to transform sustainable behaviors into habits in daily life, a mobile application which performs various tasks and which includes a gamification mechanism that is uploaded onto employees’ mobile phones was launched. With this application, 273 kg of carbon emissions were prevented in the first 10 months of 2024.

In the Marmaris Ultra Trail Marathon, where Anadolu Sigorta is the title sponsor, various applications were carried out in order to reduce the carbon footprint of the event and increase sustainability awareness.

Anadolu Sigorta, which attaches importance to gender equality, one of the components of sustainable development, is a member of the “30% Club”, which continues its work internationally in order to increase the rate of female employees working on the boards of directors and senior management of companies to at least 30%.

Having added an article on “gender-based violence and bullying” to its Equality Policy, the company will continue its work in the upcoming period within the framework of the actions planned in line with the UN Women’s (UN Women) Words to Action WEPs program.

www.anadolusigorta.com.tr/en

İş Leasing

Türkiye’s leading financial leasing services company

İş Finansal Kiralama A.Ş. (İş Leasing), which has been among the leading institutions of the financial leasing sector since its establishment in 1988, carries out its activities with the mission of prioritizing to providing resources to SMEs, creating a widespread and high-quality portfolio and meeting customer demands with effective, fast and high-quality solutions.

İş Leasing, which has 142 employees, has a consolidated asset size of TL 69.8 billion, shareholders’ equity of TL 9.8 billion and financial leasing receivables of TL 31.8 billion as of the end of 2024.

International credit rating agency Fitch Ratings updated the company’s Long-Term Local Currency Credit Rating and Long-Term Foreign Currency Credit Rating as BB- and Shareholder Support Rating as bb- on 17 September 2024.

The principles of İş Leasing’s sustainability strategy are based on increasing energy, water, raw material and resource usage efficiency, supporting the transition to renewable energy, and encouraging the transition to a low-carbon economy by financing projects that encourage national employment, especially women’s entrepreneurship. In this context, İş Leasing, which published its 4th Sustainability Report in 2024, maintains its distinction as the only leasing company entitled to be included in the Borsa İstanbul Sustainability Index.

Becoming a carbon neutral company by measuring its carbon footprint in 2024, İş Leasing aims to establish the necessary system infrastructure and start implementing Environmental and Social Impact Assessment at international standards for all its customers as of the beginning of 2025. In this context, İş Leasing, which started pilot studies in 2024, will be the first leasing company to implement Environmental and Social Impact Assessment at international standards for all its customers, regardless of the amount.

www.isleasing.com.tr/home

Moka

All shares of Moka Ödeme Kuruluşu Anonim Şirketi, which operates in the field of payment services, were purchased in January 2021, and electronic money issuance was added to the company’s fields of activity within the framework of the permission received from the CBRT in December

2021, and its name was changed to Moka Ödeme ve Elektronik Para Kuruluşu A.Ş. at the end of the same year.

As of the end of 2024, the company, which reached TL 2.931 million in assets with TL 109 million shareholders’ equity, continues its activities with 79 employees. Increasing its monthly business volume with the new business partnerships it established in the current year, Moka ranks 4th in the payment institutions market in terms of POS volume.

www.mokaunited.com

Millî Reasürans

A preferred business partner since 1929

Established to operate the compulsory reinsurance system and having made significant contributions to the development of insurance in Türkiye, Millî Re is the first and only private company in the world to have operated the compulsory reinsurance system in all branches. As of the end of December 2024, Millî Re’s consolidated total assets reached TL 111 billion and its shareholders’ equity TL 26 billion.

The company has a branch operating in Singapore as part of its strategy to transfer the knowledge and reinsurance experience it has gained in the national market to global markets. As of the end of December 2024, the share of premiums obtained from abroad in total premiums is at the level of 12%.

With its leading position, deep-rooted structure, digital infrastructure, technical know-how and competent human resources, Millî Re has adopted the principle of contributing to the development in the cultural area while supporting the economic development of our country as well as the insurance



İşbank’s Subsidiaries

sector. Founded in 1994 and becoming an accredited institution in the field of contemporary art, Millî Re Art Gallery continues to create a memory with the exhibitions it hosts and the exhibition books it publishes. The Millî Re Chamber Orchestra, which gave its first concert in 1996, adds meaning to our lives by participating in various national and international music festivals in addition to regular concert series.

Millî Re, which has a competent human resource that is open to continuous learning and development, believes that its employees should have equal rights, opportunities and facilities without being subject to discrimination within the framework of gender equality. The company stands out from the sector with its high rate of middle and senior level female managers in particular, and is among the leading organizations of not only the sector but also the country with the representation of women on the board of directors and at the executive level.

In this context, Millî Re has been awarded the “Equal Opportunity Model” (FEM) certificate by the Women Entrepreneurs Association of Türkiye (KAGİDER) for its policies for female employees and practices regarding gender equality.

www.millire.com/ing/anasayfa.html

İş Faktoring

An innovative perspective on the receivables financing sector

With its strong financial structure and customer-focused business approach, İş Faktoring A.Ş. has been one of the leading companies in the sector since its establishment in 1993 and has been providing fast and competitive services to its customers in financing, guarantee and collection issues. The current number of employees of the company is 124.

As of the end of 2024, İş Faktoring had an asset size of TL 37.8 billion and shareholders’ equity of TL 4.6 billion, and its factoring receivables reached TL 35.1 billion in the same period.

The summary information on the work carried out in 2024 by the company, which strives to continue its activities in accordance with the Sustainable Development Goals, is provided below.

- In order to take responsibility with the awareness of the effects of climate change on daily life and to monitor the development in greenhouse gas emissions, a greenhouse gas report was prepared by the company for 2023, as in 2022. The main goal sought to be achieved by preparing the report is to determine the company’s carbon footprint and determine measures to reduce it. The 2023 report showed that emissions decreased by 5.2% compared to 2022. In addition, the I-REC certificates received in 2023 documented that 37% of electricity consumption was provided by renewable electricity sources.
- In the decision of the International Sustainability Standards Board published in the Official Gazette dated 29 December 2023, it was announced that certain businesses will be subject to mandatory sustainability reporting as of 1 January 2024. İş Faktoring, which is subject to the said reporting as per the relevant legislation, has started working to prepare the necessary financial footnotes on the reporting dates to be determined within the scope of the Turkish Sustainability Reporting Standards (TSRS) S1 and S2 in line with the International Reporting Standards (IFRS) and not exceeding September 2025. The company also participated in the sustainability meetings organized by the Financial Institutions Association (FKB) for the purpose of collectively evaluating the technical

issues related to the application and was included in the work of the Sustainability Committee within the Association.

- İş Faktoring Sustainability Committee continued working actively in 2024. In this context, some actions such as supporting the Turkish Education Foundation and the Hope Foundation for Children with Cancer (KAÇUV) in order to prioritize the sustainability approach in the company’s working environment, keeping the number of female employees and managers at a balanced level, and saving paper were continued.

www.isfaktoring.com.tr/home-page

İş GYO

One of the largest real estate investment partnerships in Türkiye

İş GYO, one of the leading companies in its sector with its strong portfolio and financial structure, continues its activities with a focus on preserving and developing its diversified and balanced portfolio structure.

As of the end of 2024, the company’s asset size is TL 43.9 billion and its shareholders’ equity is TL 36.4 billion.

Within the scope of the projects under development, sales of the 1st stage of Kasaba Modern in Ömerli, which will consist of 165 villas when completed, consisting of 61 villas, have started. The excavation and shoring works of the Tuzla Housing Project have been completed and a project consisting of 1,115 houses is planned to be developed.

The sales rate has reached 57% in the Litus İstanbul Project, where housing deliveries started in June 2024. The Balmumcu Housing and Kadıköy Hotel projects are in the planning stages.

İş GYO has been entitled to enter the Borsa İstanbul Sustainability Index as of 1 October 2024, as a result of the activities and practices it has implemented in environmental, social and governance areas within the framework of its Sustainability Policy.

The company received the “Contribution to Sustainability” award at the Real Estate Summit organized by the Real Estate Investors Association (GYODER) in November.

As a result of the review conducted by Saha Corporate Management and Credit Rating Services Inc. in August 2024, İş GYO’s Long-Term National Rating (TR) was confirmed as AA, Short-Term National Rating (TR) as A1+, and its outlook as stable, and within this scope, it was evaluated within the investable category.

www.isgyo.com.tr/en

İş Investment (İş Yatırım)

The leading and pioneering investment company in capital markets

İş Yatırım Menkul Değerler A.Ş. provides brokerage, investment consultancy and corporate finance services for the purchase and sale of capital market instruments in domestic and international markets. In the sector where 9 publicly held brokerage companies operate, İş Yatırım is the only brokerage firm listed in BIST 100.

İş Yatırım, whose long and short-term national credit ratings were affirmed as AAA and A1+ with a stable outlook by SAHA Corporate Management and Credit Rating Services Inc. on 11 September 2024, has a consolidated asset size of TL 71.9 billion and shareholders’ equity of TL 27.6 billion as of the end of 2024.

www.isyatirim.com.tr/en-us/Pages/default.aspx

İş Asset Management (İş Portföy)

İş Asset Management’s client portfolio mainly consists of institutional clients such as investment funds, pension funds, venture capital funds, real estate funds, insurance companies and foundations, and as pension funds, it manages Anadolu Hayat and Axa Hayat funds.

İş Asset Management’s portfolio size has reached TL 765 billion as of the end of 2024, with real estate investment funds amounting to TL 12.7 billion, and venture capital investment funds to TL 8.8 billion.

İş Asset Management, one of the portfolio management companies that established the first venture capital fund in the sector, provides its participants with a successful return performance.

Thematic funds, whose portfolios consist of investment instruments based on unique themes such as environmental, social and corporate governance, sustainability, clean energy, and digitalization, are attracting increasing interest worldwide. İş Asset Management defined 2021 as the “Year of Transformation” and focused on “Thematic Investment Funds” that are rapidly growing in the world and adopt investment strategies that take the transformations experienced in industries, economies or social norms as criteria in their business models, going beyond classical approaches while designing investment strategies.

Collecting its Thematic Funds under two main headings as “Technology” and “Environmental, Social, Corporate Governance”, İş Asset Management offers investment opportunities in the world’s rapidly growing sectors such as Blockchain Technologies, Cyber Security Technologies, Digital Gaming, Semiconductor Technologies under the roof of technology-themed funds.

In the environmental, social, corporate governance theme, İş Asset Management Theme Variable Fund, İş Asset Management Electric Vehicles Mixed Fund, İş Asset Management İş’te Women’s Stock Fund, which offers the opportunity to invest in companies that support gender equality in business life and give importance to women’s employment, represent the firsts in their fields.

İş Asset Management has also become one of the leading companies in the portfolio management sector in the field of thematic and renewable energy with İş Asset Management Electric Vehicles Mixed Fund, İş Asset Management Renewable Energy Mixed Fund, İş Asset Management Renewable Energy Venture Capital Investment Fund, İş Asset Management Infrastructure Venture Capital Investment Fund, İş Asset Management Sustainability and Agriculture Fund Basket Fund and İş Asset Management Sustainability Stock (TL) Fund (Stock Intensive Fund), of which the company is the founder and manager.

www.isportfoy.com.tr/en

SOFTWARE

Softtech

Experienced solution partner of information technologies

Founded in İstanbul in 2006, Softtech is one of the largest software companies in Türkiye with over 1,700 employees and an asset size exceeding TL 1 billion. In addition to its experience in the banking and finance sector, Softtech develops customer-oriented solutions in domestic and international markets with its products in different areas and takes initiatives to create new opportunities and collaborations focused on technology.



İşbank’s Subsidiaries

In addition to its Ankara and İstanbul offices, the company has a subsidiary in San Francisco that follows, develops and invests in innovation on site within the entrepreneurship ecosystem.

Attaching importance to the future of the world, Softtech supports national and international sustainable environmental policies. In this context, the company contributes to the “Do not throw away, Donate” project, which was launched in October 2023 in cooperation with TEGV and TÜBİSAD in line with UNDP global targets and which is still ongoing. Within the scope of the project, electronic waste harmful to the environment is recycled and added to the economy, and thanks to this income, qualified education support is provided to children at TEGV activity points throughout Türkiye.

Softtech has implemented the Sustainable Purchasing Plan in 2024. Within this scope, the company takes into account the sustainability actions and goals of the suppliers it will work with in service purchases, and decides to working with them according to whether the companies have sustainability awareness or not.

Activities carried out in 2024 specifically for June 5 World Environment Day:

- Umut Pina Dive: Soft Hearts volunteer divers and Bandırma Onyedi Eylül University Maritime Faculty Member Prof. Dr. Mustafa Sarı dived in Erdek to draw attention to the importance of pinas in the marine ecosystem and to raise awareness for their protection. With this dive, the opportunity to observe pinas underwater was obtained, how necessary they are for the marine ecosystem and the importance of their protection was emphasized.

- Belgrade Forest Environmental Cleaning: In order to protect nature and contribute to the construction of a sustainable future, a garbage collection event was organized with Soft Hearts volunteers in Belgrade Forest.

<https://www.softtech.com.tr/en>

HEALTH

Bayek

Bayındır Health Group (Bayek), which operates in the field of health services with 3 hospitals, 1 medical center and 6 dental clinics, provides health services in İstanbul, Ankara and İzmir within the framework of quality and ethics with its qualified staff and technological infrastructure.

Bayek, which is the first organization in Türkiye to receive accreditation certificates for two of its hospitals by Joint Commission International (JCI) in terms of quality management, has been re-accredited by JCI for the sixth time as of November 2021.

www.bayindirhospitals.com

GLASS

Şişecam

The founder and unchanging leader of the Turkish glass industry

Established in 1935, Türkiye Şişe ve Cam Fabrikaları A.Ş. (Şişecam) has a wide range of production, consisting primarily of flat glass, glassware, glass packaging, and soda ash and chrome chemicals.

The Şişecam Group carries out production in its facilities and factories located primarily in Türkiye, as well as in the USA, Egypt, Russia, Georgia, Bulgaria, Bosnia-Herzegovina, Italy, Ukraine, Romania, Germany, Hungary, Slovakia and India.

Şişecam Group, which realized 40% of its total glass production in tons abroad and generated 57% of its total sales revenues from exports from Türkiye and from its facilities established abroad, has exported to more than 150 countries from Türkiye as of December 2024.

Being among the leading manufacturers in the world and Europe in its sector, Şişecam Group ranked between first and fifth in the world and Europe as per capacity size in glass production as of the end of 2024.

Ranked 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 second in the world in sodium bichromate production. As of the end of 2024, Şişecam's consolidated asset size is TL 368.9 billion and its shareholders' equity is TL 177.1 billion.

In the assessment made by Fitch Ratings in December 2024, the company's credit rating was revised from “BB-” to “B” and its outlook was updated to “negative”. In Moody's assessment dated 19 July 2024, the company's long-term foreign currency credit rating was upgraded from “B2” to “B1”, and its outlook was revised from “Positive” to “Stable”.

Şişecam is ranked 16th on the 2023 list of Türkiye's 500 Largest Industrial Enterprises by ISO.

Şişecam's natural soda investments in the US continue. In December 2024, Ciner Group's 20.4% shares in Şişecam Wyoming LLC and 40% shares in Pacific Soda LLC were totally acquired for USD 285 million including the business development fee. After the completion of the natural soda facility investment, it is anticipated that it will be the world leader in this field with a total soda ash

production capacity exceeding 10 million tons, 7.5 million tons of which is natural soda ash.

It has been decided to make a total of three new coated glass line investments in 2024, one each in the ongoing flat glass facility in Tarsus, Türkiye and the existing flat glass facilities in Northern Italy and Bulgaria.

The company's architectural glass, energy glass investments in Mersin and the soda ash capacity increase investment are also ongoing. With the commissioning of the new furnace investment in the Eskişehir Glass Packaging facility, which was announced in 2021, in 2024, Şişecam's Eskişehir facility has become the world's largest glass packaging facility with 5 furnaces and 24 lines in a single campus.

Şişecam, which continues its work at full speed for a sustainable world and more efficient production processes, aims to eliminate color problems that occur during production and reduce the waste rate and related carbon emissions within the scope of the Glass Color Optimization Project (CROP) with Artificial Intelligence and Machine Learning Methods, in which it is a consortium partner with Koç University, TÜBİTAK Artificial Intelligence Institute and Analythinx Information Services. The first phase of the project, which is planned to last 2 years, will start at the Şişecam Eskişehir Glassware factory.

Şişecam, a global player in the glass industry, plans to launch Plant of the Future, an innovative platform that will shape the production technologies of the future and transform the sector.

This platform, which will prepare the sector for the needs of the future, aims to accelerate the transformation with open innovation, unlike other initiatives. It is anticipated that Plant

of the Future, which will support the company's progress towards operational excellence, optimization, digitalization and sustainability goals, will produce practical, well-designed and innovative solutions.

Şişecam will initially focus on glass packaging and flat glass production operations and processes, and will test the development projects presented in the determined focus areas in its facilities where it can create suitable capacity gaps, and will rapidly spread the solutions that offer successful results to its entire production network.

www.sisecam.com/en

PLATFORM

Topkapı

Topkapı Danışmanlık Elektronik Hizmetler Pazarlama ve Ticaret A.Ş. operates within the framework of the marketplace model, which aims to bring together companies of all sizes operating in Türkiye.

The company's activities aim to contribute to the development of the online shopping sector in our country, to provide an improved experience supported by secure new 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.

In addition to the solutions in payment systems, Topkapı also hosts the Pazarama platform, which aims to bring an innovative and different point of view to the e-commerce sector for all stakeholders.

www.topkapidanismanlik.com.tr

Maksmarket

Maksmarket Danışmanlık Elektronik Hizmetleri Tic. A.Ş., which was established in İstanbul in September 2022 with the aim of being a reliable marketplace for commodity trade and pioneering the digitalization of commodity sectors, launched Proemtia, a digital marketplace platform that mediates the trade of industrial products, primarily iron and steel products, in April 2023.

Proemtia is the only platform that brings together industrial product sellers and buyers from different parts of Türkiye on a trustable platform, provides easy access to products with certain quality standards, meets the needs of buyers and sellers at the same time in product shopping, is transparent, reliable and supports cooperation.

As of the end of 2024, approximately 22,500 buyer member companies and approximately 600 seller companies are transacting within Proemtia. Within the scope of studies to expand the product range, the iron and steel category was expanded in 2024, and the sales of aluminum, heating-cooling systems and other industrial products began to be mediated.

Prosevkıyat, one of the graduates of the İmagİN - Intrapreneurship Program, which was launched to contribute to İş Bank's innovative and entrepreneurial culture transformation and to develop new business ideas and models, successfully completed the MVP process in 2024 and moved on to the steps of incorporation and scaling.



İşbank’s Subsidiaries

The application, which continues its activities under the roof of Proemtia, took its place in the markets on 26 August 2024 as a marketplace that brings together companies that want to transport cargo and carriers via an online platform and digitizes traditional logistics processes.

www.proemtia.com/en

İmeceMobil

At the beginning of 2023, İmeceMobil Tarım Platformu Elektronik Hizmetleri Tic. A.Ş. was established to operate in providing digital agricultural technology services to small and medium-sized farmers with the aim of using technologies in the field of digital agriculture correctly and spreading them to the base.

The company hosts İmeceMobil Platform, which provides meteorological information, market/stock market price information and similar data to support farmers in agricultural work via mobile application, and also provides farmers with financial planning support and the opportunity to access İş Bank financial products without going to the branch.

www.imecemobil.com.tr

TELECOMMUNICATIONS

İşNet

Established in 1999, İşNet has expanded its field of activity and range of services over the years and offers services to companies and public institutions of all sizes in the fields of voice, data center, internet, virtual network VPN, satellite services, digitalization solutions, security products and e-transformation.

Continuing its activities with 288 employees as of the end of 2024, İşNet will keep on to offer innovative, high value-added solutions suitable for sectoral needs with its vision of being “digital transformation friendly” to companies in the coming period, with its investments in robotic process automation system, internet of things, cyber security, cloud and artificial intelligence.

İşNet, which attaches importance to sustainability and observes it in business processes, has organized the following events in 2024:

- “Women Leaders Development Academy” program to strengthen the place of women in society,
- “Sustainability Academy” program to increase employee awareness about sustainability,
- Exhibition for products produced by social clubs to create value and benefit for society in cooperation with NGOs.

www.isnet.net.tr/en

FACILITY MANAGEMENT

İşmer

İşmer reinforces its power in the sector with 6 Management System certificates.

The company has completed its work documenting that it carries out the services it offers in accordance with ISO 9001 Quality Management System, ISO 14001 Environmental Management System, ISO 41001 Facility Management System, ISO 50001 Energy Management System, ISO 27001 Information Security Management System and ISO 45001 Occupational Health and Safety Management System standards and has successfully passed the 2024 audit.

Maintaining its pioneering position in the sector as the first 100% Turkish capital company that is a member of TRFMA and has 6 management system certificates, İşmer continues to make a difference with its quality and sustainability-oriented service approach.

www.ismer.com.tr

ENERGY

İş Enerji Yatırımları A.Ş.

İş Enerji Yatırımları A.Ş., established to create an integrated renewable energy portfolio, has a total installed capacity of 995 MW, including 7 RES with 815 MW installed capacity and 8 SPP with 180 MW installed capacity. İş Enerji Yatırımları acquired all of the shares of Metafor Yenilenebilir Enerji ve Elektrik Üretim A.Ş. (Metafor RES) with 49.7 MW capacity, Knot Enerji Elektrik Üretim A.Ş. (Yakaağazı RES) with 33.6 MW capacity from Göktekin Enerji A.Ş. The company also acquired all of the shares of Şua Elektrik Üretim A.Ş. with 36.4 MW capacity from Polat Enerji Yatırımları A.Ş. In addition, İş Enerji has commissioned a self-consumption power plant capable of meeting the energy needs of our Bank’s Head Office building, Tuzla Technology and Operation Center and Ankara Technology and Operation Center campuses as of December 2024.

www.isenerji.com.tr/en/

Direct and Indirect Subsidiaries

Direct and indirect subsidiaries in which İşbank’s share is 5% or more are included. Changes in the Portfolio of Direct and Indirect Subsidiaries between 31.12.2023-31.12.2024

Direct Subsidiaries	31.12.2024	
	Direct Share	Bank’s Risk Group Share Percentage
Anadolu Hayat Emeklilik A.Ş.	63.89%	84.89%
Arap Türk Bankası	20.58%	20.58%
İş Finansal Kiralama A.Ş.	30.43%	60.88%
İş Gayrimenkul Yatırım Ortaklığı A.Ş.	52.22%	65.00%
İş Merkezleri Yönetim Ve İşletim A.Ş.	86.33%	100.00%
İş Net Elektronik Bilgi Üretim Dağ. Tic. A.Ş.	100.00%	100.00%
İş Yatırım Menkul Değerler A.Ş.	65.74%	70.78%
İşbank AG	100.00%	100.00%
JSC İşbank Georgia	100.00%	100.00%
JSC İşbank	100.00%	100.00%
Kredi Kayıt Bürosu A.Ş.	9.09%	9.09%
Kültür Yayınları İş Türk Anonim Şirketi	100.00%	100.00%
Millî Reasürans T.A.Ş.	87.60%	87.60%
Moka Ödeme ve Elektronik Para Kuruluşu A.Ş.	100.00%	100.00%
Trakya Yatırım Holding A.Ş.	100.00%	100.00%
Türkiye Sınai Kalkınma Bankası A.Ş.	47.68%	51.37%
Türkiye Şişe ve Cam Fabrikaları A.Ş.	52.04%	59.11%



Direct and Indirect Subsidiaries

Indirect Subsidiaries	31.12.2024	
	Direct Share	Bank's Risk Group Share Percentage
Al-Yel Elektrik Üretim A.Ş.	0.00%	50.00%
Anadolu Anonim Türk Sigorta Şirketi	0.00%	64.31%
Anavarza Otelcilik Anonim Şirketi	0.00%	50.00%
At Finansal Kiralama A.Ş.	0.00%	20.58%
Batı Karadeniz Elektrik Dağıtım ve Tic. A.Ş.	0.00%	65.00%
Bayek Tedavi Sağlık Hiz. ve İşlt. A.Ş.	0.00%	99.90%
Birleşik Ödeme Hizmetleri ve Elektronik Para A.Ş.	0.00%	20.00%
Camiş Ambalaj Sanayi A.Ş.	0.00%	100.00%
Camiş Egypt Mining Company	0.00%	99.94%
Camiş Elektrik Üretim A.Ş.	0.00%	100.00%
Camiş Madencilik A.Ş.	0.00%	100.00%
Casaba Yönetim İşletim İmalat İthalat İhracat Pazarlama Sağlık Temizlik Güvenlik Ulaştırma Ticaret ve Sanayi Anonim Şirketi	0.00%	100.00%
Covision Medical Technologies Sanayi ve Ticaret Anonim Şirketi	0.00%	100.00%
Covision Medical Technologies Limited	0.00%	100.00%
Cromital Spa	0.00%	100.00%
Doğangün Güneş Enerji Sanayi ve Ticaret Anonim Şirketi	0.00%	50.00%
Efes Varlık Yönetim Anonim Şirketi	0.00%	100.00%
Ege Tarım Ürünleri Lisanslı Depoculuk	0.00%	20.10%
Elüs Market Ürün Piyasası Aracı Kurumu Anonim Şirketi	0.00%	24.24%
Enaş Enerji Yatırımları A.Ş.	0.00%	100.00%
Erguvan Enerji Elektrik Üretim A.Ş.	0.00%	50.00%
Erişim Müşteri Hizmetleri Anonim Şirketi	0.00%	100.00%
Gullseye Lojistik Teknolojileri Anonim Şirketi	0.00%	100.00%
Güneşli Enerji Elektrik Üretim A.Ş.	0.00%	50.00%
Hamurlabs Elektronik Hizmetler Yazılım ve Ticaret A.Ş.	0.00%	20.00%
Hitit Güneşi 3 Enerji Anonim Şirketi	0.00%	50.00%
Icron Teknoloji Bilişim A.Ş.	0.00%	25.37%
Is Energy Investments BV	0.00%	100.00%
Is Energy Romania S.R.L.	0.00%	100.00%
Is Technology Investments B.V.	0.00%	100.00%
Is United Payment Systems Limited	0.00%	50.00%
İmecemobil Tarım Platformu Elektronik Hizmetler Ticaret Anonim Şirketi	0.00%	100.00%
İnci Yenilenebilir Enerji Elektrik Üretim A.Ş.	0.00%	100.00%
İş Dijital Varlık Teknolojileri A.Ş.	0.00%	100.00%
İş Enerji Yatırımları A.Ş.	0.00%	100.00%
İş Faktoring Anonim Şirketi	0.00%	100.00%
İş Girişim SermayesiYatırım Ortaklığı A.Ş.	0.00%	56.78%
İş Portföy Yönetimi Anonim Şirketi	0.00%	100.00%
İş Sanat A.Ş.	0.00%	100.00%
İş Yatırım Ortaklığı Anonim Şirketi	0.00%	38.04%
İş Yenilenebilir Enerji Proje Yönetimi Danışmanlık Anonim Şirketi	0.00%	100.00%
Jourma GmbH	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 Anonim Şirketi	0.00%	100.00%
Kemal Helli Ges Enerji Anonim Şirketi	0.00%	50.00%
Knot Enerji Elektrik Üretim A.Ş.	0.00%	100.00%

Indirect Subsidiaries	31.12.2024	
	Direct Share	Bank's Risk Group Share Percentage
Levent Varlık Kiralama Anonim Şirketi	0.00%	100.00%
Livewell Giyilebilir Sağlık Ürün Hizmet ve Teknolojileri Sanayi ve Ticaret Anonim Şirketi	0.00%	100.00%
Maksmarket Danışmanlık Elektronik Hizmetler Ticaret A.Ş.	0.00%	95.00%
Maxi Digital GmbH	0.00%	50.00%
Maxis Girişim Sermayesi Portföy Yönetimi Anonim Şirketi	0.00%	100.00%
Maxis Investments Ltd.	0.00%	100.00%
Maxitech Inc.	0.00%	100.00%
Meltem Enerji Elektrik Üretim A.Ş.	0.00%	50.00%
Merefa Glass Company Ltd.	0.00%	100.00%
Metafor Yenilenebilir Enerji ve Elektrik Üretim A.Ş.	0.00%	100.00%
Miltaş Turizm İnş. Ticaret A.Ş.	0.00%	100.00%
Mimas Romania Srl	0.00%	50.00%
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 Sanayi ve Ticaret Anonim Şirketi	0.00%	97.22%
Oxyvit Kimya San Tic A.Ş.	0.00%	100.00%
Ödesis Finansal Teknoloji Girişimleri A.Ş.	0.00%	100.00%
Pacific Soda Llc	0.00%	100.00%
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%
Pazarama Sigorta Aracılık Hizmetleri Anonim Şirketi	0.00%	100.00%
Polat Energy Europe BV	0.00%	50.00%
Polat Enerji Yatırımları A.Ş.	0.00%	50.00%
Poyraz Yenilenebilir Enerji Üretim A.Ş.	0.00%	50.00%
Radore İnternet Hiz. A.Ş.	0.00%	25.50%
Radore Veri Merkezi Hiz. A.Ş.	0.00%	25.50%
Refel S.P.A.	0.00%	100.00%
Richard Fritz Prototype + Spare Parts GmbH	0.00%	100.00%
Rudnik Krecnjaka 'Vijenac' D.O.O.	0.00%	50.00%
Saint-Gobain Egypt For Glass Industries S.A.E.	0.00%	30.00%
Saint Gobain Egypt Trade LLC	0.00%	30.00%
Saint Gobain Glass Egypt S.A.E.	0.00%	30.00%
Saysun Enerji Üretim Tarım Hayvancılık Sanayi ve Ticaret Anonim Şirketi	0.00%	50.00%
Saint Gobain Mirrors Egypt S.A.E.	0.00%	30.00%
Sc Glass Trading B.V.	0.00%	100.00%
Sincan Enerji San. ve Tic. A.Ş.	0.00%	50.00%
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%



Direct and Indirect Subsidiaries

Indirect Subsidiaries	31.12.2024	
	Direct Share	Bank's Risk Group Share Percentage
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%	100.00%
Sisecam Chemicals Wyoming Llc	0.00%	100.00%
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%
Şişecam Uk Plc	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 Yazılım Teknolojileri Araştırma Geliştirme ve Pazarlama Ticaret Anonim Şirketi	0.00%	100.00%
Soli Ges Enerji Sanayi ve Ticaret Anonim Şirketi	0.00%	50.00%
Solvay Sodi AD	0.00%	25.00%
Solvay Sisecam Holding AG	0.00%	25.00%
Soma Enerji Elektrik Üretim A.Ş.	0.00%	50.00%
Sportive Spor Malzemeleri Ticaret Anonim Şirketi	0.00%	50.00%
Stockton Soda Ash Port Llc	0.00%	50.00%
Şişecam Bulgaria Food	0.00%	100.00%
Şişecam Çevre Sistemleri Anonim Şirketi	0.00%	100.00%
Şişecam Dış Ticaret Anonim Şirketi	0.00%	100.00%
Şişecam Elyaf Sanayii Anonim Şirketi	0.00%	100.00%
Şişecam Enerji Anonim Şirketi	0.00%	100.00%
Şişecam Flat Glass India Private Limited	0.00%	100.00%
Şişecam Otomotiv Anonim Şirketi	0.00%	100.00%
Şişecam Sigorta Aracılık Hizmetleri A.Ş.	0.00%	100.00%
Şişecam Soda Lukavac D.O.O.	0.00%	100.00%
Şişecam Trading Co.	0.00%	100.00%
Şua Elektrik Üretim A.Ş.	0.00%	100.00%
Tapiowatt K.F.T.	0.00%	50.00%
Tatilbudur Kurumsal Hizmetler Turizm ve Ticaret Anonim Şirketi	0.00%	100.00%
Tatilbudur Seyahat Acenteliği ve Turizm Anonim Şirketi	0.00%	64.15%
Tbc Seyahat Acenteliği ve Turizm Anonim Şirketi	0.00%	100.00%
Tibas Ventures B.V.	0.00%	100.00%
Topkapı Danışmanlık Elektronik Hizmetler Pazarlama ve Ticaret Anonim Şirketi	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 B.V.	0.00%	100.00%
Trsg Glass Holding B.V.	0.00%	70.00%
TSKB Gayrimenkul Değerleme Anonim Şirketi	0.00%	100.00%
TSKB Gayrimenkul Yatırım Ortaklığı Anonim Şirketi	0.00%	88.61%
TSKB Sürdürülebilirlik Danışmanlığı Anonim Şirketi	0.00%	100.00%
Yatırım Finansman Menkul Değerler A.Ş.	0.00%	98.42%
Yatırım Varlık Kiralama A.Ş.	0.00%	100.00%
Ycy 2 Enerji Üretim ve Sanayi Anonim Şirketi	0.00%	50.00%
Yüzüncü Yıl Teknoloji Girişimleri Anonim Şirketi	0.00%	100.00%

Changes in Share Percentages in Subsidiaries

COMPANIES					
Companies Entering the Bank's Risk Group in 2024	Direct Share of İşbank as of December 2023	Bank's Risk Group Share Percentage as of December 2023	Direct Share of İşbank as of December 2024	Bank's Risk Group Share Percentage as of December 2024	Reason
Al-Yel Elektrik Üretim A.Ş.	-	0.00%	0.00%	50.00%	Purchasing
Birleşik Ödeme Hizmetleri ve Elektronik Para A.Ş.	-	0.00%	0.00%	20.00%	Purchasing
Doğangün Güneş Enerji Sanayi ve Ticaret Anonim Şirketi	-	0.00%	0.00%	50.00%	Purchasing
Elüs Market Ürün Piyasası Aracı Kurumu Anonim Şirketi	-	0.00%	0.00%	24.24%	Company establishment
Erguvan Enerji Elektrik Üretim A.Ş.	-	0.00%	0.00%	50.00%	Purchasing
Güneşli Enerji Elektrik Üretim A.Ş.	-	0.00%	0.00%	50.00%	Purchasing
Hitit Güneşi 3 Enerji Anonim Şirketi	-	0.00%	0.00%	50.00%	Purchasing
Icron Teknoloji Bilişim A.Ş.	-	0.00%	0.00%	25.37%	Purchasing
Is Technology Investments B.V.	-	0.00%	0.00%	100.00%	Company establishment
İş Dijital Varlık Teknolojileri A.Ş.	-	0.00%	0.00%	100.00%	Company establishment
Jourma GmbH	-	0.00%	0.00%	100.00%	Company establishment
Kemal Helli Ges Enerji Anonim Şirketi	-	0.00%	0.00%	50.00%	Purchasing
Knot Enerji Elektrik Üretim A.Ş.	-	0.00%	0.00%	100.00%	Purchasing
Meltem Enerji Elektrik Üretim A.Ş.	-	0.00%	0.00%	50.00%	Purchasing
Metafor Yenilenebilir Enerji ve Elektrik Üretim A.Ş.	-	0.00%	0.00%	100.00%	Purchasing
Mimas Romania Srl	-	0.00%	0.00%	50.00%	Company establishment
Pazarama Sigorta Aracılık Hizmetleri Anonim Şirketi	-	0.00%	0.00%	100.00%	Company establishment
Polat Energy Europe BV	-	0.00%	0.00%	50.00%	Company establishment
Poyraz Yenilenebilir Enerji Üretim A.Ş.	-	0.00%	0.00%	50.00%	Purchasing
Saint-Gobain Egypt For Glass Industries S.A.E.	-	0.00%	0.00%	30.00%	Company establishment
Saysun Enerji Üretim Tarım Hayvancılık Sanayi ve Ticaret Anonim Şirketi	-	0.00%	0.00%	50.00%	Purchasing
Sincan Enerji San. ve Tic. A.Ş.	-	0.00%	0.00%	50.00%	Purchasing
Soma Enerji Elektrik Üretim A.Ş.	-	0.00%	0.00%	50.00%	Purchasing
Şua Elektrik Üretim A.Ş.	-	0.00%	0.00%	100.00%	Purchasing
Tapiowatt K.F.T	-	0.00%	0.00%	50.00%	Purchasing
Tibas Ventures B.V.	-	0.00%	0.00%	100.00%	Company establishment
Ycy 2 Enerji Üretim ve Sanayi Anonim Şirketi	-	0.00%	0.00%	50.00%	Purchasing



Changes in Share Percentages in Subsidiaries

Companies Entering the Bank's Risk Group in 2024	Direct Share of İşbank as of December 2023	Bank's Risk Group Share Percentage as of December 2023	Direct Share of İşbank as of December 2024	Bank's Risk Group Share Percentage as of December 2024	Reason
Türkiye Şişe ve Cam Fabrikaları A.Ş.	51.06%	57.87%	52.04%	59.11%	As of 31 December 2024, the shares previously held for trading purposes have been transferred to our Bank's equity participation portfolio, thereby being recognized as direct and group shareholdings.
İş Gayrimenkul Yatırım Ortaklığı A.Ş.	52.06%	64.84%	52.22%	65.00%	As of 31 December 2024, the shares previously held for trading purposes have been transferred to our Bank's equity participation portfolio, thereby being recognized as direct and group shareholdings.
Camış Egypt Mining Company	0.00%	99.70%	0.00%	99.94%	Change in group shareholding due to the acquisition of Şişecam shares
Maxi Digital GmbH	0.00%	100.00%	0.00%	50.00%	Sale of shares
Pacific Soda LLC	0.00%	%60.00	0.00%	100.00%	Purchase of shares
Sportive Spor Malzemeleri Ticaret Anonim Şirketi (Toksöz)	0.00%	%90.63	0.00%	50.00%	Sale of shares
Tatilbudur Kurumsal Hizmetler Turizm ve Ticaret Anonim Şirketi	0.00%	40.09%	0.00%	100.00%	Purchase of shares
Tatilbudur Seyahat Acenteliği ve Turizm Anonim Şirketi	0.00%	40.09%	0.00%	64.15%	Purchase of shares
Tbc Seyahat Acenteliği ve Turizm Anonim Şirketi	0.00%	40.09%	0.00%	100.00%	Purchase of shares
TSKB Gayrimenkul Yatırım Ortaklığı Anonim Şirketi	0.00%	88.74%	0.00%	88.61%	Sale of shares
İş Yatırım Ortaklığı Anonim Şirketi	0.00%	38.66%	0.00%	38.04%	Sale of shares
Sisecam Chemicals Resources LLC	0.00%	60.00%	0.00%	100.00%	Purchase of shares
Sisecam Chemicals Wyoming LLC	0.00%	60.00%	0.00%	100.00%	Purchase of shares
Companies Removed From the Bank's Risk Group in 2024	Direct Share of İşbank as of December 2023	Bank's Risk Group Share Percentage as of December 2023	Direct Share of İşbank as of December 2024	Bank's Risk Group Share Percentage as of December 2024	Reason
Besco Bebek Gereçleri Dış Tic. Ltd. Şti.	0.00%	100%	-	-	Sale
CJSC Brewery Pivdenna	0.00%	100%	-	-	Sale
Softtech Ventures Teknoloji A.Ş.	0.00%	100%	-	-	Closing
Companies whose Titles Changed in the Bank's Risk Group in 2024					
Former Title	New Title			Reason	
Sisecam UK Limited	Sisecam UK Plc			Change of title	
Toksöz Spor Malzemeleri Tic. A.Ş.	Sportive Spor Malzemeleri Ticaret Anonim Şirketi			Change of title	

İşbank Credit Ratings

MOODY'S	Rating	Outlook(*)
Long-term Foreign Currency Deposit	B1	Positive
Long-term Local Currency Deposit	B1	Positive
Long-term Foreign Currency Senior Debt	B1	-
Short-term Foreign Currency Deposit	NP	-
Short-term Local Currency Deposit	NP	-
* Long-term Rating/Outlook (if applicable)/Short-term Rating		
FITCH RATINGS		
Long-term Foreign Currency Issuer Default Rating	BB-	Stable
Long-term Local Currency Issuer Default Rating	BB-	Stable
Short-term Foreign Currency Issuer Default Rating	B	-
Short-term Local Currency Issuer Default Rating	B	-
National Long-term Rating	AA-(tur)	Stable
Viability Rating	bb-	-
* Long-term Rating/Outlook (if applicable)/Short-term Rating		

The dates when the Bank's credit ratings/outlooks were last updated are given below:

Moody's: 23.07.2024, Fitch Ratings: 17.09.2024



Tax Breakdowns in the Countries where İşbank Operates

As of FY2023, İşbank has reported on the taxes paid in each country it operates in. Please see below: (TL thousand)

Tax Jurisdiction	Profit (Loss) Before Income Tax	Income Tax Paid on Cash Basis	Income Tax Accured - Current Year	Number of Employees
Türkiye	126,947,541	17,441,452	18,512,164	25,590
Turkish Republic of Northern Cyprus (TRNC)	2,232,900	343,690	506,538	227
England	921,610	125,145	211,093	63
Bahrain	23,811	0	0	6
Iraq	519,067	36,326	89,238	45
Kosovo	39,612	13,534	906	35
Germany	1,109,343	256,235	375,778	121
Netherlands	88,096	22,835	23,258	5
Georgia	186,899	44,469	35,927	58
Singapore	3,748	0	0	11
Russia	550,426	64,825	96,333	95

Tax Jurisdiction	Name of Constituent Entities resident in the Tax Jurisdiction
Türkiye	1. Türkiye İş Bankası A.Ş.
	2. Anadolu Anonim Türk Sigorta Şirketi
	3. Efes Varlık Yönetim A.Ş.
	4. Anadolu Hayat Emeklilik A.Ş.
	5. İş Faktoring A.Ş.
	6. İş Girişim Sermayesi Yatırım Ortaklığı A.Ş.
	7. İş Gayrimenkul Yatırım Ortaklığı A.Ş.
	8. İş Finansal Kiralama A.Ş.
	9. İş Portföy Yönetimi A.Ş.
	10. İş Yatırım Menkul Değerler A.Ş.
	11. İş Yatırım Ortaklığı A.Ş.
	12. Levent Varlık Kiralama A.Ş.
	13. Maxis Girişim Sermayesi Portföy Yönetimi A.Ş.
	14. Millî Reasürans T.A.Ş.
	15. Moka Ödeme ve Elektronik Para Kuruluşu A.Ş.
	16. TSKB Gayrimenkul Yatırım Ortaklığı A.Ş.
	17. Türkiye Sınai Kalkınma Bankası A.Ş.
	18. Yatırım Finansman Menkul Değerler A.Ş.
	19. Yatırım Varlık Kiralama A.Ş.
England	1. Türkiye İş Bankası A.Ş. London Branches 2. Maxis Investments Ltd.
Singapore	1. Millî Reasürans T.A.Ş. Singapore Branch
Turkish Republic of Northern Cyprus (TRNC)	1. Anadolu Hayat Emeklilik A.Ş. TRNC Country Directorate 2. Türkiye İş Bankası A.Ş. TRNC Branch
Netherlands	1. Isbank AG Netherland Branch
Kosovo	1. Türkiye İş Bankası A.Ş. Kosovo Branch
Iraq	1. Türkiye İş Bankası A.Ş. Baghdad Branch 2. Türkiye İş Bankası A.Ş. Erbil Branch
Georgia	1. Joint Stock Company Isbank Georgia
Germany	1. Isbank AG
Russian Federation	1. Joint Stock Company İşbank
Bahrain	1. Türkiye İş Bankası A.Ş. Bahrain Branch



Amendments to the Articles of Incorporation in 2024

ARTICLE	OLD	NEW
5	Capital 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 TL 25,000,000,000 (twentyfive billion). 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 Kuruş, TL 29,000 of it is composed of Group. (B) shares each of which worth 1 Kuruş and TL 9,999,970,000 of it is composed of Group. (C) shares each of which worth 4 Kuruş. 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. 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. However, no new shares can be issued unless all the issued shares are sold and their values are collected. All the shares of the Corporation are strictly required to be issued in return for cash; all of them must be registered.	Capital 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 TL 25,000,000,000 (twentyfive billion). The issued and fully paid capital of the Corporation is TL 25,000,000,000 (twentyfive billion) and TL 1,000 of it is composed of Group (A) shares each of which worth 1 Kuruş, TL 29,000 of it is composed of Group. (B) shares each of which worth 1 Kuruş and TL 24,999,970,000 of it is composed of Group. (C) shares each of which worth 4 Kuruş. 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. 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. However, no new shares can be issued unless all the issued shares are sold and their values are collected. All the shares of the Corporation are strictly required to be issued in return for cash; all of them must be registered.
	Explanation <i>Amendment regarding the increase of our Bank’s capital from TL 10,000,000,000 to TL 25,000,000,000 and the amendment of article 5 of the Articles of Incorporation.</i>	

Corporate Memberships

Domestic	Foreign
The Research Institute of Banking and Commercial Law	The Institute of International Finance (IIF)
Block Chain Türkiye (BCTR)	Institut International d’Etudes Bancaires (IIEB)
Turkish Marine Environment Protection Association (TURMEPA)	International Chamber of Commerce (ICC) Türkiye National Committee - The Commission on Banking Techniques and Practices
Foreign Economic Relations Board of Türkiye (DEİK)	UN Global Compact Network Türkiye
DEİK Türkiye - Iraq Business Council	United Nations Environment Program Finance Initiative (UNEP FI)
ERTA	Net-Zero Banking Alliance (NZBA)
Elginkan Community	European Association of Communication Directors (EACD)
Fintech Association (FINTR)	Turkish Chamber of Commerce in China (ÇTTO)
Global Relations Forum	Mobile Marketing Association - MMA Türkiye
İstanbul Foundation for Culture and Arts (İKSV)	
Association of Corporate Communicators (KİD)	
Global Compact Network Türkiye	
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	



As of 31.12.2024, 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)	9.05.2014	€ 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 of Reconstruction and Development (EBRD)	27.10.2011	\$ 6,660,000	15	Financing of energy efficiency projects as part of the TurSEFF 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
	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
		\$ 109,000,000		Financing of individuals and businesses in 11 provinces in the earthquake zone
	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
		\$ 26,713,750		Financing the digital transformation of SMEs
	31.05.2024 ⁽¹⁾	\$ 80,141,250	5	Within the scope of the second phase of the GEFF Program, financing is extended to companies engaged in energy efficiency and renewable energy projects, along with residential mortgage loans that comply with energy efficiency standards.

International Financial Institution	Date of Signature	Amount	Maturity (years)	Purpose of Extending Loans
PROPARCO	30.06.2020	\$ 25,000,000	10	Financing activities aimed at ensuring energy and resource efficiency for small and medium-sized enterprises operating in the agriculture and agribusiness sectors
	14.12.2023 ⁽²⁾	\$ 35,000,000	3	Financing for individuals, farmers, and micro and small businesses in the 11 provinces affected by the earthquake
DFC (OPIC)	10.12.2014 ⁽¹⁾	\$ 220,000,000	14	Financing for SMEs, priority development regions, and women entrepreneurs
International Finance Corporation (IFC)	28.12.2017 ⁽¹⁾	\$ 105,000,000	9	Financing of housing loans, including green mortgages, in compliance with the energy efficiency criteria set by the IFC
		\$ 20,000,000		Financing of “green mortgage” loans that ensure energy efficiency, with funding provided through the Clean Technology Fund (CTF) via the IFC
	25.08.2022 ⁽¹⁾	\$ 100,000,000	5	Financing of housing loans, including green mortgages, in compliance with the energy efficiency criteria set by the IFC
	14.12.2023	\$ 67,000,000	1 ³	Financing for individuals, farmers, and micro and small businesses in the 11 provinces affected by the earthquake
	12.09.2022	\$ 100,000,000	5	Financing for SMEs and small-scale corporate firms affected by the Covid-19 pandemic
Asian Infrastructure Investment Bank (AIIB)	27.02.2024 ⁽¹⁾	\$ 40,000,000	6	Financing for SMEs, priority development regions, and women entrepreneurs
	31.05.2024 ⁽¹⁾	\$ 40,000,000	6	Financing for SMEs, priority development regions, and women entrepreneurs

⁽¹⁾ Funding obtained through the transactions made within the scope of the diversified payment rights securitization program based on cash flows

⁽²⁾ Provided under the IFC Earthquake Support Package

⁽³⁾ The IFC loan provided under the IFC Earthquake Support Package includes an option to extend the maturity twice, each for one year. The first extension option has been exercised for the portion amounting to USD 60 million.



Numbers of Social Media Followers

Account	Platform	Link	Number of Followers
Türkiye İş Bankası A.Ş.	LinkedIn	https://www.linkedin.com/company/isbankasi	258,145
Türkiye İş Bankası A.Ş.	YouTube	https://www.youtube.com/c/isbankasi	54,300
Türkiye İş Bankası A.Ş.	Twitter	https://twitter.com/isbankasi	249,014
Türkiye İş Bankası A.Ş.	Facebook	https://www.facebook.com/isbankasi	625,307
Türkiye İş Bankası A.Ş.	Instagram	https://www.instagram.com/isbankasi/	178,230
Türkiye İş Bankası A.Ş.	TikTok	https://www.tiktok.com/@isbankasi	54,900
İşcep	LinkedIn	-	
İşcep	YouTube	https://www.youtube.com/c/iscep	7,430
İşcep	Twitter	https://twitter.com/iscepisbankasi	59,279
İşcep	Facebook	https://www.facebook.com/iscep	405,435
İşcep	Instagram	https://www.instagram.com/iscepisbankasi/	72,985
Maximum	LinkedIn	-	
Maximum	YouTube	https://www.youtube.com/user/maximumkart	24,700
Maximum	Twitter	https://twitter.com/MaximumKart	56,424
Maximum	Facebook	https://www.facebook.com/maximum	343,413
Maximum	Instagram	https://www.instagram.com/maximumkart/	49,305
Maximiles	LinkedIn	-	
Maximiles	YouTube	https://www.youtube.com/c/MaximilesKart	560
Maximiles	Twitter	https://twitter.com/MaximilesKart	31,155
Maximiles	Facebook	https://www.facebook.com/MaximilesKart	133,846
Maximiles	Instagram	https://www.instagram.com/maximileskart/	18,826
Workup	LinkedIn	https://www.linkedin.com/company/isbankworkup/	10,361
Workup	YouTube	https://www.youtube.com/c/Workup%C4%B0%C5%9FBankas%C4%B1	2,560
Workup	Twitter	https://twitter.com/workupisbankasi	9,819
Workup	Facebook	https://www.facebook.com/workupisbankasi	17,700
Workup	Instagram	https://www.instagram.com/workupisbankasi/	12,106
Maximum Genç	LinkedIn	-	
Maximum Genç	YouTube	https://www.youtube.com/c/maximumgenc	5,650
Maximum Genç	Twitter	https://twitter.com/maximumgenc	24,349
Maximum Genç	Facebook	https://www.facebook.com/maximumgenc	179,628
Maximum Genç	Instagram	https://www.instagram.com/maximumgenc/	13,960
Total			2,899,387

Human Resources Data

	2022	2023	2024
Total Number of Employees	23,309	21,167	20,560 ✓
Number of Employees			
Female	11,782	10,307	10,313 ✓
Male	11,527	10,860	10,247 ✓
Number of Employees Covered by Collective Bargaining Agreements			
Female	11,455	9,966	10,001 ✓
Male	11,266	10,613	10,006 ✓
Number of Employees by Employment Type	2022	2023	2024
Full-time			
Female	11,647	10,166	10,188 ✓
Male	11,501	10,829	10,225 ✓
Partial Time			
Female	127	133	117 ✓
Male	10	14	10 ✓
Part-time			
Female	1	0	1 ✓
Male	0	0	0 ✓
Part-Time			
Female	7	8	7 ✓
Male	16	17	12 ✓
Total	23,309	21,167	20,560 ✓
Number of Employees by Region and Branch	2022	2023	2024
Head Office			
Female	3,249	3,037	3,065
Male	4,313	4,091	3,959
Branch			
Female	8,220	6,979	6,977
Male	6,814	6,369	5,954
Region			
Female	313	291	271
Male	400	400	334



Human Resources Data

Number of Employees by Gender and Age Upper Management (Members of the Board of Directors and Executive Committee)	2022	2023	2024
50 years of age and older			
Female	4	4	4✔
Male	18	15	17✔
30-49.99 years of age			
Female	0	1	0✔
Male	4	5	4✔
30 years of age and younger			
Female	0	0	0✔
Male	0	0	0✔
Employees in Management Positions (Division Manager and Above)	2022	2023	2024
50 years of age and older			
Female	7	9	8
Male	32	34	38
30-49.99 years of age			
Female	10	10	13
Male	35	27	29
30 years of age and younger			
Female	0	0	0
Male	0	0	0
Total	84	80	88
Breakdown of Employees by Age	2022	2023	2024
50 years of age and older			
Female	350	225	178
Male	611	467	343
30-49.99 years of age			
Female	10,340	8,567	8,066
Male	9,932	8,816	7,768
30 years of age and younger			
Female	1,092	1,515	2,069
Male	984	1,577	2,136
Total	23,309	21,167	20,560
Number of Disabled Employees	2022	2023	2024
Disabled employees by gender			
Female	134	192	121
Male	163	124	147

Number of Employees by Seniority	2022	2023	2024
0-4,99 years			
Female	1,229	1,813	2,559
Male	1,129	1,747	2,442
5-9,99 years			
Female	1,761	1,668	1,419
Male	1,469	1,375	1,125
10+ years			
Female	8,792	6,826	6,335
Male	8,929	7,738	6,680
Total	23,309	21,167	20,560
Turnover Rate	2022	2023	2024
%			
Employee Turnover Rate*	1.9	1.63	1.65✔
Key Personnel Turnover Rate**	16.05	8.36	6.08✔
Voluntary Turnover Rate***	3.75	17.45	12.01✔
Involuntary Turnover Rate****	0.05	0.02	0.04✔
Total Turnover Rate*****	3.8	17.47	12.05
Breakdown of Employees by Educational Background	2022	2023	2024
Primary School	36	17	3
High School	3,125	2,120	1,687
College (2 or 3-year Associate Degree)	528	500	530
University (4-year College)	18,470	17,387	17,185
Post Graduate	1,128	1,122	1,135
PhD Degree	22	21	20
Total	23,309	21,167	20,560
Number of Employees Eligible for Parental Leave	2022	2023	2024
Number of Employees Eligible for Parental Leave			
Number of female employees	11,782	10,307	10,313
Number of male employees	11,527	10,860	10,247
Numbers of Employees Taking and Returning From Maternity Leave	2022	2023	2024
Number of Female Employees Eligible for Maternity Leave	499	373	354✔
Number of Female Employees Returning to Work from Maternity Leave	692	507	457✔
Rate of Return from Maternity Leave (%)	99.71	99.80	100✔
Retention Rate After Maternity Leave (%)	98.55	99.13	99.21✔
Number of Male Employees Whose Wife Took Maternity Leave	443	341	357✔

*The ratio of the total number of employees who resigned during the year to the average number of employees.
**The ratio of Inspectors and Specialists who resigned during the year to the average number of employees holding these titles.
***The ratio of employees who left the organization due to retirement or resignation (excluding resignations due to investigation or military service) to the average number of employees.
****The ratio of employees who resigned due to investigation or military service during the year to the average number of employees.
*****The ratio of employees who left the organization due to retirement or resignation during the year to the average number of employees.



Human Resources Data

Total Employment Created with Subsidiaries	2022	2023	2024
Number of Subsidiaries Under Our Control	113	154	171
Number of Employees in Subsidiaries	39,184	39,947	38,806
Female	39,184	13,787	38,806
Male		26,160	
Employee Trainings*	2022	2023	2024
Average Annual Training Hours Per Employee	43	56.5	58✔
Average Annual Training Hours Per Female Employee	39.5	54.1	57.2✔
Average Annual Training Hours Per Male Employee	47.5	59.4	59.1✔
Employee Trainings*	2022	2023	2024
Anti-Bribery and Anti-Corruption Training			
Number of Trainees	17,015	19,889	21,553✔
Person*Hours	2,130	2,667	2,822✔
Ethical Principles Training			
Number of Trainees	2,700	4,227	3,343✔
Person*Hours	1,480	2,849	2,408✔
Human Rights Training			
Number of Trainees	2,019	2,524	2,270✔
Person*Hours	4,887	6,034	5,897✔
Sustainability Training			
Number of Trainees	12,291	12,800	23,248✔
Person*Hours	27,994	24,764	26,629✔
Sustainability E-Training**			
Number of Trainees	2,110	2,035	1,740✔
Person*Hours	981	654	613✔
Diversity and Inclusion/Gender Equality Training/Other Diversity Trainings			
Number of Trainees	-	8,106	18,169✔
Person*Hours	-	14,654	18,257✔
International Sanctions Trainings			
Number of Trainees	-	2,894	8,475✔
Person*Hours	-	649	4,558✔

* Training figures exclude participants of refresher trainings, and Private Security Officers and Servant Staff are also not included.
** Sustainability E-Trainings and Diversity and Inclusion/Gender Equality Training/Other Diversity Trainings data are included.

Occupational Health and Safety Data	2022	2023	2024
Injury Rate (IR)*✔			
Direct Employment	1.30	2.31	2.71✔
Female	0.83	1.07	1.22✔
Male	0.47	1.24	1.49✔
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	1.12	3.05	1.55✔
Female	0.5	0.33	0.94✔
Male	0.62	2.71	0.61✔
Contractor Employees	0	0	0✔
Female	0	0	0✔
Male	0	0	0✔
Days of Absence Due to Accident✔			
Direct Employment	263	639	311✔
Female	118	70	189✔

* Accident frequency rate: (Total number of accidents/Total work hours lost) * 200,000



Human Resources Data

Occupational Health and Safety Data	2022	2023	2024
Male	145	569	122✔
Contractor Employees	0	0	0✔
Female	0	0	0✔
Male	0	0	0✔
Absentee Rate (AR)			
Direct Employment	0.000045	0.000121	0.000062✔
Female	0.00002	0.000013	0.000038✔
Male	0.000025	0.000108	0.000024✔
Contractor Employees	0	0	0✔
Female	0	0	0✔
Male	0	0	0✔
Number of Work-Related Deaths			
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	61	97	109✔
Female	39	45	49✔
Male	22	52	60✔
Contractor Employees	0	0	0✔
Female	0	0	0✔
Male	0	0	0✔
Accident Frequency Rate*			
Direct Employment	0.26	0.46	0.54✔
Female	0.17	0.21	0.24✔
Male	0.09	0.25	0.30✔
Number of Employees Carrying Out Tasks with a High Risk of Occupational Diseases			
Direct Employment	0	0	0✔
Contractor Employees	0	0	00✔

* Accident frequency rate: (Total number of accidents/Total work hours lost) * 200,000

Summary Financial Highlights and Key Ratios for the Five-Year Period

NON-CONSOLIDATED					
ASSETS (TL Thousand)	2020/12	2021/12	2022/12	2023/12	2024/12
Cash	9,463,666	15,170,894	16,145,165	31,650,948	37,745,993
Receivables from Banks and Interbank Money Markets ⁽¹⁾	77,492,256	190,881,628	205,819,117	535,111,258	644,649,989
Securities (Net) ⁽²⁾	109,485,041	142,653,302	278,281,335	472,417,535	653,869,322
Loans ⁽³⁾	345,150,130	493,378,191	759,289,191	1,147,371,176	1,622,483,926
Partnership Investments (Subsidiaries and Affiliates) (Net)	26,002,383	39,461,345	79,859,474	144,453,136	204,183,367
Fixed Assets (Net)	9,161,214	11,277,602	22,312,006	42,170,034	65,027,593
Other Assets ⁽⁴⁾	17,147,742	33,746,062	46,616,380	80,609,212	95,816,247
Total Assets	593,902,432	926,569,024	1,408,322,668	2,453,783,299	3,323,776,437
LIABILITIES (TL Thousand)	2020/12	2021/12	2022/12	2023/12	2024/12
Deposits	368,876,491	595,628,376	931,077,289	1,662,178,694	2,127,117,186
Funds Borrowed and Money Markets ⁽⁵⁾	116,407,089	181,993,730	173,427,490	352,303,828	652,091,724
Provisions	10,224,590	15,487,318	30,539,092	39,920,879	37,537,900
Other Liabilities	30,612,810	46,620,309	81,902,722	131,582,414	188,691,855
Shareholders' Equity	67,781,452	86,839,291	191,376,075	267,797,484	318,337,772
Total Liabilities	593,902,432	926,569,024	1,408,322,668	2,453,783,299	3,323,776,437
INCOME/EXPENSE ITEMS (TL Thousand)	2020/12	2021/12	2022/12	2023/12	2024/12
Interest Income ⁽⁶⁾	42,516,332	60,904,343	123,454,753	222,485,981	530,914,982
Interest Expenses ⁽⁶⁾	17,274,293	29,963,074	48,251,300	155,412,822	496,464,280
Net Interest Income	25,242,039	30,941,269	75,203,453	67,073,159	34,450,702
Net Trading Profit/Loss	-3,341,357	-5,149,127	4,522,593	12,223,362	-8,861,710
Net Fees and Commissions Income	5,617,613	7,619,945	16,146,898	42,437,948	91,410,738
Dividend Income	21,487	20,735	38,604	65,258	102,016
Other Operating Income	2,436,205	4,401,570	6,080,548	13,586,616	23,950,005
Total Operating Income	29,975,987	37,834,392	101,992,096	135,386,343	141,051,751
Operating Expenses ⁽⁷⁾	11,796,986	15,911,689	34,029,278	72,228,962	117,149,485
NET OPERATING PROFIT/LOSS ⁽⁸⁾	18,179,001	21,922,703	67,962,818	63,157,381	23,902,266
Provision for Losses on Loans and Other Receivables	12,729,920	14,450,167	15,804,444	20,070,907	23,628,257
Profit/Loss from Subsidiaries Based on Equity Method	3,406,471	8,003,345	21,790,674	33,996,027	37,899,758
PROFIT/LOSS BEFORE TAXES	8,855,552	15,475,881	73,949,048	77,082,501	38,173,767
Provision for Taxes	2,044,635	2,007,986	12,411,168	4,817,703	-7,343,678
NET PERIOD PROFIT/LOSS	6,810,917	13,467,895	61,537,880	72,264,798	45,517,445



Summary Financial Highlights and Key Ratios for the Five-Year Period

KEY RATIOS	2020/12	2021/12	2022/12	2023/12	2024/12
Interest Earning Assets ⁽⁹⁾ /Total Assets	89.8%	89.3%	88.2%	87.7%	87.8%
Interest Earning Assets ⁽⁹⁾ /Interest Bearing Liabilities	109.9%	106.4%	112.4%	106.8%	105.0%
Securities/Total Assets	18.4%	15.4%	19.8%	19.3%	19.7%
Loans/Total Assets	58.1%	53.2%	53.9%	46.8%	48.8%
Loans/Deposits	93.6%	82.8%	81.5%	69.0%	76.3%
Personal Loans/Total Loans	25.0%	22.2%	23.3%	29.1%	30.6%
NPL Ratio	5.6%	4.1%	3.0%	2.1%	2.1%
Coverage Ratio	63.7%	66.2%	74.4%	75.6%	72.5%
Demand Deposits/Total Deposits	41.7%	47.9%	45.5%	38.5%	39.4%
Shareholders' Equity/Total Liabilities	11.4%	9.4%	13.6%	10.9%	9.6%
Capital Adequacy Standard Ratio	18.7%	20.4%	24.4%	21.6%	19.7%
Return on Average Assets ⁽¹⁰⁾	1.3%	1.9%	5.3%	3.8%	1.6%
Return on Average Equity ⁽¹⁰⁾	10.9%	18.4%	46.8%	33.3%	15.8%
OPEX/Operating Income ⁽¹¹⁾	35.3%	34.7%	27.5%	42.6%	65.5%
OTHER INFORMATION (TL Thousand)	2020/12	2021/12	2022/12	2023/12	2024/12
Regulatory Capital	84,540,460	116,325,684	229,090,694	318,987,884	387,065,058
Core Capital	66,666,192	90,161,889	192,857,543	266,416,068	326,864,594
Free Capital ⁽¹²⁾	38,469,439	46,673,837	120,650,947	142,552,115	138,490,230
Demand Deposits	153,998,446	285,308,452	423,357,161	640,611,013	838,900,945

⁽⁴⁾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)

CONSOLIDATED					
ASSETS (TL Thousand)	2020/12	2021/12	2022/12	2023/12	2024/12
Cash	9,504,086	15,230,787	16,263,472	31,839,900	37,945,446
Receivables from Banks and Interbank Money Markets ⁽¹⁾	87,017,464	206,978,744	230,772,584	588,002,168	695,838,066
Securities (Net) ⁽²⁾	128,082,066	173,820,212	342,656,590	557,699,316	783,280,538
Loans ⁽³⁾	403,934,870	590,297,628	885,150,975	1,350,352,203	1,909,797,854
Partnership Investments (Subsidiaries and Affiliates) (Net)	13,052,096	21,918,409	42,870,444	81,346,534	111,411,807
Fixed Assets (Net)	14,706,181	19,101,836	41,497,115	71,552,963	108,919,627
Other Assets ⁽⁴⁾	61,855,500	97,056,457	156,220,389	273,949,487	213,504,983
Total Assets	718,152,263	1,124,404,073	1,715,431,569	2,954,742,571	3,860,698,321
LIABILITIES (TL Thousand)	2020/12	2021/12	2022/12	2023/12	2024/12
Deposits	381,693,393	617,679,203	952,635,932	1,710,051,820	2,179,417,530
Funds Borrowed and Money Markets ⁽⁵⁾	167,635,067	272,909,829	299,862,793	529,450,660	890,362,361
Provisions	24,027,066	35,609,317	67,292,475	107,633,317	158,589,929
Other Liabilities	69,935,017	102,037,545	185,587,676	304,249,934	259,616,387
Shareholders' Equity	74,861,720	96,168,179	210,052,693	303,356,840	372,712,114
Total Liabilities	718,152,263	1,124,404,073	1,715,431,569	2,954,742,571	3,860,698,321
INCOME/EXPENSE ITEMS (TL Thousand)	2020/12	2021/12	2022/12	2023/12	2024/12
Interest Income ⁽⁶⁾	47,960,977	69,449,187	140,591,973	257,253,164	599,018,187
Interest Expenses ⁽⁶⁾	18,898,262	32,530,364	54,160,597	168,229,605	519,552,264
Net Interest Income	29,062,715	36,918,823	86,431,376	89,023,559	79,465,923
Net Trading Profit/Loss	-1,206,769	703,452	19,477,788	40,744,739	9,971,460
Net Fees and Commissions Income	4,919,413	6,691,855	14,671,415	40,133,066	85,362,010
Dividend Income	31,057	68,548	263,526	421,522	318,657
Other Operating Income	11,733,929	16,883,690	32,573,886	64,136,738	105,707,600
Total Operating Income	44,540,345	61,266,368	153,417,991	234,459,624	280,825,650
Operating Expenses ⁽⁷⁾	21,179,158	30,381,409	59,881,644	123,656,421	193,195,639
NET OPERATING PROFIT/LOSS ⁽⁸⁾	23,361,187	30,884,959	93,536,347	110,803,203	87,630,011
Provision for Losses on Loans and Other Receivables	14,150,040	16,810,490	19,231,075	24,389,572	25,700,863
Profit/Loss from Subsidiaries Based on Equity Method	1,455,956	4,874,850	10,205,448	13,434,857	10,167,726
PROFIT/LOSS BEFORE TAXES	10,667,103	18,949,319	84,510,720	99,848,488	72,096,874
Provision for Taxes	2,915,351	3,389,061	15,453,038	13,478,534	8,329,621
NET PERIOD PROFIT/LOSS	7,751,752	15,560,258	69,057,682	86,369,954	63,767,253



Summary Financial Highlights and Key Ratios for the Five-Year Period

KEY RATIOS	2020/12	2021/12	2022/12	2023/12	2024/12
Interest Earning Assets ⁽⁹⁾ /Total Assets	86.2%	86.2%	84.2%	84.2%	87.5%
Interest Earning Assets ⁽⁹⁾ /Interest Bearing Liabilities	112.7%	108.9%	115.4%	111.2%	110.1%
Securities/Total Assets	17.8%	15.5%	20.0%	18.9%	20.3%
Loans/Total Assets	54.6%	50.9%	49.7%	44.1%	47.9%
Loans/Deposits	0.7%	92.6%	89.4%	76.3%	84.8%
Personal Loans/Total Loans	22.1%	19.3%	20.8%	25.7%	26.9%
NPL Ratio	5.6%	4.1%	3.1%	2.3%	2.2%
Coverage Ratio	62.1%	65.0%	75.6%	75.2%	72.7%
Demand Deposits/Total Deposits	41.2%	47.3%	45.3%	38.1%	39.1%
Shareholders' Equity/Total Liabilities	10.4%	8.6%	12.2%	10.3%	9.7%
Capital Adequacy Standard Ratio	17.0%	18.7%	21.8%	19.9%	18.2%
Return on Average Assets ⁽¹⁰⁾	1.2%	1.8%	4.9%	3.8%	1.9%
Return on Average Equity ⁽¹⁰⁾	11.2%	19.2%	48.1%	35.6%	19.2%
OPEX/Operating Income ⁽¹¹⁾	36.0%	34.5%	27.5%	40.3%	58.8%
OTHER INFORMATION (TL Thousand)	2020/12	2021/12	2022/12	2023/12	2024/12
Regulatory Capital	90,577,700	125,734,035	237,561,370	332,472,141	418,637,707
Core Capital	69,037,761	93,801,462	198,553,596	275,684,291	351,750,443
Free Capital ⁽¹²⁾	38,572,660	46,881,642	119,423,191	143,197,495	141,797,430
Demand Deposits	157,339,437	291,867,150	431,703,325	652,109,439	852,913,464

⁽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)

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



Convenience Translation into English of Independent Auditor’s Report on the Board of Directors’ Annual Report Originally Issued in Turkish

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 consolidated subsidiaries (collectively referred as the “Group”) for the period between 1 January 2024 - 31 December 2024.

In our opinion, except for the matter described in the Basis for Qualified Opinion section below, the financial information and the analysis made by the Board of Directors by using the information included in the audited consolidated and unconsolidated financial statements regarding the Group’s and Banks’s position in the Board of Directors’ Annual Report are consistent and presented fairly, in all material respects, with the audited full set consolidated and unconsolidated financial statements and with the information obtained in the course of independent audit.

2. Basis for Qualified Opinion

As expressed in Basis for Qualified Opinion section of our auditor’s report dated 12 February 2025 on the Group’s and the Bank’s full set consolidated and unconsolidated financial statements for the period between 1 January 2024 -31 December 2024; the free provision amounting to TL 10,000,000 thousand, which was fully provided in prior years outside of the requirements of BRSA Accounting and Financial Reporting Legislation, was reversed in the current year by the Group and Bank management as at 31 December 2024. Had this free provision not been accounted for in prior years and not been reversed in the current year, net profit and prior periods’ profit would have decreased by TL 10,000,000 thousand and increased by TL 10,000,000 thousand respectively for the year ended 31 December 2024.

Our audit was conducted in accordance with the “Regulation on Independent Audit of Banks” published by the BRSA on the Official Gazette No.29314 dated 2 April 2015 and the Standards on Independent Auditing (the “SIA”) that are part of Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority (the “POA”). Our responsibilities under these standards are further described in the “Independent Auditor’s Responsibility in the Audit of the Annual Report” section of our report. We hereby declare that we are independent of the Group and Bank in accordance with the Ethical Rules for Independent Auditors (including International Independence Standards) (the “Ethical Rules”) and the ethical requirements regarding independent audit in regulations issued by POA that are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our qualified opinion.

3. Our Audit Opinion on the Full Set Consolidated and Unconsolidated Financial Statements

We expressed a qualified opinion in the auditor’s reports dated 12 February 2025 on the Group’s and the Bank’s full set consolidated and unconsolidated financial statements for the period between 1 January 2024- 31 December 2024.

4. Board of Director’s Responsibility for the Annual Report

The Bank management’s responsibilities related to the annual report according to Articles 514 and 516 of Turkish Commercial Code (“TCC”) No. 6102, Capital Markets Board’s (“CMB”) Communiqué Serial II, No:14.1, “Principles of Financial Reporting in Capital Markets” (the “Communiqué”) and “Regulation on Principles and Procedures Regarding Preparation and Promulgation of Annual Reports by Banks” published in Official Gazette No.26333 dated 1 November 2006 are as follows:

- a) to prepare the annual report within the first three months following the balance sheet date and present it to the general assembly;
- b) to prepare the annual report to reflect the Bank’s operations in that year and the financial position in a true, complete, straightforward, fair and proper manner in all respects. In this report, financial position is assessed in accordance with the financial statements. Also in the report, developments and possible risks which the Bank may encounter are clearly indicated. The assessments of the Board of Directors in regards to these matters are also included in the report.
- c) to include the matters below in the annual report:
 - events of particular importance that occurred in the Bank after the operating year,
 - the Bank’s research and development activities,
 - financial benefits such as salaries, bonuses, premiums and allowances, travel, accommodation and representation expenses, benefits in cash and in kind, insurance and similar guarantees paid to members of the Board of Directors and senior management.

When preparing the annual report, the Board of Directors considers secondary legislation arrangements enacted by the Banking Regulation and Supervision Agency, Ministry of Trade and other relevant institutions.

5. Independent Auditor’s Responsibility in the Audit of the Annual Report

Our aim is to express an opinion and issue a report comprising our opinion within the framework of the TCC, Communiqué and “Regulation on Independent Audit of Banks” published on the Official Gazette No.29314 dated 2 April 2015 provisions regarding whether or not the financial information and the analysis made by the Board of Directors by using the information included in the audited consolidated and unconsolidated financial statements in the annual report are consistent and presented fairly with the audited consolidated and unconsolidated financial statements of the Group and Bank with the information we obtained in the course of independent audit.

Our audit was conducted in accordance with the SIAs. These standards require that ethical requirements are complied with and that the independent audit is planned and performed in a way to obtain reasonable assurance of whether or not the financial information and the analysis made by the Board of Directors by using the information included in the audited consolidated and unconsolidated financial statements in the annual report are consistent and presented fairly with the audited consolidated and unconsolidated financial statements and with the information obtained in the course of audit.

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.

Talar Gül, SMMM
Independent Auditor

Istanbul, 6 March 2025



Reporting Guide

Annex-1: İşbank 2024 Integrated Annual Report - Reporting Guide

This reporting guideline (“Guideline”) provides information on the methodologies for the preparation, calculation and reporting of data for the limited assurance indicators of Türkiye İş Bankası A.Ş. (“Bank” or “İşbank”) in the İşbank 2024 Integrated Annual Report (“2024 Integrated Report”).

These indicators cover social, environmental and economic indicators. It is the responsibility of the Company’s management to ensure that appropriate procedures are in place to prepare these indicators, in all material respects, in accordance with the Guidelines.

The information in this guide covers the financial year ending 31 December 2024 and the operations carried out at İş Kuleleri (Tower 1) Ankara Operations Center (ATOM), Tuzla Technology and Operations Center (TUTOM), Tuzla Atlas Data Center (ATLAS), İş Tower Auditorium, Branches and Regional Directorates, Facilities and ATMs (“İşbank”) under the responsibility of İşbank A.Ş. (unless otherwise stated) as detailed in the “Key Definitions and Reporting Scope” section.

General Reporting Principles

The following principles have been taken into consideration in the preparation of this guidance document:

- In the preparation of information - to emphasize the basic principles of relevance and reliability of information to users of information,
- In reporting information - emphasizing the principles of comparability/consistency of information with other data, including previous year, and the principles of understandability/transparency providing clarity to users.

Basic Definitions and Reporting Scope

For the purpose of this report, the Bank makes the following definitions:

Environmental Indicators

Energy Consumption by Fuel Type

- Total Energy Consumption (GJ)
Represents the Bank’s total energy consumption during the reporting period. Total energy consumption includes electricity, natural gas, fuel oil for heating, coal, and diesel consumption. Electricity consumption is initially calculated in kWh and then converted into gigajoules using the conversion factor of 1 kWh = 0.0036 GJ.
- Electricity (MWh)
Represents the amount of grid electricity consumption at the Bank’s locations, monitored through invoices, in megawatt-hours during the reporting period.
- Amount of Renewable Energy Supplied (GJ)
Represents the amount of electricity consumption certified with a renewable energy certificate within the Bank’s total grid electricity consumption, measured in gigajoules during the reporting period.
- Natural Gas Consumption (m³)
Represents the amount of natural gas consumed for heating purposes at the Bank’s locations, tracked through invoices from service provider companies and measured in cubic meters during the reporting period.
- Coal Consumption (kg)
Represents the amount of coal consumed for heating purposes at the Bank’s locations, tracked through invoices from service provider companies and measured in kilograms during the reporting period.
- Fuel Oil Consumption (lt)
Represents the amount of fuel oil consumed for heating purposes at the Bank’s locations, tracked through invoices from service provider companies and measured in liters during the reporting period.
- Diesel Consumption
Represents the amount of liters of diesel fuel consumed for heating purposes at the Bank’s locations, tracked through invoices from service provider companies in the reporting period.
- Fuel Consumption of Company Vehicles (Diesel) (lt)
Represents the total diesel consumption in liters for the Bank’s company vehicles, tracked through monthly statements and invoices from service providers during the reporting period.

- Fuel Consumption of Company Vehicles (Gasoline) (lt)
Represents the total gasoline consumption in liter volume units for the Bank’s company vehicles, tracked through monthly statements and invoices from service providers during the reporting period.
- Fuel Consumption of Personnel Service Vehicles (Diesel) (lt)
Represents the total diesel consumption in liter volume units for the Bank’s contracted personnel shuttles, tracked through annual agreements and monthly statements from service providers during the reporting period.
- Business Travels by Personal Vehicles (Diesel) (lt)
Represents the total diesel consumption in liter volume units for the employees using their personal vehicles for business travels at the Bank’s headquarters, branches, and other locations, tracked during the reporting period.
- Business Travels by Personal Vehicles (Gasoline) (lt)
Represents the total gasoline consumption in liter volume units for the employees using their personal vehicles for business travels at the Bank’s headquarters, branches, and other locations, during the reporting period.
- Business Travels by Personal Vehicles (LPG) (lt)
Represents the total LPG consumption in liter volume units for the employees using their personal vehicles for business travels at the Bank’s headquarters, branches, and other locations, during the reporting period.
- Refrigerants(kg)
Represents the total amount of refrigerant gases and fire extinguishing gases in kilograms, tracked through invoices from the parties responsible for the purchase and refilling operations, used at the Bank’s headquarters, branches, and other locations during the reporting period.

Greenhouse Gas Emissions (ton CO₂e)

- Scope 1 Greenhouse Gas Emissions (ton CO₂e)
Represents the amount of greenhouse gas emissions in tons of carbon dioxide equivalent resulting from the Bank’s natural gas, coal, and fuel oil consumption, company vehicle diesel and gasoline consumption, generator diesel consumption, and the use of refrigerant gases during the reporting period.
- Scope 2 Greenhouse Gas Emissions - Market Based (ton CO₂e)
Represents the amount of greenhouse gas emissions in tons of carbon dioxide equivalent (market-based) resulting from the production of electricity consumed by the Bank, as tracked through invoices from service providers during the reporting period, excluding the amount certified by renewable energy certificates.
- Scope 3 (ton CO₂e)
Represents the amount of greenhouse gas emissions in tons of carbon dioxide equivalent resulting from the Bank’s purchased goods and services, waste generated from operations, business travel, and employees’ commuting during the reporting period.
 - Scope 3-Category 1: Purchased Goods and Services (ton CO₂e)
Represents the amount of greenhouse gas emissions in tons of carbon dioxide equivalent resulting from the paper purchased for the Bank’s operations, the fuels consumed by the personal vehicles of company employees, and the supply of water during the reporting period.
 - Scope 3-Category 5: Waste Generated in Operations (ton CO₂e)
Represents the amount of greenhouse gas emissions in tons of carbon dioxide equivalent resulting from the disposal of waste generated by the Bank’s locations during the reporting period.
 - Scope 3-Category 6: Business Travel (ton CO₂e)
Represents the amount of greenhouse gas emissions in tons of carbon dioxide equivalent resulting from the domestic and international business travels undertaken by the Bank’s employees during the reporting period.
 - Scope 3-Category 7: Employee Commuting (ton CO₂e)
Represents the amount of greenhouse gas emissions in tons of carbon dioxide equivalent resulting from the fuel consumed during the commute of the Bank’s employees using personnel shuttles and company fleet vehicles during the reporting period.
- Emission per Consolidated Asset Size (ton CO₂e/million TL)
Represents the scope 1 and 2 greenhouse gas emissions in tons of carbon dioxide equivalent per consolidated total assets in million Turkish Lira during the reporting period.



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- Emission per Consolidated Asset Size (tonCO₂e/million USD)
Represents the scope 1 and 2 greenhouse gas emissions in tons of carbon dioxide equivalent per consolidated total assets in million United States Dollars during the reporting period.
- Emission per Consolidated Net Profit (tonCO₂e/million USD)
Represents the scope 1 and 2 greenhouse gas emissions in tons of carbon dioxide equivalent per consolidated net profit in million US Dollars during the reporting period.
- Emission per Consolidated Net Profit (tonCO₂e/million TL)
Represents the scope 1 and 2 greenhouse gas emissions in tons of carbon dioxide equivalent per consolidated net profit in million Turkish Lira during the reporting period.
- Emissions per Employee (Scope 1 & 2) (ton CO₂e/total number of employees)
Represents the scope 1 and 2 greenhouse gas emissions in tons of carbon dioxide equivalent per employee during the reporting period.
- Number of Renewable Energy Projects Financed
Represents the total number of renewable energy projects/plants financed by the Bank during the reporting period.
- Total Installed Capacity of the Renewable Energy projects Financed by İşbank
Represents the total installed capacity of renewable energy projects/plants financed by the Bank during the reporting period, calculated in megawatts, based on the proportion of total financing provided.
- Amount of Loans Provided for Financed Renewable Energy Projects (million USD)
Represents the amount of credit provided to renewable energy projects/plants financed by the Bank during the reporting period, expressed in million USD.
- Share of Renewable Energy Projects in the Total Energy Projects Portfolio (%)
Represents the percentage of total credit financing provided to renewable energy plants within the Bank’s credit portfolio in the energy sector (for firms with NACE codes related to the energy sector) during the reporting period.
- Sustainable Financing Amount (billion TL)
Represents the amount of financing provided in billion Turkish Lira, considering the draft regulation of the Banking Regulation and Supervision Agency (BDDK) on the Green Asset Ratio and sustainable finance frameworks and social sustainability finance frameworks recognized as good practices, during the year 2024.
- Number of Projects Undergoing Environmental and Social Risk Evaluation
Represents the total number of projects assessed during the reporting period, evaluated using the Bank’s integrated environmental and social risk assessment criteria in line with the banking system.
- Number of projects financed after ongoing Environmental and Social Risk Evaluation
Represents the total number of projects assessed during the reporting period, evaluated using the Bank’s integrated environmental and social risk assessment criteria in line with the banking system, and financed based on the assessment result.
- Number of projects financed by risk categories
Represents the total number of projects assessed during the reporting period, evaluated using the Bank’s integrated environmental and social risk assessment criteria in line with the banking system, and financed based on the assessment result. The projects are separately categorized and scored from A to D according to the risk category (A - high risk, D - low risk).
- Number of Field Visits Made as Part of Environmental and Social Risk Evaluation
Represents the total number of site visits conducted during the reporting period for evaluation purposes, as part of the projects assessed using the Bank’s integrated environmental and social risk assessment criteria in line with the banking system.
- Total Amount of Cash Commercial Loans Extended to The Agricultural Sector (million TL)
Represents the total amount of agricultural loans, both individual and commercial, provided by the Bank to firms in the agriculture sector during the reporting period, expressed in billion Turkish Lira.

- Amount of Sustainability Themed Loan Agreements Signed with International Financial Institutions During the Year (million TL)
Represents the total amount of credit agreements with specific allocation purposes for creating environmental and social benefits, obtained through bilateral agreements or securitization transactions based on remittance flows from international financial institutions and funds such as EBRD, IFC, Proparco, and Green for Growth Fund (GGF) during the reporting period, expressed in billion Turkish Lira.

Water Management (m³)

- City Water (m³)
Represents the total water consumption in cubic meters, tracked through the invoices of service provider companies, from the grid during the reporting period.
- Rainwater (m³)
Represents the total rainwater consumption in cubic meters, tracked through meters at the Headquarters and other locations during the reporting period.
- Potable Water (tanker water and bottled water) (m³)
Represents the total volume of drinking and utility water in cubic meters, tracked through invoices from service providers for water purchased via tankers during the reporting period.
- Total Water Consumption (m³)
Represents the total volume in cubic meters of network water, rainwater, and other consumption quantities during the reporting period.
- Amount of Wastewater (m³)
Represents the volume in cubic meters of wastewater generated during the reporting period, based on the assumption that all grid water and rain water usage by the Bank is converted into wastewater.

Types and Quantities of Waste (ton)

- Amount of Household Wastes (ton) (organic, other)
Represents the total amount of municipal solid waste tracked by the Bank through local government waste tracking reports, expressed in tons during the reporting period.
- Amount of Hazardous Wastes (batteries, fluorescent lamps, car batteries, batteries and toner cartridges) (ton)
Represents the total amount of hazardous waste consisting of batteries, fluorescent lamps, car batteries, batteries, and toner cartridges tracked by the Bank through local government waste tracking reports, expressed in tons during the reporting period.
- Amount of Recycled Waste (ton)
Represents the total amount of hazardous and non-hazardous waste sent for disposal for recycling, tracked by the Bank through local government waste tracking reports, expressed in tons during the reporting period.
 - Amount of Non-Hazardous Waste Recycled (ton)
Represents the total amount of non-hazardous waste sent for disposal for recycling, tracked by the Bank through local government waste tracking reports, expressed in tons during the reporting period.
 - Amount of Hazardous Waste Recycled (ton)
Represents the total amount of hazardous waste produced from operations at the Bank’s locations and sent for disposal for recycling, tracked through local government waste tracking reports, expressed in tons during the reporting period.
 - Amount of Electronic Waste Recycled (ton)
Represents the amount of electronic waste produced from operations at the Bank’s locations and sent for disposal for recycling, tracked through local government waste tracking reports, expressed in tons during the reporting period.
- Paper Consumption (tons)
Represents the total amount of paper used in all activities of the company, tracked through purchase invoices, expressed in tons during the reporting period.



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- Paper Savings Through Digitalization
Represents the total number of sheets saved due to the Bank’s digitalized operational processes (transformation of conventional paper-based banking methods) during the reporting period.
- Number of Saplings Planted During the Year Within the Scope of the Project with TEMA Foundation
Represents the total number of saplings planted through projects carried out in collaboration with the TEMA Foundation, both before and during the reporting period.

Social Indicators

- Total Amount of Loans Provided to SMEs (billion TL)
Represents the total amount of lending provided by the Bank to small, medium, and large enterprises, expressed in billion Turkish lira, during the reporting period.
- Amount of Loans Extended to Women Entrepreneurs (TL)
Represents the total amount of lending provided by the Bank to women-owned businesses, including those owned by women with at least 51% shares or at least 20% shares and with representation and signature authority for company management, expressed in Turkish Lira, during the reporting period.
- Total Number of Employees (#)
Represents the total number of male and female employees, excluding interns, tracked through the Bank’s Human Resources data platform, who have been reported with their employment entry declarations during the reporting period.
- Total Number of Employees Covered by Collective Labour Agreement (#)
Represents the total number of male and female employees, tracked through the Bank’s Human Resources data platform, who have had their employment entry declarations made through a collective labor agreement during the reporting period.
- Number of Employees by Employment Type (#)
Represents the number of full-time, part-time, and temporary employees, broken down by gender (female/male), who were hired by the Bank and had their employment entry declarations made during the reporting period.
- Ratio of Female Employees Working in Information Technology (%)
Represents the proportion of female employees within the total number of employees working in the information technology sector of the Bank during the reporting period.
- Ratio of Female Employees Working in Engineering (%)
Represents the proportion of female employees within the total number of employees working in the engineering division of the Bank during the reporting period.
- Ratio of Female Employees Working in Income Generating Fields (%)
Represents the proportion of female employees within the total number of employees in the revenue-generating business divisions identified by the Bank during the reporting period.
- Ratio of Female Employees in Promoted Employees (%)
Represents the proportion of female employees among those who earned promotion rights through performance evaluations within the Bank’s workforce during the reporting period.
- Ratio of Newly Recruited Female Employees (%)
Represents the proportion of female employees among all newly hired personnel within the Bank during the reporting period.
- Number of Newly Recruited Female Employees (#)
Represents the total number of female employees hired under an employment contract within the Bank during the reporting period.
- Key Personnel Turnover Rate (%)
Represents the proportion of employees within the Bank’s key personnel classification whose employment contracts were terminated during the reporting period.

- Involuntary Employee Turnover Rate (%)
Represents the ratio of the total number of employees who left the Bank during the reporting period to the total number of employees at the end of the reporting period and the total number of employees at the end of the previous year.
- Voluntary Employee Turnover Rate (%)
Represents the ratio of the total number of employees who left the Bank through resignation during the reporting period to the total number of employees at the end of the reporting period and the total number of employees at the end of the previous year.
- Number and Ratio of Female Managers in Junior, Middle and Senior Positions (%)
Represents the ratio of the number of female employees working in junior, mid, and senior management positions (such as manager and deputy general manager levels) to the total number of employees in these positions during the reporting period.
- Unionization Rate (%)
Represents the ratio of employees who are members of a union to the total number of employees in the Bank during the reporting period.
- Number of Employees on Maternity Leave (#)
Represents the number of female employees who took paid or unpaid maternity leave during the reporting period.
- Number of Employees Returning from Maternity Leave (#)
Represents the number of female employees who returned from paid or unpaid maternity leave during the reporting period.
- Ratio of Return After Maternity Leave (%)
Represents the ratio of the number of female employees who returned to work after paid or unpaid maternity leave during the reporting period to the total number of female employees who completed their leave during the reporting period.
- Retention Rate after Maternity Leave (%)
Represents the ratio of the number of female employees who returned to work after paid or unpaid maternity leave and continued working for 12 months during the reporting period, to the total number of female employees who completed their leave during the reporting period.
- Number of Male Employees Whose Wife Took Maternity Leave (#)
Represents the number of male employees who took paternity leave during the reporting period. This data shows the implementation of the company’s paternity leave policy, and the access male employees have to this right.
- Gender Pay Gap (Average) (%)
Represents the percentage difference between the arithmetic average salaries of all female and male employees, calculated based on position. During the reporting period, it serves as an indicator measuring the overall salary disparity between female and male employees.
- Gender Pay Gap (Median) (%)
Represents the percentage difference between the median salary values for female and male employees, determined by ranking employee salaries based on position and gender and calculating the difference between the salaries at the midpoint. During the reporting period, it serves as an indicator measuring the overall salary disparity between female and male employees.

Employee Trainings Indicators

- Average Training Hours per Employee per Year (#)
Represents the total training hours tracked through the Bank’s training platform during the reporting period. (Security personnel and service staff are not included in these calculations.)
- Average Training Hours per Female Employee per Year (#)
Represents the ratio of training hours provided to female employees, tracked through the Bank’s training platform, to the total number of female employees during the reporting period. (Security personnel and service staff are not included in these calculations.)
- Average Annual Training Hours per Male Employee (#)
Represents the ratio of training hours provided to male employees, tracked through the Bank’s training platform, to the total number of male employees during the reporting period. (Security personnel and service staff are not included in these calculations.)



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· Ratio of Digital Trainings in Total Trainings (%)
Represents the ratio of digital training hours tracked through the Bank’s training platform to the total training hours conducted during the reporting period. (Security personnel and service staff are not included in these calculations.)

· Training Hours per New Hire in the First Year (hours)
Represents the ratio of training hours provided to new employees, as tracked through the Bank’s training platform, to the number of new employees during the reporting period. (Security personnel and service staff are not included in these calculations.)

Employee Training Types Related Indicators

· Total Hours on Anti-Bribery and Anti-Corruption Training (hours)
Represents the total hours of mandatory or non-mandatory training on Anti-Bribery and Corruption, as tracked through the Bank’s training platform during the reporting period.

· Total Training Duration on Ethical Principles/Business Ethics (hours)
Represents the total hours of training on ethical principles/business ethics, as tracked through the Bank’s training platform during the reporting period.

· Sustainability Training provided to Employees (hours)
Represents the total hours of training on sustainability, as tracked through the Bank’s training platform during the reporting period.

· Total Training Duration on Human Rights (hours)
Represents the total hours of training on human rights, as tracked through the Bank’s training platform during the reporting period.

· Total Training Duration on Diversity and Inclusion/Gender Equality/Other Diversity Areas (hours)
Represents the total hours of training on diversity and inclusion/gender equality/other diversity Areas, as tracked through the Bank’s training platform during the reporting period.

· Total Training Duration on Information Security (hours)
Represents the total hours of training on information security, as tracked through the Bank’s training platform during the reporting period.

· Training hours per person in management and leadership development programs (hours)
Represents the per capita training hours calculated by dividing the total hours of management and leadership development programs, as tracked through the Bank’s training platform, by the total number of employees who participated in the training during the reporting period.

· Number of employees that attended AntiBribery and Anti-Corruption Training
Represents the total number of employees who participated in “Anti-Bribery and Corruption” training, as tracked through the Bank’s training platform, during the reporting period.

· Number of Employees Trained on Ethical Principles/Business Ethics
Represents the total number of employees who participated in training programs on “Ethical Principles/Business Ethics” as tracked through the Bank’s training platform, during the reporting period.

· Number of Employees Trained on Sustainability
Represents the total number of employees who participated in training programs on “Sustainability”, as tracked through the Bank’s training platform, during the reporting period.

· Number of Employees Trained in Human Rights
Represents the total number of employees who participated in training programs on “Human Rights”, as tracked through the Bank’s training platform, during the reporting period.

· Number of Employees Trained in Diversity and Inclusion/Gender Equality/Other Diversity Areas
Represents the total number of employees who participated in training programs on “Diversity and Inclusion/Gender Equality/ Other Diversity”, as tracked through the Bank’s training platform, during the reporting period.

· Number of Participants in Information Security Trainings (including Cyber Security, Social Security)
Represents the total number of employees who participated in training programs on “Information Security”, as tracked through the Bank’s training platform, during the reporting period.

· IT Upskilling Training Hours per Person (hours)
Represents the training hours provided per employee who participated in “Information Security” training programs, as tracked through the Bank’s training platform, during the reporting period.

Other Indicators

· Number of Customers
Represents the total number of active and passive individual and corporate customer accounts held by the Bank during the reporting period.

· Personal Banking Net Promoter Score (NPS)
Represents the average score measuring the likelihood of individual customers recommending the Bank to others based on feedback received from the individual customer segment during the reporting period, and is considered an indicator of individual customer satisfaction and loyalty.

· Commercial Banking NPS
Represents the average score measuring the likelihood of commercial customers recommending the Bank to others based on feedback received from the commercial customer segment during the reporting period, and is considered an indicator of commercial customer satisfaction and loyalty.

· Customer Satisfaction Score
Represents the average of survey results conducted during the reporting period to measure the satisfaction levels of the Bank’s customers regarding the services received.

· Number of Bankamatik ATMs
Represents the total number of active ATMs (Automated Teller Machines) through which the Bank provides services to its customers during the reporting period. This number includes all ATMs located at the headquarters, branches, and other locations.

· Number of Disabled Friendly Bankamatik ATM's
Represents the total number of ATMs equipped with facilities suitable for the use of individuals with disabilities during the reporting period.

· Ratio of Disabled Friendly Bankamatik ATM's (%)
Represents the ratio of ATMs equipped with facilities suitable for the use of individuals with disabilities to the total number of ATMs during the reporting period.

· Number of Disabled Friendly Branches
Represents the number of branches equipped with facilities suitable for the access of visually impaired and physically disabled individuals during the reporting period. These branches are designed and equipped to provide physical access, service reception, and ease of use for disabled employees and customers.

· Number of Digital Banking Customers
Represents the number of customers who accessed services through digital banking platforms (mobile banking applications, internet banking, etc.) during the reporting period. This number includes the total customers who performed transactions and actively used these platforms throughout the year.

· Number of Mobile Banking Customer
Represents the number of active users who accessed services through mobile banking applications during the reporting period. This number includes the total customers who performed transactions and logged into the mobile platform (both active and passive users).

· Occupational Health and Safety - Number of OHS Committees Established
Represents the total number of Occupational Health and Safety (OHS) committees responsible for occupational health and safety within the Bank during the reporting period.

· Occupational Health and Safety - Total Number of Members in Committees
Represents the total number of active employees serving as members in the occupational health and safety committees within the Bank during the reporting period.



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- Occupational Health and Safety - Number of Employee Representatives
Represents the total number of employees representing the Bank’s workforce on occupational health and safety matters during the reporting period.
- 81 Students from 81 Provinces Number of Graduates
Represents the total number of students who graduated from secondary education under the Bank’s relevant program since 2008 during the reporting period.

OHS Data by Employment Type and Gender

- Number of Incidents by Employment Type and Gender
Represents the total number of incidents classified as workplace accidents during the reporting period, separately by direct employment or contractor company, and by female/male employee, for the company where the incident occurred.
- Number of Fatal Incidents
Represents the total number of incidents classified as fatal workplace accidents during the reporting period, separately by direct employment or contractor company, and by female/male employee, for the company where the incident occurred.
- Number of Occupational Diseases
Represents the total number of disease diagnoses conducted for activities with occupational disease risk during the reporting period, separately by direct employment or contractor company, and by female/male employee, for the company where the diagnosis occurred.
- Number of Days of Absence Due to Accidents
Represents the total number of days employees were unable to attend work due to incidents classified as workplace accidents during the reporting period, separately by direct employment or contractor company, and by female/male employee, for the company where the incident occurred.
- Incident Rate
Represents the frequency of incidents classified as workplace accidents during the reporting period, based on the total working hours in the year, separately by direct employment or contractor company, and by female/male employee, for the company where the incident occurred.
- Occupational Disease Rate
Represents the frequency of disease detection incidents related to activities with occupational disease risks during the reporting period, based on the total working hours in the year, separately by direct employment or contractor company, and by female/male employee, for the company where the incident occurred.
- Lost Day Rate
Represents the impact of total incidents classified as workplace accidents during the reporting period, based on lost days in relation to the total working hours in the year, separately by direct employment or contractor company, and by female/male employee, for the company where the incident occurred.
- Absentee Rate
Represents the absenteeism caused by total incidents classified as workplace accidents during the reporting period, separately by direct employment or contractor company, and by female/male employee, for the company where the incident occurred.
- Injury Rate
Represents the ratio of incidents resulting in injuries out of total incidents classified as workplace accidents during the reporting period, separately by direct employment or contractor company, and by female/male employee, for the company where the incident occurred.
- Number of People Working in Tasks with High Occupational Disease Risk
Represents the number of employees performing tasks with high occupational disease risk as specified by labor law during the reporting period, separately by direct employment or contractor company, and by female/male employee, for the company where they are employed
- Number of Work-Related Deaths
Represents the number of fatalities resulting from total work-related accidents categorized as fatal during the reporting period, separately by direct employment or contractor company, and by female/male employee, for the company where the accident occurred.

Data Preparation

1. Environmental Indicators

Energy Consumption by Fuel Type :

Natural Gas - Constant Combustion Formula:
 $[Consumption\ Data\ (sm^3) * 10.64\ kWh/sm^3 * 0,0036\ GJ/kWh = Activity\ Data\ (GJ)]$

Coal - Constant Combustion Formula:
 $[Consumption\ Data\ (kg) * 7200\ (kcal/kg) * 4186\ joule/kcal * 1/1000000\ (GJ/J) = Activity\ Data\ (GJ)]$

Fueloil - Constant Combustion Formula:
 $[Consumption\ Data\ (lt) * 7200\ (kcal/kg) * 4186\ joule/kcal * 1/1000000\ (GJ/J) = Activity\ Data\ (GJ)]$

Diesel (Warming) - Constant Combustion Formula:
 $[Consumption\ Data\ (lt) * 0.94\ (kg/lt) * 9860\ (kcal/kg) * 4186\ joule/kcal * 1/1000000\ (GJ/J) = Activity\ Data\ (GJ)]$

Gasoline - Moving Combustion Formula:
 $[Consumption\ Data\ (lt) * 0.735\ (kg/lt) * 10400\ (kcal/kg) * 4186\ joule/kcal * 1/1000000\ (GJ/J) = Activity\ Data\ (GJ)]$

Diesel - Moving Combustion Formula:
 $[Consumption\ Data\ (lt) * 0.83\ (kg/lt) * 10900\ (kcal/kg) * 4186\ joule/kcal * 1/1000000\ (GJ/J) = Activity\ Data\ (GJ)]$

Purchased Electricity Formula:
 $[Consumption\ Data\ (kWh) * 0.0036\ GJ/kWh = Activity\ Data\ (GJ)]$

Share of Renewable Energy Projects in the Bank’s Total Energy Projects Portfolio;

$[Renewable\ energy\ portfolio\ ratio = Amount\ of\ financing\ provided\ to\ renewable\ energy\ projects\ in\ the\ Bank's\ portfolio / Amount\ of\ financing\ provided\ to\ renewable\ and\ non-renewable\ energy\ projects\ in\ the\ Bank's\ portfolio * 100]$

Greenhouse Gas Emissions

The coefficients used in Scope 1, Scope 2 and Scope 3 GHG quantity calculations are taken from the following national and international guidelines.

$[Fuel\ Source\ Emission = Activity\ Data\ (FV) * Emission\ Factor\ (EF) * Oxidation\ Factor\ (RF)]$

Emission Factor:

For stationary and mobile combustion source emission factors (diesel, fuel oil and natural gas):

- “IPCC Guidelines for National Greenhouse Gas Inventories Chapter 2: Stationary Combustion- Volume 2: Energy Intergovernmental Panel on Climate Change 2006 - Default Emission Factors for Stationary Combustion” tables and
- “UK Government, Department for Energy Security & Net Zero Conversion Factors for greenhouse gas (GHG), Fuels, Passenger Vehicles” tables were used.
- “IPCC Guidelines for National Greenhouse Gas Inventories Chapter 3: Mobile Combustion - Volume 2: Energy Intergovernmental Panel on Climate Change 2006, Default Emissions Factors and Uncertainty Ranges” tables were used.

Global warming potential constants for refrigerants and fire extinguishing gases;

- The 100-year time horizon global warming potential (GWP) values for determining greenhouse gas emissions of gases to the atmosphere are adapted from the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6 values include the most recent global warming potential values), 2020 (AR6).

For electricity emission factor:

For electricity emission factors, the electricity emission factor is based on the “TEİAŞ Table 77- Thermal Values of Fuels Used by Thermal Power Plants in Türkiye according to the Distribution of Thermal Values by Producer Organizations” specified for Türkiye (0.461 kg/kWh).



Reporting Guide

Greenhouse Gas Emission Intensity; Emissions per Total Number of Employees

Formula:
Emission intensity (ton CO₂e/TL total number of employees) = (Scope 1 (tons CO₂e) + Scope 2 (tons CO₂e))/ Total number of employees

Greenhouse Gas Emission Intensity; Emission by Consolidated Asset Size

Formula:
Emission intensity (tons CO₂e/TL total assets) = (Scope 1 (tons CO₂e) + Scope 2 (tons CO₂e))/ Bank's consolidated net assets (TL)

Greenhouse Gas Emission Intensity; Emission by Consolidated Asset Size

Formula:
Emission intensity (tons CO₂e/TL total assets) = (Scope 1 (tons CO₂e) + Scope 2 (tons CO₂e))/ Bank's consolidated net assets (TL million)

Emission intensity (tons CO₂e/US dollar total assets) = (Scope 1 (tons CO₂e) + Scope 2 (tons CO₂e))/ Bank's consolidated net assets (USD million)

Greenhouse Gas Emission Intensity; Emission by Consolidated Net Profit

Formula:
Emission intensity (tons CO₂e/million USD net profit) = (Scope 1 (tons CO₂e) + Scope 2 (tons CO₂e)) / Bank's consolidated net profit (million USD)

Emission intensity (tons CO₂e/ TL million) = (Scope 1 (tons CO₂e) + Scope 2 (tons CO₂e)) / Bank's consolidated net profit (TL million)

Total Water Consumption (m³)

Formula:
Water Consumption-Total (m³) = Mains water (m³) + Rainwater (m³)

Amount of Wastewater (m³)

Formula:
Amount of wastewater (m³) = Mains water (m³) + Rainwater (m³)

Total Waste Amount (tonnes)

Formula:
Total Waste Amount (tons) = Hazardous Waste (tons) + Non-hazardous Waste (tons)

Paper Savings Through Digitalization (pages)

Formula:
Paper savings (pages) = Number of digitised services * amount of paper spent for the service related to conventional processes (pages)^(*)

(*) paper expenses are realised only for documents with wet signature.

2. Social Indicators

Employee Turnover Rate (%)

Formula
Number of Employees Leaving / (2023 Total Number of Employees + 2022 Total Number of Employees) / 2

Voluntary Employee Turnover Rate (%)

Formula
Number of Employees Resigning / (2023 Total Number of Employees + 2022 Total Number of Employees) / 2

Number and Ratio of Female Managers in Junior, Middle and Senior Positions (%)

Formula
(Number of female managers in junior, middle and senior positions / Total number of managers)

Unionization Rate (%)

Formula
(Number of unionized employees / Total number of employees)

Ratio of Return After Maternity Leave (%)

Formula
(Total number of employees on maternity leave / Number of employees who did not return to work after maternity leave) *100 -100

Retention Rate after Maternity Leave (%)

Formula
(Total number of employees who returned to work after maternity leave and stayed for 12 months / Number of employees who did not return to work after maternity leave) *100 -100

Gender Pay Gap (Average) median)

Formula
(Average Wage of Men - Average Wage of Female Employee) / Average Wage of Male Employee * 100

Gender Pay Gap (Median)

Formula
(Median Wage of Men - Median Wage of Female Employee) / Median Wage of Male Employee * 100

Lost Day Rate (LDR)

Formula
Number of Lost Days * 200.000) / Total working hours

Incident Rate (IR)

Formula
Total Injuries / Total working hours Accident Frequency Rate = (Total Number of Accidents × 200,000) / (Total Working Hours - Lost Hours)

Occupational Disease Rate (ODR)

Formula
(Total Occupational Disease Incidents * 200.000) / Total working hours

Absentee Rate (AR)

Formula
Lost Work Hours / Total working hours

Re-opinion Statement

Measuring and reporting validated data inevitably involves a degree of estimation. Where there is a change of more than 5 percent in the data at bank level, a re-statement of opinion may be considered.



Limited Assurance Report



Limited Assurance Report to the Board of Directors of Türkiye İş Bankası A.Ş.

We have been engaged by the Board of Directors of Türkiye İş Bankası A.Ş. (the “Bank”) to perform a limited assurance engagement in respect of the Selected Sustainability Information (the “Selected Information”) stated in the İşbank Integrated Annual Report 2024 (“Integrated Annual Report 2024”) for the year ended 31 December 2024 and listed below.

Selected Information

The scope of the Selected Information for the year ended 31 December 2024, which is subject to our limited assurance work, set out in the pages 13, 40, 41, 71, 100, 103, 113, 116, 121, 151, 152, 161, 165, 169, 185, 555, 556, 557, 558, 559 and 560 of the Integrated Annual Report 2024 with the sign “✔” is summarized below:

Environmental Indicators

- Total Energy Consumption (GJ)
 - Electricity (MWh)
 - Natural Gas Consumption (m³)
 - Coal Consumption (kg)
 - Fuel Oil Consumption (lt)
 - Diesel Consumption (lt)
- Amount of Renewable Energy Supplied (GJ)
- Fuel Consumption of Vehicles (lt)
 - Fuel Consumption of Company Vehicles
 - Fuel Consumption of Personnel Service
 - Business Travels by Personal Vehicles
- Refrigerants (kg)
- Greenhouse Gas Emissions (ton CO₂e)
- Scope 1 Greenhouse Gas Emissions (ton CO₂e)
- Scope 2 Greenhouse Gas Emissions - Market Based (ton CO₂e)
- Scope 3 (ton CO₂e)
 - Scope 3-Category 1: Purchased Goods and Services (ton CO₂e)
 - Scope 3-Category 5: Waste Generated in Operations (ton CO₂e)
 - Scope 3-Category 6: Business Travel (ton CO₂e)
 - Scope 3-Category 7: Employee Commuting (ton CO₂e)
- Emission Intensity
 - Emission per Consolidated Asset Size (ton CO₂e/million TL)
 - Emission per Consolidated Net Profit (tonCO₂e/million TL)
 - Emissions per Employee (Scope 1 & 2) (ton CO₂e/total number of employees)
- Number of Renewable Energy Projects Financed, Total Installed Capacity of the Renewable Energy projects Financed by İşbank and Amount of Loans Provided for Financed Renewable Energy Projects (million USD)
- Share of Renewable Energy Projects in the Total Energy Projects Portfolio (%)
- Sustainable Financing Amount (billion TL)
- Undergoing Environmental and Social Risk Evaluation
 - Number of Projects
 - Number of projects financed
 - Number of projects financed by risk categories
 - Number of Field Visits
- Total Amount of Cash Commercial Loans Extended to The Agricultural Sector (billion TL)
- Amount of Sustainability Themed Loan Agreements Signed with International Financial Institutions During the Year (million TL)
- Total Water Consumption (m³)
 - City Water (m³)
 - Rainwater (m³)
 - Potable Water (tanker water and bottled water) (m³)
- Amount of Wastewater (m³)
- Types and Quantities of Waste (ton)
 - Amount of Household Wastes (ton) (organic, other)
 - Amount of Hazardous Wastes (batteries, fluorescent lamps, car batteries, batteries and toner cartridges) (ton)
- Amount of Recycled Waste (ton)
 - Amount of Non-Hazardous Waste Recycled (ton) (plastic, metal, glass, paper)
 - Amount of Hazardous Waste Recycled (ton)
 - Amount of Electronic Waste Recycled (ton)
- Paper Consumption (tons)
 - Paper Savings Through Digitalization
 - Number of Saplings Planted During the Year Within the Scope of the Project with TEMA Foundation

Social Indicators

- Total Amount of Loans Provided to SMEs (billion TL)
- Amount of Loans Extended to Women Entrepreneurs (TL)
- Total Number of Employees, Number of Employees by Gender, Employment Type
- Ratio of Female Employees Working in Information Technology, Ratio of Female Employees Working in Engineering (%)
- Ratio of Female Employees Working in Income Generating Fields (%)
- Ratio of Female Employees in Promoted Employees (%)
- Ratio of Newly Recruited Female Employees (%), Number of Newly Recruited Female Employees
- Key Personnel Turnover Rate (%)
- Involuntary Employee Turnover Rate (%)
- Voluntary Employee Turnover Rate (%)
- Number and Ratio of Female Managers in Junior, Middle and Senior Positions (%)
- Unionization Rate (%)
- Number of Employees on Maternity Leave, Number of Employees Returning from Maternity Leave
- Ratio of Return After Maternity Leave, Retention Rate after Maternity Leave (%)
- Number of Male Employees Whose Wife Took Maternity Leave
- Gender Pay Gap (Average, Median) (%)
- Average Training Hours per Employee per Year, Average Training Hours per Female Employee per Year , Average Annual Training Hours per Male Employee
- Ratio of Digital Trainings in Total Trainings (%)
- Training Hours per New Hire in the First Year (hours)
- Number of Bankamatik ATMs
- Number of Disabled Friendly Bankamatik ATM's
- Ratio of Disabled Friendly Bankamatik ATM's (%)
- Number of Disabled Friendly Branches
- Number of Digital Banking Customers
- Number of Mobile Banking Customer
- 81 Students from 81 Provinces Number of Graduates
- OHS Data by Gender
 - Number of Incidents
 - Number of Fatal Incidents
 - Number of Occupational Diseases
 - Number of Days of Absence Due to Accidents
 - Incident Rate, Lost Day Rate
 - Occupational Disease Rate
 - Absentee Rate
 - Injury Rate
 - Number of People Working in Tasks with High Occupational Disease Risk
 - Number of Work-Related Deaths

Governance Indicators

- Number of Customers
- Personal Banking Net Promoter Score (NPS)
- Customer Satisfaction Score
- Training hours per person in management and leadership development programs (hours)
- Number of employees that attended AntiBribery and Anti-Corruption, Ethical Principles/Business Ethics Sustainability, Human Rights, Diversity and Inclusion/ Gender Equality/Other Diversity Areas Trainings
- Number of Participants in Information Security Trainings
- IT Upskilling Training Hours per Person

Our assurance was with respect to the Selected Information marked with “✔” in the in the Integrated Annual Report 2024, and we have not performed any procedures with respect to earlier periods or any information other than Selected Information marked with “✔” in the Integrated Annual Report 2024 and, any other elements included in the Integrated Annual Report 2024 and, therefore, do not express any conclusion thereon.

Criteria

The criteria used by the Bank to prepare the Selected Information is set out in section İşbank Integrated Annual Report 2024– Reporting Principles (the “Reporting Principles”) on pages 568, 569, 570, 571, 572, 573, 574, 575, 576, 578 and 579 of the Integrated Annual Report 2024.

The Bank's Responsibility

The Bank is responsible for the content of the Integrated Annual Report 2024 and the preparation of the Selected Information in accordance with the Reporting Principles. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of Selected Information that is free from material misstatement, whether due to fraud or error.



Limited Assurance Report

Inherent Limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information.

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision thereof, may change over time. It is important to read the Selected Information in the context of the Reporting Principles.

In particular, the conversion of different energy measures to megawatt-hour (MWh) and energy used to carbon emissions is based upon, inter alia, information and factors generated internally and/or derived by independent third parties as explained in the Reporting Principles. Our assurance work did not include examination of the derivation of those factors and other third-party information.

Our Independence and Quality Management

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.

Our firm applies International Standard on Quality Management 1 and accordingly maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to form a limited assurance, based on limited assurance procedures, on whether anything has come to our attention that causes us to believe that the Selected Information has not been properly prepared in all material respects in accordance with the Reporting Principles. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information', and, in respect of greenhouse gas emissions, International Standard on Assurance Engagements 3410, Assurance Engagements on Greenhouse Gas Statements, issued by the International Auditing and Assurance Standards Board.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement under ISAE 3000 (Revised) and ISAE 3410. Consequently, the nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- made inquiries of the persons responsible for the Selected Information;
- made inquiries of the persons responsible for the Selected Information;
- understood the process for collecting and reporting the Selected Information. This included analysing the key processes and controls for managing and reporting the Selected Information;
- evaluated the source data used to prepare the Selected Information and re-performed selected examples of calculation;
- performed limited substantive testing on a selective basis of the preparation and collation of the Selected Information prepared by the Bank and
- undertook analytical procedures over the reported data.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that Bank's Selected Information for the year ended 31 December 2024, is not properly prepared, in all material respects, in accordance with the Reporting Principles.

Restriction of use

This report, including the conclusion, has been prepared for the Board of Directors of the Bank as a body, to assist the Board of Directors in reporting Bank's performance and activities related to the Selected Information. We permit the disclosure of this report within the Integrated Annual Report 2024 for the year ended 31 December 2024, to enable the Board of Directors to demonstrate they have discharged their governance responsibilities by commissioning a limited assurance report in connection with the Selected Information. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of Directors of Türkiye İş Bankası A.Ş. as a body and Türkiye İş Bankası A.Ş. for our work or this report save where terms are expressly agreed and with our prior consent in writing.

PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.

Ali Yörük, SMMM
Independent Auditor

Istanbul, 15 August 2025

GRI Content Index



GRI CONTENT INDEX

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. The service was performed on the Turkish version of the Report.

STATEMENT OF USE	İşbank has reported the information cited in this GRI content index for the period 1 January 2024-31 December 2024 in accordance with GRI Standards
GRI 1 USED	GRI 1: Foundation 2021
SECTOR STANDARD	N/A

GRI STANDARD	DISCLOSURE	LOCATION	OMISSIONS		
			Requirement(s) Omitted	Reason	Explanation
GENERAL DISCLOSURES					
GRI 2: GENERAL DISCLOSURES 2021	2-1 Organizational details	Corporate Profile, P.10 https://www.isbank.com.tr/en/about-us	-	-	-
	2-2 Entities included in the organization's sustainability reporting	About the Report, P.6-7	-	-	-
	2-3 Reporting period, frequency and contact point	About the Report, P.6-7 Contact-Back Cover, P.592	-	-	-
	2-4 Restatements of information	GRI Content Index: There is no restated information in the report	-	-	-
	2-5 External assurance	Independent Assurance Report, P.580-582	-	-	-
	2-6 Activities, value chain and other business relationships	Corporate Profile, P.10 İşbank and its Activities in 2024, P.74-86 İşbank's Subsidiaries, P.87-88 https://www.isbank.com.tr/en/about-us	-	-	-
	2-7 Employees	Human Resources Data, P.555-560	-	-	-
	2-8 Workers who are not employees	Responsible Supply Chain Management, P.158-159 Human Resources Data, P.555-560	-	-	-
	2-9 Nomination and selection of the highest governance body	Management Structure, P.187 Board Member Matrix, P.188-189	-	-	-
	2-10 Nomination and selection of the highest governance body	Management Structure, P.187 Board Member Matrix, P.188-189	-	-	-
	2-11 Chair of the highest governance body	Management Structure, P.187 Board of Directors, P.188-189	-	-	-
	2-12 Role of the highest governance body in overseeing the management of impacts	Management Structure, P.187	-	-	-
	2-13 Delegation of responsibility for managing impacts	Sustainability Management, P.45 Management Structure, P.187	-	-	-
	2-14 Role of the highest governance body in sustainability reporting	Sustainability Management, P.45 Management Structure, P.187	-	-	-
	2-15 Conflicts of interest	Human Rights, P.218-219 Management Structure, P.187	-	-	-



GRI Content Index

GRI STANDARD	DISCLOSURE	LOCATION	OMISSIONS		
			Requirement(s) Omitted	Reason	Explanation
GENERAL DISCLOSURES					
GRI 2: GENERAL DISCLOSURES 2021	2-16 Communication of critical concerns	Our Stakeholders, P. 46-48 Internal Communication and Employee Engagement, P. 168 Internal Audit, P. 211 Business Ethics, P. 216	-	-	-
	2-17 Collective knowledge of the highest governance body	Board Member Matrix, P. 188-189	-	-	-
	2-18 Evaluation of the performance of the highest governance body	Management Structure, P. 187	-	-	-
	2-19 Remuneration policies	Employee Rights, P. 165-166 https://www.isbank.com.tr/en/about-us/Documents/investor-relations/remuneration-policy.pdf	-	-	-
	2-20 Process to determine remuneration	Remuneration Policy: https://www.isbank.com.tr/en/about-us/Documents/investor-relations/remuneration-policy.pdf	-	-	-
	2-21 Annual total compensation ratio	Additional Information Regarding the Related Legislation/ Remuneration, P. 530 Remuneration Policy: https://www.isbank.com.tr/en/about-us/Documents/investor-relations/remuneration-policy.pdf	-	-	-
	2-22 Statement on sustainable development strategy	Message from the Chairperson, P. 22-23 Message from the CEO, P. 24-25 Message from the Sustainability Leader, P. 36-37 Sustainability Management, P. 45	-	-	-
	2-23 Policy commitments	Sustainability Management, P. 45 İşbank Risk Management Policies, P. 215 Human Rights, P. 218-219	-	-	-
	2-24 Embedding policy commitments	Sustainability Management, P. 45	-	-	-
	2-25 Processes to remediate negative impacts	Sustainability Management, P. 45 Our Stakeholders, P. 46-48	-	-	-
	2-26 Mechanisms for seeking advice and raising concerns	Internal Communication and Employee Engagement, P. 168 Internal Audit, P. 211 Business Ethics, P. 216	-	-	-
	2-27 Compliance with laws and regulations	Internal Audit, P. 211 Compliance, P. 211-212 Business Ethics, P. 216	-	-	-
	2-28 Membership associations	Initiatives Supported in the Field of Sustainability, P. 66-67 Corporate Membership, P. 551	-	-	-
	2-29 Approach to stakeholder engagement	Our Stakeholders, P. 46-48 Materiality Analysis at İşbank, P. 49-50	-	-	-
	2-30 Collective bargaining agreements	Employee Rights, P. 165-166 Compliance with Operating Principles, P. 167-168 The Future of Business and New Working Models, P. 171 Human Resources Data, P. 555-560	-	-	-

GRI STANDARD	DISCLOSURE	LOCATION	OMISSIONS		
			Requirement(s) Omitted	Reason	Explanation
MATERIAL TOPICS					
GRI 3: MATERIAL TOPICS 2021	3-1 Process to determine material topics	Materiality Analysis at İşbank, P. 49-50	-	-	-
	3-2 List of material topics	Materiality Analysis at İşbank/Impact Matrix, P. 51	-	-	-
DIGITAL BANKING AND INNOVATION					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Message from the Chairperson, P. 22-23 Message from the CEO, P. 24-25 Message from the Sustainability Leader, P. 36-37 Sustainability at İşbank, P. 44 Sustainability Management, P. 45 Materiality Analysis at İşbank, P. 49-50 Digital Banking, P. 122-128	-	-	-
EFFICIENT RISK MANAGEMENT					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Message from the Chairperson, P. 22-23 Message from the CEO, P. 24-25 Message from the Sustainability Leader, P. 36-37 Sustainability at İşbank, P. 44 Sustainability Management, P. 45 Materiality Analysis at İşbank, P. 49-50 Efficient Risk Management, P. 213-214	-	-	-
GRI 201: ECONOMIC PERFORMANCE 2016	201-2 Financial implications and other risks and opportunities due to climate change	Climate Action, P. 102-103 Climate Risk Management, P. 107-111	-	-	-
FINANCIAL PERFORMANCE AND PROFITABILITY					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Message from the Chairperson, P. 22-23 Message from the CEO, P. 24-25 Message from the Sustainability Leader, P. 36-37 Sustainability at İşbank, P. 44 Sustainability Management, P. 45 Materiality Analysis at İşbank, P. 49-50 Financial Performance and Profitability, P. 72-73	-	-	-
GRI 201: ECONOMIC PERFORMANCE 2016	201-1 Direct economic value generated and distributed	Value Creation Model, P. 40-43 Inclusive and Robust Economy , P. 70-71 Financial Performance and Profitability, P. 72-73	-	-	-
CUSTOMER CENTRICITY					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Message from the Chairperson, P. 22-23 Message from the CEO, P. 24-25 Message from the Sustainability Leader, P. 36-37 Sustainability at İşbank, P. 44 Sustainability Management, P. 45 Materiality Analysis at İşbank, P. 49-50 Customer Centricity, P. 90-93	-	-	-



GRI Content Index

GRI STANDARD	DISCLOSURE	LOCATION	OMISSIONS		
			Requirement(s) Omitted	Reason	Explanation
GRI 417: MARKETING AND LABELING 2016	417-1 Requirements for product and service information and labeling	Responsible Marketing, P. 93 Financial Literacy, P.101	-	-	-
	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.	-	-	-
BUSINESS ETHICS, TRANSPARENCY, CORPORATE MANAGEMENT					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Message from the Chairperson, P. 22-23 Message from the CEO, P. 24-25 Message from the Sustainability Leader, P. 36-37 Sustainability at İşbank, P. 44 Sustainability Management, P. 45 Materiality Analysis at İşbank, P. 49-50 Contribution to Sustainable Development Goals, P. 61-64 Transparent and Ethical Management, P. 184-186	-	-	-
GRI 205: ANTI-CORRUPTION 2016	205-1 Operations assessed for risks related to corruption	Business Ethics, P. 216 Anti-Bribery and Anti-Corruption, P. 217 Anti-Bribery and Anti-Corruption Policy: https://www.isbank.com.tr/en/about-us/Documents/sustainability/anti-bribery-policy.pdf	-	-	-
	205-2 Communication and training about anti-corruption policies and procedures	Business Ethics, P. 216 Anti-Bribery and Anti-Corruption, P. 217 Anti-Bribery and Anti-Corruption Policy: https://www.isbank.com.tr/en/about-us/Documents/sustainability/anti-bribery-policy.pdf	-	-	-
	205-3 Confirmed incidents of corruption and actions taken	Business Ethics, P. 216 Anti-Bribery and Anti-Corruption, P. 217 Anti-Bribery and Anti-Corruption Policy: https://www.isbank.com.tr/en/about-us/Documents/sustainability/anti-bribery-policy.pdf	-	-	-
GRI 408: CHILD LABOR 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	The Bank's Personnel Regulation includes 'being over 18 years of age' among the recruitment conditions. Activities Not Financed, P. 114-115 Responsible Supply Chain Management, P. 154-155 Human Rights ve Human Resources Policy: https://www.isbank.com.tr/en/about-us/Documents/sustainability/Human-Rights.pdf	-	-	-
GRI 409: FORCED OR COMPULSORY LABOR 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	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/ compulsory labor.	-	-	-

GRI STANDARD	DISCLOSURE	LOCATION	OMISSIONS		
			Requirement(s) Omitted	Reason	Explanation
CLIMATE ACTION					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Message from the Chairperson, P. 22-23 Message from the CEO, P. 24-25 Message from the Sustainability Leader, P. 36-37 Sustainability at İşbank, P. 44 Sustainability Management, P. 45 Materiality Analysis at İşbank, P. 49-50 Contribution to Sustainable Development Goals, P. 61-64 Climate Action, P. 102-103 Reducing Negative Impacts of Operations, P. 150-153 Environmental Impact Management, P. 154 Environmental and Social Impacts Policy: https://www.isbank.com.tr/en/about-us/Documents/sustainability/environment-and-social-impact-policy.pdf	-	-	-
GRI 302: ENERGY 2016	302-1 Energy consumption within the organization	Key Performance Indicators, P. 151-152	-	-	-
	302-2 Energy consumption outside of the organization	Key Performance Indicators, P. 151-152			
	302-3 Energy intensity	Key Performance Indicators, P. 151-152	-	-	-
	302-4 Reduction of energy consumption	Environmental Impact Management, P. 154 Environmentally Friendly Service Points, P. 155	-	-	-
	302-5 Reductions in energy requirements of products and services	Environmentally Friendly Service Points, P. 155	-	-	-
GRI 303: WATER AND EFFLUENTS 2018	303-3 Water withdrawal	Key Performance Indicators, P. 151-152	-	-	-
	303-5 Water consumption	Key Performance Indicators, P. 151-152	-	-	-
GRI 305: EMISSIONS 2016	305-1 Direct (Scope 1) GHG emissions	Key Performance Indicators, P. 151-152	-	-	-
	305-2 Energy indirect (Scope 2) GHG emissions	Key Performance Indicators, P. 151-152	-	-	-
	305-3 Other indirect (Scope 3) GHG emissions	Key Performance Indicators, P. 151-152	-	-	-
	305-4 GHG emissions intensity	Key Performance Indicators, P. 151-152	-	-	-
	305-5 Reduction of GHG emissions	Environmental Impact Management, P. 154 Environmentally Friendly Service Points, P. 155	-	-	-
GRI 306: WASTE 2020	306-2 Management of significant waste related impacts	Environmental Impact Management, P. 154	-	-	-
	306-3 Waste generated	Key Performance Indicators, P. 151-152	-	-	-
	306-4 Waste diverted from disposal	Key Performance Indicators, P. 151-152	-	-	-
THE FUTURE OF BUSINESS AND NEW WORKING MODELS					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Message from the Chairperson, P. 22-23 Message from the CEO, P. 24-25 Message from the Sustainability Leader, P. 36-37 Sustainability at İşbank, P. 44 Sustainability Management, P. 45 Materiality Analysis at İşbank, P. 49-50 Contribution to Sustainable Development Goals, P. 61-64 The Future of Business and New Working Models, P. 171	-	-	-



GRI Content Index

GRI STANDARD	DISCLOSURE	LOCATION	OMISSIONS		
			Requirement(s) Omitted	Reason	Explanation
CYBER SECURITY AND CUSTOMER PRIVACY					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Message from the Chairperson, P.22-23 Message from the CEO, P.24-25 Message from the Sustainability Leader, P.36-37 Sustainability at İşbank, P.44 Sustainability Management, P.45 Materiality Analysis at İşbank, P.49-50 Contribution to Sustainable Development Goals, P.61-64 Information Security, P.136-138	-	-	-
GRI 418: CUSTOMER PRIVACY 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Customer Centricity, P.91-92 Key Performance Indicators, P.121 Human Rights, P.218-219	-	-	-
EMPLOYEE RIGHTS, COMMITMENT AND SATISFACTION					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Message from the Chairperson, P.22-23 Message from the CEO, P.24-25 Message from the Sustainability Leader, P.36-37 Sustainability at İşbank, P.44 Sustainability Management, P.45 Materiality Analysis at İşbank, P.49-50 Contribution to Sustainable Development Goals, P.61-64 Employee Loyalty and Satisfaction, P.164 Employee Rights, P.165-166	-	-	-
GRI 202: MARKET PRESENCE 2016	GRI 202-1 Ratio of standard entry-level wage by gender compared to local minimum wage	Employee Rights, P.165-166 Remuneration Policy: https://www.isbank.com.tr/en/about-us/Documents/investor-relations/remuneration-policy.pdf	-	-	-
GRI 401: EMPLOYMENT 2016	401-1 New employee hires and employee turnover	Key Performance Indicators, P.161	-	-	-
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Rights, P.165-166	-	-	-
	401-3 Parental leave	Human Resources Data, P.555-560	-	-	-
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 STANDARD	DISCLOSURE	LOCATION	OMISSIONS		
			Requirement(s) Omitted	Reason	Explanation
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018	403-1 Occupational health and safety management system	Employee Health and Safety, P.172-173	-	-	-
	403-3 Occupational health services	Employee Health and Safety, P.172-173	-	-	-
	403-4 Worker participation, consultation, and communication on occupational health and safety	Employee Health and Safety, P.172-173	-	-	-
	403-5 Worker training on occupational health and safety	Employee Health and Safety, P.172-173	-	-	-
	403-6 Promotion of worker health	Employee Health and Safety, P.172-173	-	-	-
	403-8 Workers covered by an occupational health and safety management system	Employee Health and Safety, P.172-173	-	-	-
	403-9 Work-related injuries	Human Resources Data, P.555-560	-	-	-
	403-10 Work-related ill health	Human Resources Data, P.555-560	-	-	-
GRI 404: TRAINING AND EDUCATION 2016	404-1 Average hours of training per year per employee	Key Performance Indicators, P.161	-	-	-
	404-2 Programs for upgrading employee skills and transition assistance programs	Talent Management, P.175-181	-	-	-
	404-3 Percentage of employees receiving regular performance and career development reviews	Talent Management, P.175-181	-	-	-
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.165-166	-	-	-
RESPONSIBLE BANKING					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Message from the Chairperson, P.22-23 Message from the CEO, P.24-25 Message from the Sustainability Leader, P.36-37 Sustainability at İşbank, P.44 Sustainability Management, P.45 Materiality Analysis at İşbank, P.49-50 Contribution to Sustainable Development Goals, P.61-64 Responsible Banking, P.93-95	-	-	-
GRI 304: BIODIVERSITY 2016	304-2 Significant impacts of activities, products, and services on biodiversity	Environmental and Social Risks in Loan, P.112-114	-	-	-
GRI 413: LOCAL COMMUNITIES 2016	413-2 Operations with significant actual and potential negative impacts on local communities	Environmental and Social Risks in Loan, P.112-114	-	-	-
FINANCIAL INCLUSION					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Message from the Chairperson, P.22-23 Message from the CEO, P.24-25 Message from the Sustainability Leader, P.36-37 Sustainability at İşbank, P.44 Sustainability Management, P.45 Materiality Analysis at İşbank, P.49-50 Contribution to Sustainable Development Goals, P.61-64 Financial Inclusion, P.96-100	-	-	-



GRI Content Index

GRI STANDARD	DISCLOSURE	LOCATION	OMISSIONS		
			Requirement(s) Omitted	Reason	Explanation
EQUAL OPPORTUNITY, DIVERSITY, AND GENDER EQUALITY					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Message from the Chairperson, P. 22-23	-	-	-
		Message from the CEO, P. 24-25			
		Message from the Sustainability Leader, P. 36-37			
		Sustainability at İşbank, P. 44			
		Sustainability Management, P. 45			
		Materiality Analysis at İşbank, P. 49-50			
		Contribution to Sustainable Development Goals, P. 61-64			
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016	405-1 Diversity of governance bodies and employees	Equal Opportunity, Diversity, and Gender Equality, P. 169-170	-	-	-
		Human Resources Data, P. 555-560			
	405-2 Ratio of basic salary and remuneration of women to men	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.	-	-	-
GRI 406: NON-DISCRIMINATION 2016	406-1 Incidents of discrimination and corrective actions taken	Equal Opportunity, Diversity, and Gender Equality, P. 169-170			
		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.	-	-	-
RESPONSIBLE PROCUREMENT AND SUPPLY CHAIN MANAGEMENT					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Message from the Chairperson, P. 22-23	-	-	-
		Message from the CEO, P. 24-25			
		Message from the Sustainability Leader, P. 36-37			
		Sustainability at İşbank, P. 44			
		Sustainability Management, P. 45			
		Materiality Analysis at İşbank, P. 49-50			
		Contribution to Sustainable Development Goals, P. 61-64			
GRI 204: PROCUREMENT PRACTICES 2016	204-1 Proportion of spending on local suppliers	Responsible Supply Chain Management, P. 158-159			
		Highlights in 2024, P. 12-13	-	-	-
		Key Performance Indicators, P. 151-152			
GRI 204: PROCUREMENT PRACTICES 2016	204-1 Proportion of spending on local suppliers	Responsible Supply Chain Management, P. 158-159			

GRI STANDARD	DISCLOSURE	LOCATION	OMISSIONS		
			Requirement(s) Omitted	Reason	Explanation
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016	308-1 New suppliers that were screened using environmental criteria	Responsible Supply Chain Management, P. 158-159	-	-	-
	308-2 Negative environmental impacts in the supply chain and actions taken	Responsible Supply Chain Management, P. 158-159	-	-	-
GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016	414-1 New suppliers that were screened using social criteria	Responsible Supply Chain Management, P. 158-159	-	-	-
	414-2 Negative social impacts in the supply chain and actions taken	Responsible Supply Chain Management, P. 158-159	-	-	-
CONTRIBUTION TO SOCIAL WELFARE					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Message from the Chairperson, P. 22-23 Message from the CEO, P. 24-25 Message from the Sustainability Leader, P. 36-37 Sustainability at İşbank, P. 44 Sustainability Management, P. 45 Materiality Analysis at İşbank, P. 49-50 Contribution to Sustainable Development Goals, P. 61-64 Contribution to Social Welfare, P. 220-221	-	-	-
GRI 203: INDIRECT ECONOMIC IMPACTS 2016	203-1 Infrastructure investments and services supported	Financial Performance and Profitability, P. 72-73	-	-	-
	203-2 Significant indirect economic impacts	Financial Performance and Profitability, P. 72-73 Responsible Supply Chain Management, P. 158-159 Environmental and Social Risks in Loan, P. 112-114	-	-	-
GRI 413: LOCAL COMMUNITIES 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Environmental and Social Risks in Loan, P. 112-114	-	-	-
HUMAN RIGHTS					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Message from the Chairperson, P. 22-23 Message from the CEO, P. 24-25 Message from the Sustainability Leader, P. 36-37 Sustainability at İşbank, P. 44 Sustainability Management, P. 45 Materiality Analysis at İşbank, P. 49-50 Contribution to Sustainable Development Goals, P. 61-64 Human Rights, P. 218-219	-	-	-



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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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