

İŞ LEASING

On 6 February 2023, our country was hit by one of the most devastating disasters in its history.

We are all deeply sorrowed for all the lives lost in the disaster. May the souls of those who perished rest in peace. We wish speedy recovery and fortitude to the injured and offer our deepest condolences to all those who lost loved ones and our entire nation indeed.

We are convinced that we will get through these difficult times in unity and bind our wounds together.

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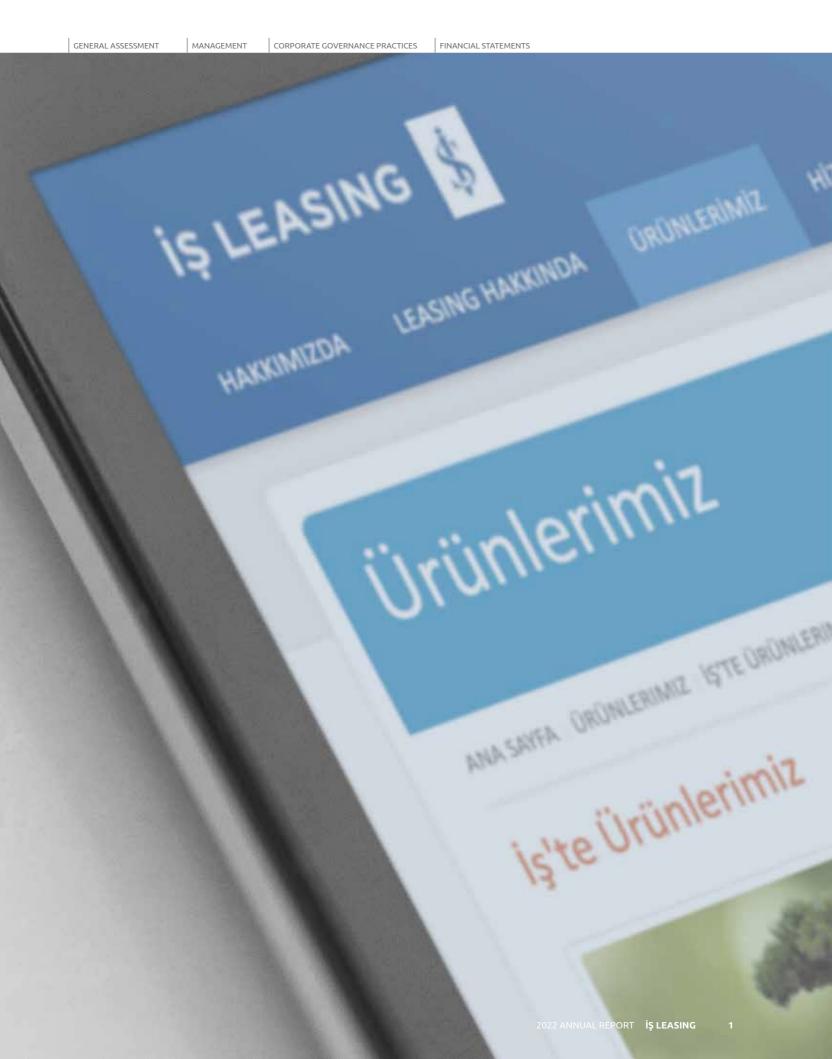
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İşLeasing

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https://www.isleasing.com.tr/investor-relations/financial-information/annual-reports/

ABOUT US

İŞ LEASING

ENJOYS A HIGH CUSTOMER REACH THROUGH ITS 16 BRANCHES LOCATED IN REGIONS AND CITIES GETTING THE HIGHEST SHARE OUT OF GDP AND THROUGH THE EXTENSIVE BRANCH NETWORK OF ISBANK.



Being one of the first leasing companies established in our country, İş Leasing steers the leasing sector with its deep-seated experience and pioneering stance.

With the support lent by Türkiye İş Bankası A.Ş. (İşbank) and the Group, İş Leasing offers differentiating products and services for the financing needs of its customers.

Its new product development and solution creation capabilities, lean and effective business processes that make a difference in customer experience, and its swift decision-making mechanisms make iş Leasing the preferred choice of a large customer segment.

İş Leasing acts with a commitment to create sustainable value for its customers, shareholders, employees and all other stakeholders, and integrates this approach in all its processes.

Offering service via its 16 branches located in regions and cities getting the highest share of GDP, İş Leasing boasts one of the greatest number of branches in the sector and thus enjoys a high customer reach through its own branches and the extensive branch network of İşbank.

Head Office, İstanbul

- » Kozyatağı Branch, İstanbul
- » Kartal Branch, İstanbul
- » Şişli Branch, İstanbul
- » Avcılar Branch, İstanbul
- » Başkent Branch, Ankara
- » Ostim Branch, Ankara
- » Aegean Branch, İzmir
- » Aegean Free Zone Branch, İzmir
- » South Anatolia Branch, Gaziantep
- » Marmara Branch, Bursa
- » Mediterranean Branch, Antalya
- » Çukurova Branch, Adana
- » Trabzon Branch
- » Konya Branch
- » Kayseri Branch
- » Diyarbakır Branch



Incorporated in 1988 as a partnership of İşbank and the Group with IFC, a member of the World Bank Group, and Société Generale, İş Leasing is one of the first leasing companies in Türkiye. In 1995, İşbank acquired all of the shares held by foreign shareholders. Thanks to the synergy created with İşbank Group and primarily İşbank's branch network extending all over the country, İş Leasing quickly became one of the leading companies in the leasing sector.

Part of the Company's shares was offered to the public in 2000, thus making iş Leasing one of the first leasing companies to go public.

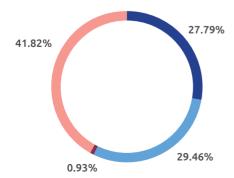
The Company steered the leasing sector and contributed significantly to its growth through numerous "first"s including the first lease syndication, the first aircraft lease facility, and the first sale-and-leaseback transactions, and the first debt instrument issue based on its new product development and solution creation capabilities.

While İş Leasing leads the financing of projects that contribute to the national economy with its solid funding means, the Company particularly sustains its support uninterruptedly to sectors creating employment and added value.

Regarding sustainability an integral part of its way of doing business, İş Leasing remains the choice of a broad customer segment wishing to capitalize on their investment projects quickly, accurately and efficiently because of its high quality and solution-oriented service concept.

41.8% of İş Leasing's shares are being traded on Borsa İstanbul under the ticker symbol "ISFIN", while the remaining 58.2% is held by İşbank and the Group, along with full management control over the Company.

SHAREHOLDING STRUCTURE (%)



Shareholder	Share Amount (TL)	Capital Share (%)
■ Türkiye İş Bankası A.Ş.	293,253,263	27.79
■ Türkiye Sınai Kalkınma Bankası A.Ş.	204,850,378	29.46
■ Trakya Yatırım Holding A.Ş.	6,482,771	0.93
■ Publicly held	290,716,233	41.82
Total	695,302,645	100.0

İŞ LEASING HAS ESPOUSED THE STRATEGY OF ENSURING "SUSTAINABLE, HIGH-QUALITY, CUSTOMER-FOCUSED AND PROFITABLE GROWTH" IN ORDER TO ACHIEVE ITS VISION AND GOALS. THE COMPANY TARGETS TO ADHERE TO THE PRINCIPLES SPELLED OUT BELOW WHEN IMPLEMENTING ITS STRATEGY.

WE ARE ONE OF THE SECTOR'S LEADING COMPANIES WITH OUR ROBUST FINANCIAL STRUCTURE, FUNDING CAPABILITIES AND SOLUTION-ORIENTED APPROACH.



PRODUCTS AND SERVICES THAT CATER TO CUSTOMER NEEDS:

- Differentiating service quality through innovative and flexible products
- Sustainable and inclusive business model
- Extensive and efficient service network
- · Effective customer relationship management
- Strong channel management strategy



WELL-BALANCED RESOURCE AND RISK MANAGEMENT:

- · Risk-based capital allocation
- Successful loan assessment processes paying regard to different disciplines
- High asset quality and efficient credit risk management
- Extensive and diversified funding structure
- Currency, maturity and interest rate risk management aligned with assets



COMPETENT HUMAN RESOURCE:

- Deep-seated experience and know-how
- HR policies focused on employee happiness
- Implementations nurtured with employee feedback and suggestions
- Performance-based objective assessment



DIGITAL TRANSFORMATION AND TECHNOLOGICAL ADVANCEMENT:

- Infrastructure design integrating new generation technologies
- Innovative digital transformation processes
- Technology-driven digital interaction
- Business intelligence creation supporting decision making on the back of advanced data analytics
- Data-driven agile decisionmaking processes



WE ARE HELPING OUR STAKEHOLDERS GROW WITH THE RIGHT FINANCING SOLUTIONS

GENERAL ASSESSMENT

MANAGEMENT

CORPORATE GOVERNANCE PRACTICES FINANCIAL STATEMENTS



COMPANY PERFORMANCE

TL 17.1 billion

Net leasing portfolio

was registered as TL 17.1 billion in 2022, with a year-on increase of 50%.

TL 827 million

Consolidated net profit

was up by 167% to TL 827 million.

TL 363 billion

Total assets

grew by 78% to TL 36.3 billion.

TL 3.7 billion

Consolidated shareholders' equity

increased by 75% to TL 3.7 billion.

TL 15.5 billion

Factoring receivables (net)

augmented by 133% to TL 15.5 billion.

As 2022 featured the ramifications of the pandemic upon global economy, the energy supply issues experienced especially in European countries caused by the Russia-Ukraine war, globally rising inflation and tightened monetary policies negatively affected growth outlook, raising the possibility of a worldwide stagnation.

Taking place among the industry's leading service providers with its professional human resource which is set apart with its skills, innovative competence, knowledge and high visionary capability, coupled with the robust financial structure, İş Leasing maintained its focus on its targets also in 2022 that has been a year of inflationist pressures and financial volatilities, and displayed a consistent and healthy performance on the back of its sustainable and profitable growth strategy. With the transaction volume it has registered, İş Leasing kept channeling financing resources aligned with the respective investments primarily to the SMEs and the companies engaged in the real sector.

The Company focused on sustainable growth strategies and achieved performance results aligned with its targets thanks to its dynamic balance sheet management in the reporting period. The year's highlights for the Company are as follows:

- » With a new transaction volume of USD 560 million and a market share of 14.6% in new business, iş Leasing preserved its strong position in the sector and remained in the second place in the industry in terms of leasing receivables.
- » Net leasing receivables amounted to TL 17.1 billion.
- » The Company augmented its consolidated shareholders' equity by 75% to TL 3.7 billion.

İŞ LEASING PRESERVED ITS SOLID POSITION WITH A NEW BUSINESS VOLUME OF USD 560 MILLION AND 14.6% MARKET SHARE AND SUSTAINED ITS SECOND PLACE IN THE SECTOR IN TERMS OF LEASING RECEIVABLES.

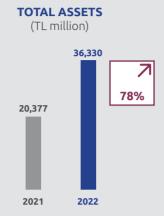
» The Company posted a consolidated net profit of TL 827 million.

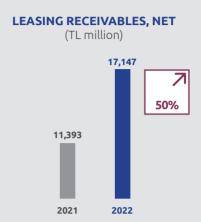
While pursuing selective growth in a bid to effectively manage the competition-driven increased pressure on profit margin in a balanced manner, İş Leasing did not compromise its strategy of ensuring broad-based transaction volume and high-quality portfolio composition.

Thanks to the up-to-date methodology and techniques implemented for credit risk, effective risk monitoring processes and broad-based portfolio, the Company's non-performing leasing receivables ratio continued to remain significantly below the industry average and stood at 3.8% at year-end 2022 as a result of effective risk management.

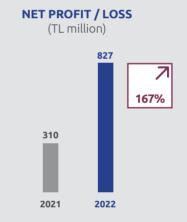
Powered by its service model with a continually enhancing structure bolstered with its sustainable, technology-driven and customer-focused and innovative culture, İş Leasing has been one of the most preferred leasing companies once again in 2022.

FINANCIAL INDICATORS









Consolidated (TL million)	2021	2022	Change (%)
Total Assets	20,376.9	36,330.1	78
Factoring Receivables	6,652.5	15,530.0	133
Leasing Receivables, Net	11,392.8	17,147.0	50
Shareholders' Equity	2,139.4	3,744.0	75
Net Profit / Loss	310.1	827	167
Ratios			
Return on Assets (ROA) (%)	1.8	2.9	+110 bps
Return on Equity (ROE) (%)	13.2	28.1	+1490 bps
Debt to Equity	6.4	8.7	+230 bps
Cost/Revenue (%)	18.5	11.7	+680 bps

STOCK, ASSESSMENT AND RATING

STOCK PERFORMANCE

In 2022, BIST-100 index rose to 5,509.16 points generating 196.57% return and displayed the best performance among major equity markets across the world. While the said rise has marked the strongest one since 1999, the index has seen growth for the last four years in a row.

İş Leasing, which is a Group B share, is traded on the Stars Market. Also a constituent of the BIST Corporate Governance Index by virtue of its effective corporate governance practices, the Company is also included in the BIST Financial and BIST Leasing Factoring indices. Publicly-held since 2000 and 41.8% of its shares traded on BIST, İş Leasing had an average trading volume of TL 25 million in 2022 and closed the year with a stock price of TL 8.10.

ISFIN

PUBLICLY HELD SINCE 2000, 41.8% OF THE SHARES OF İŞ LEASING ARE TRADED ON BIST.



STOCK PERFORMANCE



CORPORATE GOVERNANCE

iş Leasing, a believer in the necessity of an effective corporate governance system to successfully attain its goals through sustainable performance, continually furthers its practices, maintaining a communication with its stakeholders built on the principles of accuracy, transparency, fairness, trust and accountability, and targeting best corporate governance models.

MANAGEMENT

9.29

IN 2022, İŞ LEASING WAS ASSIGNED A **CORPORATE GOVERNANCE RATING OF 9.29** (92.91%) ON A SCALE OF 10.

CORPORATE GOVERNANCE RATING

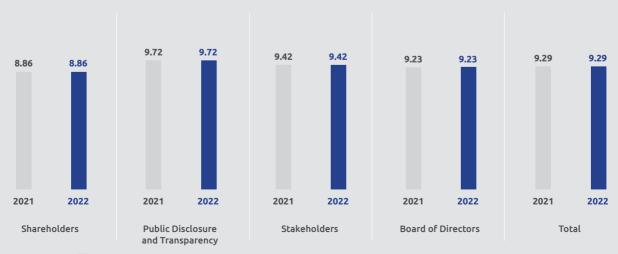
In 2022, İş Leasing was assigned a corporate governance rating of 9.29 (92.91%) on a scale of 10 by Saha Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş.

CREDIT RATING

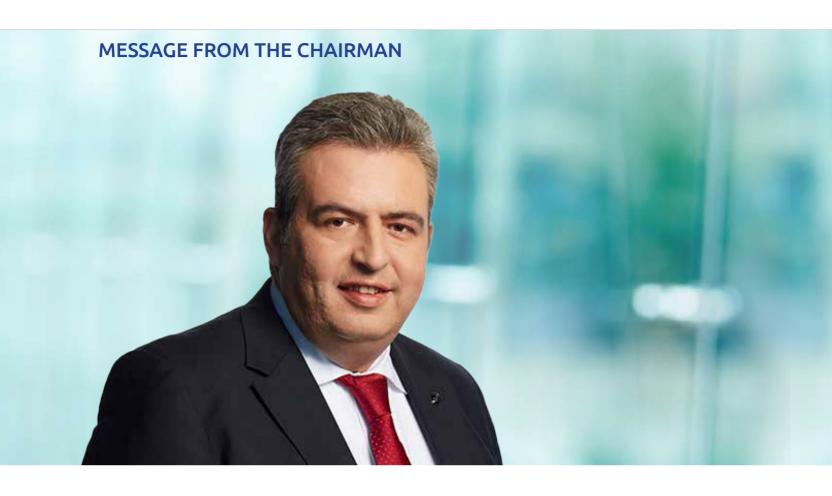
In its rating report dated 26 July 2022, Fitch Ratings announced the local and long-term international currency ratings of iş Leasing as A+(tur) and B-, respectively.

Foreign Currency		
Long Term	B-	
Short Term	В	
Outlook	Negative	
Turkish Lira		
Long Term	В	
Short Term	В	
Outlook	Negative	
National		
Long Term	A+(tur)	
Outlook	Negative	
Support Rating	B-	

CORPORATE GOVERNANCE RATING



Rating dated 28.12.2021 Rating dated 28.12.2022



DISTINGUISHED STAKEHOLDERS,

I would like to express our grief for the catastrophic earthquake that hit 10 provinces including Kahramanmaraş at the time of the preparation of our 2022 report. The earthquake has caused great destruction in 10 cities of our country, claiming the lives of thousands of people. Deeply shocking and immensely sorrowing for Türkiye, the disaster reverberated in the world as well.

From the moment the earthquake struck the region, we swung into action, mobilizing our own resources and joining in the efforts of our parent İşbank Group at the same time to bind the wounds of our employees, fellow citizens and customers in the afflicted region and to be able to help them through these hard times. We will continue to extend all kinds of support in the future. On behalf of myself and our Company, I beg God to have mercy on the souls of those who lost their lives in the earthquake and I wish speedy recovery and strength to the injured.

Before presenting the annual report, financial statements and profit distribution proposal for your review and approval, which provide the results for 2022 during which is Leasing displayed a successful performance, and which have been prepared in accordance with the Capital Market Law and applicable legislation; I would like to give an

overview of the global and national economy and make a brief assessment of the leasing sector and the position of iş Leasing.

TURBULENT OUTLOOK IN GLOBAL ECONOMY

Supply shortage that followed the raw material procurement issues after the pandemic-deferred demand kicked in and global inflation that started escalating in 2021 exerted increased pressure through energy and commodity prices that hiked with the outbreak of the Russia-Ukraine war in 2022.

The war-related sanctions imposed against Russia, which is one of the biggest players in global commodity and energy market, exposed the world and the European countries in particular to an energy crisis, which led to record-high commodity and energy prices.

While monetary tightening policies instigated by major central banks led by the U.S. Federal Reserve System (the Fed) with the aim of fighting inflation repressed growth in developing countries at first, it aggravated stagnation concerns for developed countries as the war diffused its impacts on global economy.

IS LEASING SUSTAINED ITS SUPPORT TO THE SMES AND THE REAL SECTOR ON THE **BACK OF ITS SOLID EQUITY AND COMPETENCE IN ACCESSING FUNDING, WHILE PRESERVING ITS ASSET QUALITY WITH EFFECTIVE** RISK MANAGEMENT.

NEVZAT BURAK SEYREK Chairman

Growth projections were revised downwards in connection with rate hikes by central banks around the globe and antiinflationist policies, coupled with the supply issues persisting as a result of China's "zero-Covid" policy.

The IMF revised growth forecasts upwards for global economy and developed countries, while decreasing it for developing countries in its World Economic Outlook update of January 2023. While global economic growth for 2022 is estimated as 3.4%, the forecast was updated as 2.7% for developed countries and 3.9% for developing economies. The IMF increased global economic growth projection for 2023 from 2.7% to 2.9%.

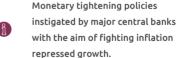
THE TURKISH ECONOMY DECOUPLES POSITIVELY WITH ITS GROWTH PERFORMANCE

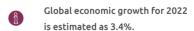
Having made increasing growth and protecting employment a priority focus and lowering policy rates as opposed to many other countries that attempted to decrease rising global inflation with rate hike policies in the aftermath of the pandemic, Türkiye secured high growth with loose financial conditions and high inflation in the first half of 2022. 3.5% growth was recorded in the fourth guarter that indicated at a slowdown in the economy and weakened contribution of net external demand to growth, whereas a year-on expansion of 5.6% was registered for the whole year in 2022.



AN OVERVIEW OF 2022

The war-related sanctions imposed against Russia, which is one of the biggest players in global commodity and energy market, exposed the world and the European countries in particular to an energy crisis, which led to record-high commodity and energy prices.





Having made increasing growth and protecting employment a priority focus and lowering policy rates, Türkiye secured high growth of 5.6% with high inflation.

MESSAGE FROM THE CHAIRMAN

IŞ LEASING, WHICH FOCUSES ON SUSTAINABILITY AND DIGITALIZATION, GRADUALLY INCREASES ITS SHARE IN RENEWABLES FINANCING AND STANDS OUT PARTICULARLY WITH ITS FINANCING SOLUTIONS OFFERED IN THE AREA OF SOLAR ENERGY.

While the growth anticipated for the end of 2023 is rather consumption-driven, it is above the average of developed countries. The World Bank projects that Türkiye, which has grown by 5.6% in 2022, will surpass global economy with a rate of 2.7%.

The CPI kept rising throughout the year as the surge in exchange rates reflected on prices, coupled with the escalation in global energy and food prices, and hit its highest at 85.% in October before declining to 64.3% at the end of the year. In the short-term, inflation that took a downturn due to the base effect will presumably preserve this tendency at least until after the elections in 2023.

While reopening after the pandemic supported high service revenues particularly in tourism, record-high global commodity prices led to a significant expansion in foreign trade deficit. The external demand that is reduced by anticipated stagnation in Europe, in conjunction with the energy prices that will possibly remain high for some more time to come due to geopolitical risks might put pressure on the current deficit.

Continued tightening steps in the monetary policy of developed countries' central banks and increased CDS premiums of Türkiye that make access to funding harder point at a picture in which uncertainties will carry on the financing side of the balance of payments.

Having started 2022 with a good performance, the leasing sector equaled its performance in the first half of 2021 with its new business volume realized in the same period of 2022, but lost momentum in transaction volume in the second half of the year due to conjunctural developments and the volatile funding costs. Although the sector livened up somewhat in the last months of 2022, new transaction volume was flat with the previous year and stood at USD 4 billion at year-end 2022.

WE CONFIRMED THE STRENGTH OF OUR FINANCIAL AND CORPORATE STRUCTURE.

Amid an extraordinary economic environment characterized by increased difficulties and uncertainties on a global scale, iş Leasing sustained its support to the SMEs and the real sector on the back of its solid equity and competence in accessing funding, while preserving its asset quality with effective risk management.

is Leasing, which focuses on sustainability and digitalization, gradually increases its share in renewables financing and stands out particularly with its financing solutions offered in the area of solar energy. Having published its first sustainability report in the sector, our Company released its second report in September 2022.

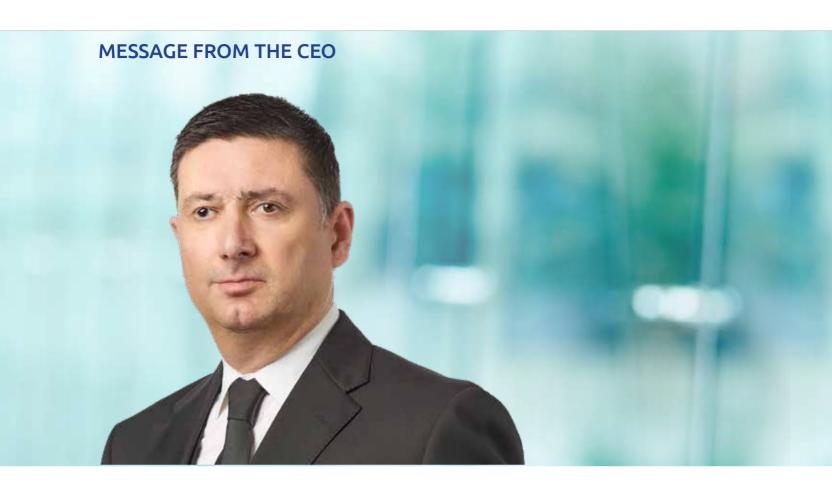
Correct management of our financing operations and making a positive impact on our world also in the future lie at the heart of our responsible investment principles, which we have embraced as our governance culture from our inception. As iş Leasing, we will espouse the vision of combating climate crisis and decarbonization that have established themselves among the priorities of the finance world in terms of sustainability, and we will add momentum to our efforts to achieve a future in line with sustainable finance principle together with our stakeholders.

In an environment of ongoing volatility and crisis, we will charge ahead along our profitable growth path backed by our robust financial structure and corporate capabilities, effective risk and cash management, and we will keep working vigorously to contribute even more value to our economy, our country and the world.

On behalf of myself and the Board of Directors, I would like to thank the is Leasing family and all our stakeholders, together with whom we will be building our shared future.

Sincerely,

NEVZAT BURAK SEYREK Chairman of the Board of Directors AS IS LEASING, WE WILL **ESPOUSE THE VISION OF COMBATING CLIMATE CRISIS** AND DECARBONIZATION THAT HAVE ESTABLISHED THEMSELVES AMONG THE PRIORITIES OF THE FINANCE WORLD IN TERMS OF SUSTAINABILITY, AND WE WILL ADD MOMENTUM TO OUR **EFFORTS TO ACHIEVE A FUTURE** IN LINE WITH SUSTAINABLE FINANCE PRINCIPLE TOGETHER WITH OUR STAKEHOLDERS.



While 2022 was a tough year overshadowed by the war and discussions on energy and food supply security, we are aggrieved as the entire nation by the earthquake disaster that took place in Kahramanmaraş and caused widespread destruction in many provinces. As always, iş Leasing and the işbank Group took action to extend support to the victims through their hard times and to help with the relief efforts in the afflicted areas. On behalf of myself and iş Leasing, I pray that those who lost their lives in the earthquake may rest in peace, wish fortitude and speedy recovery to the injured, and offer condolences to those who lost loved ones.

The inflationist pressure that aggravated due to the supply-demand imbalance in 2021 got even more pronounced in 2022 as energy and commodity prices skyrocketed due to the implications of the Russia-Ukraine war. Central banks' aggressive rate hikes surmised as a remedy to this issue curbed growth in all economies. Investments and demand for leasing that increased in parallel with the upturn the consumption adopted following the initial shock of the pandemic dulled in the second half of 2022, and the leasing sector matched its performance of the previous year with a business volume of USD 4 billion. The overall sector's financial leasing receivables went up by 41.8% to TL 118 billion.

WE PRESERVED OUR SOLID PERFORMANCE IN A CHALLENGING ECONOMIC CONJUNCTURE.

As İş Leasing, we continued to be requited with increased market share, higher profitability and improved asset quality also in 2022 for our trust in the national economy and entrepreneurs and the support we extend to them.

In 2022, we achieved sound operational and financial results aligned with our targets with the support of our robust financial structure, dynamic balance sheet management and risk and portfolio management policies.

While our business volume in 2022 amounted to USD 560 million, our new transactions market share was registered as 13.8%. Net leasing receivables reached TL 17.1 billion, up by 50.5%, while we solidified our second place in the sector with 14.63% market share.

In the distribution of new transaction volume by types of goods, the share of renewable energy equipment was 22.4% in parallel with the growth of investments in this area, whereas real estate accounted for 19.3%, other machinery and equipment for 18.3% and construction and heavy-duty machinery for 15.6%.

Our consolidated total assets went up to TL 36 billion translating into 78% expansion, while our shareholders'



CEO and Member of the Board of Directors

equity augmented 75% to TL 3.7 billion. Our consolidated net profit boosted by 166.6% to TL 827 million, whereas return on equity was recorded as 28.1%.

Our implementations that employ advanced risk management techniques and tools and collections from non-performing loans resulted in the decline of the Company's NPL ratio to 3.8%, continuing to remain below the sector's average, which is 4.1%.

Acting with the resolve to achieve disciplined growth, İş Leasing aims at broad-based risk in business volume, while acting selectively by remaining adhered to its strategy for quality portfolio composition in a bid to effectively manage the profit margin pressure that aggravated as a result of competition in a balanced manner.

In 2022, we kept taking steps that consolidate our performance, and we added enhanced customer experience and satisfaction to our gains in business continuity, operational and process excellence and speed enabled by our digital transformation activities that accelerated in the last several years. In an effort to improve customer access through all channels, we opened our new branch in the Aegean Free Zone to offer service and financing to companies with high credibility located in free zones in addition to existing 15 branches in 2022.

Being one of the leading institutions in the financial leasing sector with implementations that make a difference and our



AN OVERVIEW OF 2022

Our implementations that employ advanced risk management techniques and tools and collections from nonperforming loans resulted in the decline of the Company's NPL ratio to 3.8%, continuing to remain below the sector's average, which is 4.1%.



We opened our new branch in the Aegean Free Zone to offer service and financing to companies with high credibility located in free zones

We continue to generate value integrating environmental and society aspects into our sustainable economic contributions that are highlighted by the support we extend to the SMEs, in particular.

steps that will pave the way for efficient resource and energy utilization for lowcarbon transition by offering services particularly for energy efficiency and renewable energy

We are aiming to take the



investments.

MESSAGE FROM THE CEO

BY EXTENDING SUPPORT TO AN INSTALLED CAPACITY OF 12.3 MW WITH THE PROJECTS WE FINANCED WITHIN THE SCOPE OF TURSEFF, WE AVOIDED 48,777 TONNES OF CARBON EMISSIONS OWING TO THE EFFICIENCY AND SAVINGS SECURED.

solid financial structure, we continue to generate value integrating environmental and society aspects into our sustainable economic contributions that are highlighted by the support we extend to the SMEs, in particular.

DIGITALIZATION IS A KEY COMPONENT OF OUR BUSINESS STRATEGY

We constantly work to speed up digital transformation, which is one of the pivotal components of our Company's business strategy.

We are achieving significant improvements in effective utilization of data analytics in line with corporate goals, increasing efficiency in decision support processes, increasing speed and eliminating margin of error in operational processes, mitigating time and cost risks in service delivery and ensuring high customer experience by making use of the possibilities offered by digital technology.

WE ARE STEPPING UP OUR GREEN TRANSFORMATION VISION.

We contributed to avoiding the negative impact of the climate crisis by helping achieve significant carbon reduction with numerous green projects financed with a particular focus on low-emission agricultural machinery, energy-efficient agricultural equipment and solar energy investments made in the agricultural industry. By extending support to an installed capacity of 12.3 MW with the projects we financed within the scope of TurSEFF, we avoided 48,777 tonnes of carbon emissions owing to the efficiency and savings secured. Our efforts in this vein were recognized with the "Excellence Award – TurSEFF" at the Sustainable Energy Finance Program Türkiye organized by the EBRD.

is Leasing started institutionalizing its "sustainability financing" approach with its rapid adaptation to TurSEFF and its innovative and sustainable leasing solutions developed with a focus on sectors such as agriculture which are vital with respect to the climate crisis, and endorsed that it will author bigger achievements in this department in the period coming.

CONTRIBUTING TO OUR FUTURE WITH OUR FOCUS ON SUSTAINABLE FINANCE

To pass on a more livable planet to the future generations, we are addressing sustainability including its economic, environmental and social aspects and integrating it into our business model and all our processes. As we target to be a part of the solution with the steps we take in fighting problems such as climate change and environmental issues, we are working to create more sustainable value for all our stakeholders. We are also carrying on with our public awareness efforts targeted at environmental sensitivity.

We are aiming to take the steps that will pave the way for efficient resource and energy utilization for low-carbon transition by offering services particularly for energy efficiency and renewable energy investments in line with the Green Transformation Vision on the back of sustainable finance implementations with a particular focus on climate change.

In keeping with our approach supporting the combat against climate crisis, we completed our corporate GHG inventory calculations from our operations in accordance with international protocols. In line with our target of being the first company in its sector to offset its carbon footprint from its operations by 2024 and thus become the first carbon-neutral leasing company, we neutralized the carbon footprint resulting from our 2022 operations through our contribution to sustainable energy resources and achieved our goal of becoming the sector's first carbon-neutral leasing company.

We have embraced the concepts of accountability, equitability, transparency and responsibility as our corporate culture in all our activities through which we interact with our stakeholders in keeping with our high corporate governance level. We are executing our governance model and all our processes achieving high compliance with

IN THE COMING PERIOD, AT IŞ LEASING, WE WILL CONTINUE TO TAKE ON RESPONSIBILITY FOR ENSURING A FAIR TRANSITION TO SUSTAINABLE FINANCIAL SYSTEM MOLDED IN ACCORDANCE WITH GREEN DEVELOPMENT, AND WE WILL KEEP CHARGING AHEAD STRONGLY IN THIS PATHWAY.

the Corporate Governance Principles and Sustainability Principles Framework set by the Capital Markets Board of Türkiye (CMB).

As is Leasing, we are a member of various national and international associations, unions and sectoral organizations carrying out activities within the frame of shared goals in pursuance of a sustainable future and we take place in their working groups. In this context, in 2022, we qualified to become a signatory of the Women's Empowerment Principles (WEPs) aimed at advancing women's presence in every area and level of life. We have also joined UN Global Compact and pledged to support the sustainable development goals.

Together with our employees, we are supporting transparent policies that respect human rights and pursue equality throughout our value chain. Our human resources policies are centered around a commitment to offer our employees that represent our most valuable asset a fair, inclusive and professional working environment presenting equal opportunities.

- · We are reproducing our pioneering role in sustainable finance services we render for increasing our contribution to social advancement and welfare in our social responsibility initiatives. In this framework, in 2022:
- · we carried out coastal cleanup in cooperation with TURMEPA, Turkish Marine Environment Protection Association, as part of the World Environment Day activities, in which our volunteering employees took part;
- · we collected electronic waste for recycling under the project we have carried out in cooperation with TEGV – Educational Volunteers Foundation of Türkiye and TÜBİSAD Informatics Industry Association;
- · we have run the 44th istanbul Marathon as iş Leasing team for supporting the TEV (Turkish Education Foundation) Project carried out under the slogan "Don't Let Their Education, Dreams and Stories Stay Half-Finished" and ranked 5th among the highest fund-raiser companies for education scholarship.

IN 2023...

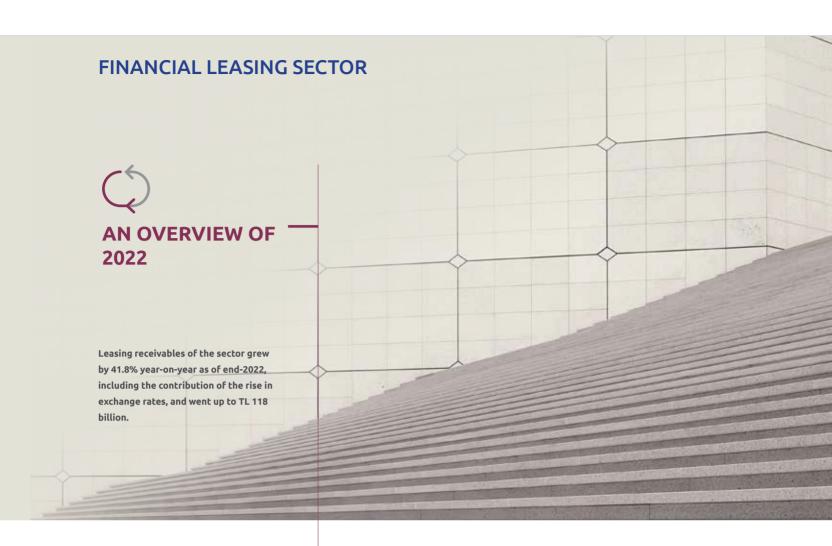
We are anticipating that 2023 will be another challenging year with the declined external demand that resulted from the destruction and recession tendency that the post-pandemic geopolitical tensions and the war's fallouts created on national economies, the upcoming elections in our country, increased risk premium and funding issues. To such a backdrop, our Company will adhere to a selective and cautious lending policy by sustaining its support to companies having a solid financial structure to the extent allowed by available funding resources.

We are forecasting that renewable energy investments for self-consumption will remain attractive from the standpoint of our sector, and there will be increased interest in textile and automotive industries due to the European Green Deal process and sustainability criteria required by foreign buyer companies.

In the coming period, at is Leasing, we will continue to take on responsibility for ensuring a fair transition to sustainable financial system molded in accordance with Green Development, and we will keep charging ahead strongly in this pathway. I would like to extend my thanks to our Board of Directors, employees, all our business partners and investors who I believe will stand by us with their support and contributions.

Sincerely,

U. SAFAK ÖĞÜN CEO and Member of the Board of Directors



USD 4 billion

The leasing sector registered a new transaction volume of USD 4 billion, flat with the 2021 figure.

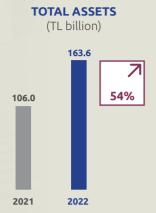
Envisaged to be a year of post-pandemic normalization worldwide, 2022 was overshadowed by geopolitical tensions and held in the tight grip of aggravating inflationist pressures.

Having made an optimistic start to 2022 upon the positive impact borne by the post-pandemic economic rebalancing and recuperation upon the markets and new investments, the leasing sector failed to capture the anticipated business volume due to weakened investment and growth tendency amid the inflationist environment, and registered a new transaction volume of USD 4 billion, flat with the 2021 figure.

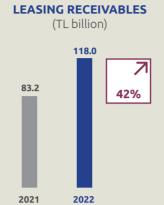
Leasing receivables of the sector, which was negatively impacted by the existing economic conjuncture in terms of volume, grew by 41.8% year-on-year as of end-2022, including the contribution of the rise in exchange rates, and went up to TL 118 billion.

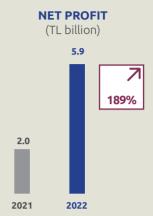
The overall sector reached TL 163.6 billion in total assets and TL 22.6 billion in total shareholders' equity, and posted TL 5.9 billion in net profit.

Having performed better than previous years in terms of return on assets (RoA) and return on equity (RoE), the sector registered 37.3% in RoE and 4.5% in RoA.



MANAGEMENT





THE SHARE OF RENEWABLE ENERGY GENERATION EQUIPMENT WENT UP TO 7% IN 2022.

The rate of receivables to be liquidated went down to 4.1% owing to collections from non-performing loans, reversals and disposal of receivables.

Looking at the distribution of investments in the sector by types of goods, heavy duty and construction machinery take the highest share with 21.6%, followed by motor vehicles with 18.5%, other machinery and equipment with 13.6%, and textile machinery with 10.4%.

The share of renewable energy generation equipment went up to 7% in 2022. The rise is also closely linked to the increased number of investments in this field and incitement of the overseas lenders that predominantly provide funding to leasing companies for allocation of the funds to green finance (renewable energy in particular).

While the ratio of financing of private sector fixed capital investments through leasing averages 4.5%-5.5% in our country, it was 3.5% in 2020-2021 and dropped to below 3% in the second half of 2022. Given the high correlation it has with the country's growth, leasing transaction volume has the potential to go up to the extent anticipated growth levels are achieved.

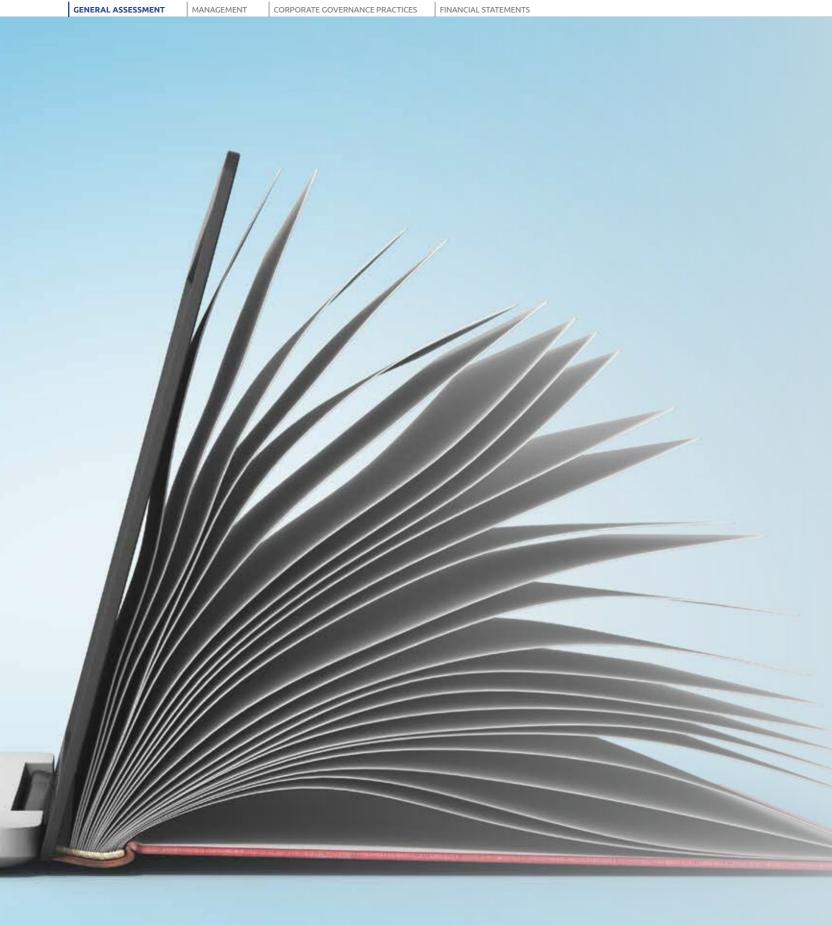
The leasing sector that services over 35 thousand customers keeps under close monitoring commercial companies of larger scale as well as the SMEs, and targets to make leasing finance a part of investment decisions of commercial companies. In the event of an improvement in the investment environment, the sector, which targets exportoriented companies, will probably prioritize investments in renewable energy, automotive, textile, chemicals, plastic and healthcare industries in its financing activities.

The basic economic data sets published suggest that the environment of trust that will pave the way for global economic recovery and investments has yet to be instigated. The economic stagnation resulting from aggressive tightening moves from the central banks fuels the concerns regarding economic activity. While strong domestic consumption and external demand that recently acted as the drivers of growth in Türkiye have been influential upon economic growth in the first half of the year, the pressure the high-inflation environment put on purchasing power and the slowdown in export markets led to loss of momentum in the economy; the same risk remains alive for the coming period. In the light of the existing conjuncture, growth is not anticipated in the sector's business volume.

LEADING THE SECTOR WITH OUR KNOW-HOW



GENERAL ASSESSMENT





İş Leasing extends financing support of any scale to investments in diverse sectors on the back of its solid funding structure comprised of funds obtained from its shareholders' equity and also from international financial institutions. Drawing on its deep-seated experience and know-how of more than 30 years, robust financial structure and funding capability, İş Leasing services a broad array of customers from micro businesses to SMEs and corporate firms.

Having espoused it as a principle to continually enhance customer experience through its pioneering identity in the sector, innovative and flexible products, differentiating service quality, smart business processes that deliver fast and effective solutions, iş Leasing preserves its competitive position.

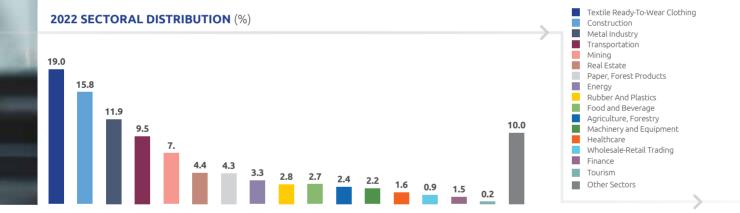
In 2022, İş Leasing preserved its solid position in the sector with a market share of 14.6% in terms of net leasing

receivables transactions and 12.8% in terms of the number of customers.

As the amount of the Company's net leasing receivables reached TL 17.1 billion, it has also anchored its position as the second biggest company in the sector.

Having 16 branches scattered across Türkiye, the Company offers its customers a long-term business partnership approach that relies on trust, and continually enhances its service competence thanks to its further strengthened technological infrastructure.

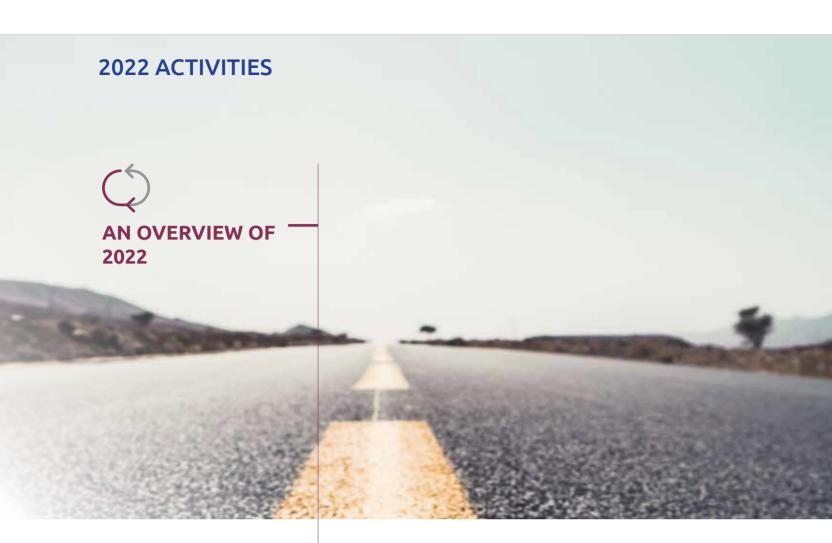
is Leasing extends financing support of any scale to investments in diverse sectors on the back of its solid funding structure assorted with funds obtained from its shareholders' equity and also from international financial institutions. Continuously building on its distribution channels with the productive collaborations





it establishes with vendors, İş Leasing's business is intensified mostly in machinery and equipment, heavyduty and construction machinery, and renewable energy equipment. Increasing its assertion in funding renewable energy projects by the day, the Company is one of the sector's most active players in this area with its financing product developed for the installation of solar power plants. As the Company commits to unrelenting execution of its sustainability activities, it has consolidated its position in the sector by allocating its robust funding facilities to energy efficiency and renewable energy projects also in 2022.

is Leasing will keep expanding its customer base and remain as one of the indispensable service providers in the market on the back of its competent human resource which reflects its sustainability-focused vision, its agile organization that can rapidly adapt to change, and its up-to-date technological infrastructure.



Being one of the sector's leading companies, iş Leasing implements a powerful channel management strategy. Its sales activities are carried out through three different channels: işbank branches, vendors and direct marketing.

SERVICES

Tailored products and services

is Leasing offers products and services custom-tailored to its customers' cash flows on the back of its robust financial structure and solid funding capabilities.

Being one of the sector's leading companies, İş Leasing implements a powerful channel management strategy. Its sales activities are carried out through three different channels: İşbank branches, vendors and direct marketing.

İşbank's extensive branch network presents İş Leasing with countrywide reach and servicing opportunity, and the strong synergy created with the Bank is reflected in the business volume.

iş Leasing carries out its activities within the frame of a collaboration based on productivity principle with vendors. The Company aims to ensure healthy development of vendororiginated transactions in its portfolio and to increase channel efficiency. The Company carries out need-based marketing activities for the financing of the sales of vendors identified in the equipment groups that pose high second-hand value; iş Leasing continued with its efforts for the improvement of this channel uninterruptedly also in 2022.

AMID THE TOUGH MARKET CONDITIONS PRESENTED BY 2022, İŞ LEASING GENERATED SUCCESSFUL RESULTS WITH ITS SERVICE MODEL THAT RUNS ON FAST, ACCURATE AND EFFICIENT PROCESSES, AND REINFORCED ITS CONTRIBUTION TO THE SECTOR AND THE ECONOMY BY FURTHER STRENGTHENING ITS IDENTITY AS THE PREFERRED LEASING COMPANY.

The sector's leading company in customer satisfaction

is Leasing erects its customer-focused service model on producing original solutions to the investment needs of its customers that make its most important stakeholder group.

Customer feedbacks are highly valued at is Leasing and play a major role in the formulation of strategic decisions. Questionnaires measuring the satisfaction of customers with the service they receive are administered periodically. Customer expectations and needs are placed at the heart of product and service designs.

Amid the tough market conditions presented by 2022, İş Leasing generated successful results with its service model that runs on fast, accurate and efficient processes, and reinforced its contribution to the sector and the economy by further strengthening its identity as the preferred leasing company.

PORTFOLIO

is Leasing believes that a healthy portfolio and effective risk management are among the essential requirements for sustainable growth. The Company actively utilizes technology assisted advanced risk management systems and uses its multi-disciplinary lending policies and risk management approach to create a broad-based, environmentally sensitive and profitable portfolio with a high credit quality.

İş Leasing manages its risk map within a well-balanced structure and avoids concentration in any one sector. Backed by a portfolio composition characterized by diverse sectors and expansive geographical distribution, the Company keeps its NPL ratio below the sector's average.

Reinforcing and expanding its customer base with distinctive customer experience, İş Leasing kept solidifying its market share in terms of the number of customers in 2022.

IS FAKTORING

is Faktoring, of which is Leasing is the principal shareholder. was incorporated in 1993. Possessing a broad customer base composed of companies of different scales from diverse sectors, is Faktoring delivers factoring service in domestic and international markets in financing, guarantee and collection areas via its Head Office in Istanbul and six branches operating in Ankara, Tuzla (İstanbul), Adana, Bursa, İzmir and İstoç (İstanbul). İş Faktoring has been a member of Factors Chain International (FCI), the most important international factoring initiative in the world, since its incorporation. This membership allows the company to support its customers' international factoring transactions with an extensive correspondent network.

In 2022, İş Faktoring posted TL 15.6 billion in total factoring receivables, TL 40.2 billion in turnover, TL 16.4 billion in total assets, and booked a net profit of TL 445.4 million. In its rating report dated 20 May 2022, DRC Derecelendirme Hizmetleri A.Ş. granted İş Faktoring a (national) long-term rating of (TR) AA- and short-term (national) rating of (TR) A-1. Both short- and long-term ratings were assigned a "stable" outlook



UPGRADING CUSTOMER EXPERIENCE WITH OUR DIGITAL CAPABILITIES

GENERAL ASSESSMENT



2022 ACTIVITIES

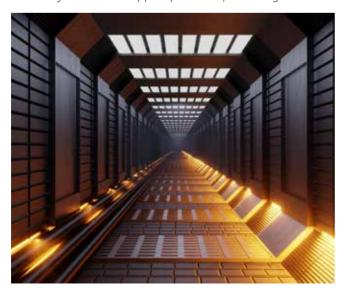
İŞ LEASING GAINED THE FOREGROUND BEING ONE OF THE COMPANIES THAT MOST SWIFTLY AND EFFECTIVELY HANDLED THE TRANSITION TO TELEWORKING FORMAT DURING THE PANDEMIC OWING TO THE SOLID INFORMATION TECHNOLOGIES (IT) INFRASTRUCTURE IT POSSESSES.

INFORMATION TECHNOLOGY AND DIGITAL TRANSFORMATION

With its focus on digitalization, İş Leasing authors pioneering initiatives in this field and targets to establish a customercentric agile business model backed by the cutting-edge information infrastructure with the aim of achieving productive growth by increasing the effectiveness and productivity of products and services. İş Leasing gained the foreground being one of the companies that most swiftly and effectively handled the transition to teleworking format during the pandemic owing to the solid Information Technologies (IT) infrastructure it possesses.

At İş Leasing, realizing digital transformation based on a holistic approach is one of the most crucial elements of the strategy. Uninterruptedly sustaining its financing support to the real sector, İş Leasing follows up the latest novelties in Information Technology (IT) for achieving growth through enhanced quality and increased speed of its products and services.

While digital transformation is regarded as an important and indispensable tool for the achievement of the Company's goals, high quality service delivery accompanying digital technology mitigates time and cost risks, brings significant efficiency in decision-support processes, and brings



about positive change and transformation in all Company processes.

For developing all services offered to its customers in line with the changes in technology and needs, is Leasing attaches great importance to upgrading its technological infrastructure including building on its capacity to access and analyze data, increase data processing speed, improve and transform work processes, and construct strategic decisionmaking process on flexible and precise measurements. As the Company carries out many projects targeted at infrastructure development and improvement along this line, it makes additional investments in necessary areas. is Leasing is set apart in the sector with its digitalization initiatives, and authors exemplary implementations. İş Leasing introduced innovations allowing customers to make their leasing payments online using the credit card of any bank. With this service, customers can finalize their leasing payments more quickly and have the option to pay in installments with the credit card.

Thanks to the swift operational processes it has developed with the capabilities of digital technology, İş Leasing renders a healthy portfolio sustainable, and constantly betters the value proposition offered to its customers.

After-Sales Services and Disaster Recovery Center represent two key elements of İş Leasing's customer-focused approach to service. Offering service with a call center infrastructure and aiming to render customer satisfaction continuous, the After-Sales Services Unit responds to customers' after-sales support demands with an agile approach.

is Leasing carries on with its development efforts with the goal of end-to-end redesigning of all processes from quotation preparation to purchasing and assignment of the leased asset, and end-to-end digitalized customer journey to be enabled by interfaces to be developed for digitalizationdriven increased leasing penetration.

İŞ LEASING'S MISSION IN RELATION TO HUMAN RESOURCES IS TO BE THE MOST PREFERRED EMPLOYER IN THE LEASING SECTOR AND TO SECURE CONTINUITY OF EMPLOYEE HAPPINESS.

HUMAN RESOURCES AND TRAINING

iş Leasing strove for a balance between flexibility and engagement by establishing a functional and secure teleworking system for is Leasing employees in response to the employees' changing expectations and the growing tendency towards working remotely that became widespread due to the Covid-19 pandemic.

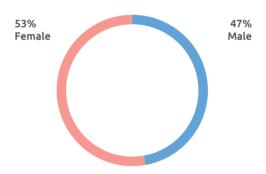
İş Leasing's mission in relation to human resources is to be the most preferred employer in the leasing sector and to secure continuity of employee happiness. The Company's human resources policy, on the other hand, is erected on managing its high added-value human resource that it right position.

regards as its most valuable asset in the most productive manner in line with its vision, mission and goals, and forming an elite, dynamic, creative and efficient team that will make a difference in the sector and maximize competitiveness. Along this line, is Leasing develops implementations to attract qualified human resource to the Company on the back of improvement and change initiatives, to constantly support the improvement of the team's professional knowledge and skills, as well as organizational and personal skills, to motivate the team and maximize their performance. Hence, İş Leasing employs competency-based, objective measurement and evaluation methods designed specifically for each position in order to place the right person in the

At is Leasing, migration of HR processes to the electronic environment continued in 2022 with the purpose of more effective execution of HR processes.

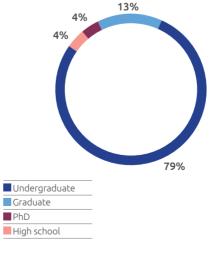
At is Leasing, training activities are planned taking into consideration business plans, departments' training needs analyses and performance outputs and so as to result in technical and competence development of all employees. Since the impacts of the pandemic still persist, technical and competency development training activities are held via online platforms.

GENDER DISTRIBUTION OF EMPLOYEES (%)



EDUCATIONAL DISTRIBUTION OF EMPLOYEES (%)









SUSTAINABILITY AT İŞ LEASING

İŞ LEASING'S SUSTAINABILITY STRATEGY AND 2022 ACTIVITIES

Tacking sustainability holistically with its economic, environmental and social aspects, İş Leasing targets to be a part of the solution in combating environmental and social issues. Accordingly, the Company has set its goals for the 2022-2024 period in line with its sustainable growth and value creation principle.

The Company acts with the aim of taking its sustainability efforts beyond the regulatory requirements. İş Leasing aims to ensure that environmental, economic and social sustainability factors are pursued holistically in the Company's management and product/service processes, risks and opportunities associated with these factors are effectively managed, and value is created through sustainable growth. Environmental and Social Risk Management System activities are carried out without letup in order to embed this approach in all processes and to guarantee that sustainability is internalized across the entire organization.

The main axes of İş Leasing's sustainability strategy are determined as energy, water, raw material and resource efficiency, and supporting the low carbon transition by financing renewable energy projects and projects that will contribute to employment in the country. In addition, environmental and social risk measurement of investment projects, waste management, corporate integrity and transformation take place among the main focal points of the strategy.

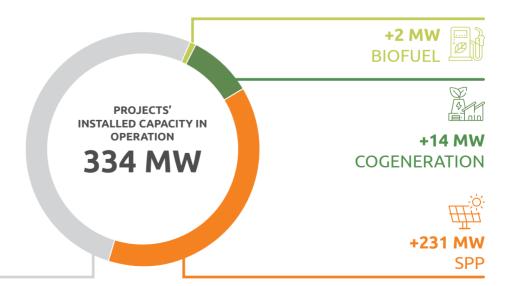
In keeping with its commitment to sustainability, İş Leasing steps up its Green Transformation Vision with sustainable finance initiatives, prioritizing climate change in this endeavor. Aiming to take action for efficient resource and energy consumption to facilitate low-carbon transition by offering services directed towards energy efficiency and renewable energy investments in particular, İş Leasing pledges to uninterruptedly carry out the sustainability activities it has initiated for being able to contribute to a sustainable and livable future.

As part of its approach that supports the combat against climate crisis, calculations of iş Leasing's GHG inventory from its operations have been completed in accordance with international protocols. Within the scope of its target to offset its carbon footprint resulting from its operations by 2024 and to be the first leasing company in the sector to do so, we have neutralized our carbon footprint resulting from our operations in 2021 and 2022 with our contribution to sustainable energy resources, and achieved our target of being the sector's first carbon-neutral leasing company.

In 2022, installed capacity in operation of the projects financed within the scope of renewable energy investments reached 334 MW. Out of the renewable energy projects financed, 255 MW are Solar Power Plants (SPP), 62 MW are Wind Power Plant (WPP) and 2 MW are Biomass Power Plants. Additionally, a cogeneration project with a total installed capacity of 14 MW has been financed.

Recognizing that emissions volume that increases as a result of unsustainable investments and in connection with fossil fuel use gives rise to irreversible negative impacts on human health and the environment, iş Leasing introduces implementations supporting net zero philosophy and takes new steps to achieve this target.

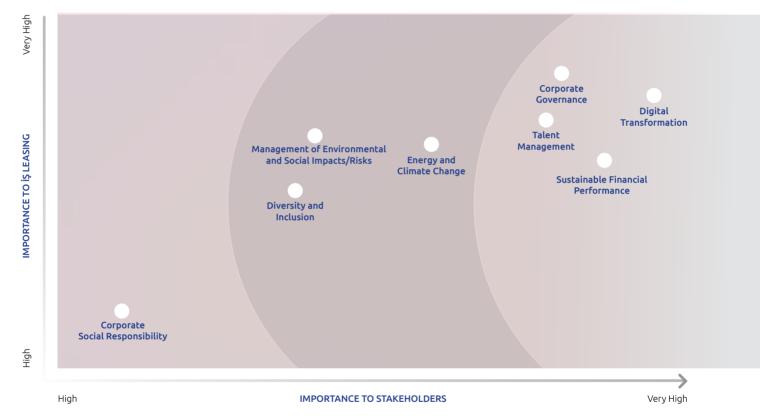




IŞ LEASING CONTRIBUTES TO THE UN SUSTAINABLE DEVELOPMENT GOALS (SDGS) IN THE MATERIAL TOPICS IT HAS IDENTIFIED.

MATERIALITY MATRIX





SUSTAINABILITY PRIORITIES DETERMINED ON THE **BASIS OF ACTIVE STAKEHOLDER ENGAGEMENT**

İş Leasing developed and devised its study, which is designed to prioritize the expectations of its internal and external stakeholders, based on a scrutinization of the World Economic Forum's (WEF) Global Risks Report and the United Nations Principles for Responsible Investment (UN-PRI). The topics determined based on surveys were presented for evaluation by internal and external stakeholders by way of online questionnaires. The topics identified were scored by stakeholders according to their priority, and the materiality matrix was developed according to stakeholder feedbacks.

Admitted as a participant of the UNGC (United Nations Global Compact), the world's largest sustainability initiative, on 20 June 2022, İş Leasing contributes to the UN Sustainable Development Goals (SDGs) in the material topics it has identified.

On 06 July 2022, is Leasing qualified to become a signatory to the Women's Empowerment Principles (WEPs). The Company targets to take its equitable and inclusive approach even further and to be engaged in more projects and initiatives that will contribute to social advancement and welfare and thus increase its social impact.

SUSTAINABILITY AT İŞ LEASING

THE SUSTAINABILITY STRATEGY SHEDS LIGHT ON İŞ LEASING'S SUSTAINABILITY JOURNEY.



In line with the outcomes of the materiality analysis, iş Leasing formulated its sustainability strategy around the focal areas of energy and resource efficiency, waste management, support to low carbon transition, environmental and social risk management, support to employment, corporate integrity and transformation.

The main axes of the sustainability strategy are listed below:

- Energy, Water, Raw Material and Resource Efficiency
- Financing Renewable Energy Projects
- Financing Projects that will Support Employment in the Country
- Support to Low Carbon Transition
- Environmental and Social Risk Measurement of Investment Projects
- Waste Management
- Corporate Integrity and Transformation

UNDERTAKING LEADERSHIP ALSO IN THE AREA OF SUSTAINABILITY, İŞ LEASING WILL CONTINUE TO CREATE SUSTAINABLE VALUE FOR ALL ITS STAKEHOLDERS.

IS LEASING, THE FIRST AND ONLY LEASING COMPANY PUBLISHING A SUSTAINABILITY REPORT IN ITS INDUSTRY, HAS SHARED ITS SECOND SUSTAINABILITY REPORT WITH ITS STAKEHOLDERS IN 2022.

In its second sustainability report published in 2022, is Leasing gave an account of its governance approach to environmental, social and economic impacts arising from its operations, performance results, its forward-looking expectations and pledges.

The outline of the report, which is prepared in accordance with GRI (Global Reporting Initiative) "Core" option, consisted of the topics that were highlighted in the studies the Company carried out to identify its sustainability priorities. When conducting the studies, the fundamental reporting principles specified in the GRI Standards were considered.

is Leasing 2021 Sustainability Report produced in PDF and HTML formats can be reached on the below link or by scanning the QR code.

https://www.isleasing.com.tr/Sites/1/content/Sustainability/2021/en/index.html



IN THE PERIOD AHEAD, IS LEASING WILL REMAIN COMMITTED TO CHANNELING ITS ROBUST FUNDING CAPABILITIES TO ENERGY EFFICIENCY AND RENEWABLE **ENERGY PROJECTS.**



Having started to institutionalize its "sustainability financing" approach on the back of the innovative and sustainable leasing solutions it develops, iş Leasing will remain committed to channeling its robust funding capabilities to energy efficiency and renewable energy projects in the coming period as well.

Taking solid steps for a sustainable future, İş Leasing's Refinitiv application filed for inclusion in the BIST Sustainability Index was accepted and the assessment came to a positive conclusion by early 2023. In 2023, is Leasing targets to be the first leasing company included in the BIST Sustainability Index.

Targeting to contribute to the national economy, the society and sustainable development goals through the investments it finances, the Company will undertake leadership also in the area of sustainability and continue to create sustainable value for all its stakeholders in keeping with its corporate and ethical approach, its support to diversity and inclusion, and its goal to contribute to the environment and the society.

BOARD OF DIRECTORS



NEVZAT BURAK SEYREK Chairman

Born in Ankara in 1970, N. Burak Seyrek holds a degree in International Relations from Ankara University, Faculty of Political Science. He joined İşbank in 1990 as an Assistant Specialist Trainee in the Training Department. While he was working as an Assistant Credit Specialist in the Corporate Credit Allocations Department in 1994, he was assigned to İşbank AG Filiale Frankfurt where he was promoted to Branch Manager role in 1998. He was brought to the position of Assistant Manager in Baskent/Ankara Branch in 2001, Ostim Branch Manager in 2004, Commercial Sales Director in Ankara Central II Regional Sales Directorate in 2007, Head of Commercial Banking Product Department in 2010, Head of Commercial Banking Sales Department in 2011, Head of SME and Business Banking Sales Department in 2013 and CEO of İşbank AG Hauptverwaltung. He was named Deputy Chief Executive of İsbank on 25 March 2016. Mr. Seyrek has been serving as the Chairman of the Board of Directors at iş Leasing since 25 March 2022.

NECATİ ÇAĞLAR Vice Chairman

Born in 1974, Mr. Cağlar graduated from Ankara University, Faculty of Political Science, Department of Public Finance. He started his career on the Board of Inspectors of İşbank on 1 January 1997. When he was IV. Grade Inspector, he was appointed as Assistant Manager in İstanbul Regional Directorate IV on 26 August 2005, Assistant Manager in Commercial Loans Department İstanbul Maltepe Regional Directorate on 27 August 2007, Kuruköprü Branch Manager on 21 May 2008, SME Loans Allocation Department Kocaeli Regional Director on 25 August 2009, SME Loans Allocation Department Bayrampaşa Regional Director on 27 December 2012, and Head of SME Loans Allocation Department on 26 February 2016. Mr. Çağlar has been serving as the Head of Commercial Loans Allocation Department since July 2020.

ÖMER KARAKUŞ Member

Ömer Karakuş holds a degree in Public Administration from Gazi University. Faculty of Administrative Sciences. He joined isbank as an Assistant Inspector on the Board of Inspectors in 1989 and was appointed to Assistant Manager role in the Accounting Department in 1998. where he also served as Unit Manager. He became Head of Accounting Department in 2005, Yenişehir Branch Manager in Ankara in 2007, Head of HR Department in 2008, and Head of the Board of Inspectors on 15 January 2016. Ömer Karakuş was promoted to Deputy Chief Executive position on 27 April 2017. He held a member's seat on the boards of directors of Nemtaş Nemrut Liman İşletmeleri A.Ş. (2005-2006), Anadolu Anonim Türk Sigorta A.S. (2006-2010), Anadolu Hayat Emeklilik A.S. (2010-2012), Bayek Tedavi Sağlık Hizmetleri ve İşletmeciliği A.Ş. (2012-2013) and İşbank AG (2013-2016). He worked as the General Manager of is Faktoring from 2019 until 2022. Mr. Karakus has been a member of the Board of Directors at İş REIC since 16 May 2017. He has been named a member of the Board of Directors at is Leasing on 25 March 2022.

MANAGEMENT



MEHMET SENCAN Member

Mehmet Sencan holds a degree in Management Engineering from İstanbul Technical University. He started his career at İşbank as a clerk at Galata Branch in 1988 and joined the Board of Inspectors as an Assistant Inspector the same year. After functioning as branch manager in various cities from 1997 until 2007, he worked as branch manager of Bursa Corporate, Başkent Corporate and Kozyatağı Corporate branches. Mr. Şencan was appointed a Deputy Chief Executive at İşbank in April 2017. He served as the CEO of Anadolu Anonim Türk Sigorta Şirketi between September 2019 and January 2023. Mr. Şencan has been named a member of the Board of Directors at iş Leasing on 31 January 2023.

U. SAFAK ÖĞÜN General Manager / Member

Born in 1974, Mr. U. Safak Öğün graduated from Bilkent University, Faculty of Business Administration, Department of Business Administration in 1995 and received his master's degree in International Banking and Finance at the University of Birmingham in 2002. In 2017, he attended the Advanced Management Program at Harvard Business School. At İşbank he served as Inspector between 1995-2005, Assistant Manager of Corporate Marketing Division between 2005-2007, Vice Chairman of the Board of Inspectors between 2007-2008, Corporate Banking Sales Division Manager between 2008-2009, Corporate Banking Marketing and Sales Division Manager between 2009-2016 and Güneşli Corporate Branch Manager between 2016-2021. He has been serving as the General Manager of is Leasing since 2021.

A. BOTAN BERKER Independent Member

Ayşe Botan Berker holds a bachelor's degree in business administration from the Middle East Technical University, a master's degree in economics from the University of Delaware (USA), and a doctorate degree in finance from Marmara University. She started her professional career at the Central Bank of the Republic of Türkiye (CBRT) as external borrowings specialist, where she worked on loans provided to Türkiye by the World Bank, the IMF and the OECD Consortium to Aid Türkiye. Following her assignment as Deputy Director of Balance of Payments, she functioned as the Director of International Institutions, which is responsible for carrying out the CBRT's borrowings from international markets. Dr. Berker served as the London Representative of the Bank between 1994 and 1996, and before leaving the CBRT in January 1999, she was Deputy Director General of the Directorate General for External Affairs. In 1999, she set up the international rating agency Fitch Ratings' Türkiye Office, for which she functioned as the General Manager and Board of Directors member until March 2012. Having founded Merit Risk Yönetimi ve Finansal Danışmanlık company in April 2012, Dr. Berker served as an independent member of the board of directors responsible for risk management at Turcas Petrol A.Ş. between 2012-2018. She teaches banking and finance as a part-time lecturer at Marmara University. Since 25 March 2018, Mrs. Berker is a Member of the Board of Directors in İş Leasing.

BOARD OF DIRECTORS







Prof. Dr. SELİM YAZICI Independent Member

Born in 1970 in İstanbul, Selim Yazıcı received his bachelor's degree in mechanical engineering from Yıldız Technical University in 1992, and his master's and doctorate degrees in business administration from Istanbul University in 1994 and 1999. respectively. He started his career in 1992 as a production engineer. In tandem with his graduate studies, he began an academic career in the Department of Business Administration at Istanbul University, Faculty of Political Sciences. Mr. Yazıcı became an associate professor in 2006 and professor in 2014. He taught classes in business management, management, organizational behavior, international business, project management, entrepreneurship, digitization, e-learning and business continuity management within the scope of undergraduate and graduate programs. He held a member's seat on the Board of Directors of the Faculty between 2009 and 2014, and on the Academic Board between 2010-2013. He served as the Head of the Department of Management and Organization between 2016-2019 and as Deputy Head of the Department of Business Administration between 2012-2020. He is a co-founder of FinTech istanbul platform, established in 2016 with the objective of making Türkiye a regional hub in financial technology and of developing FinTech entrepreneurship. Since 25 March 2018, Mr. Yazıcı is a Member of Board of Directors in İş Leasing.

M. COŞKUN CANGÖZ Independent Member

Born in Gaziantep in 1967, Mr. M. Coşkun Cangöz graduated from Ankara University, Faculty of Political Sciences, Department of Finance in 1989. He received his master's degree in economics from Ankara University. his master's degree in business administration from Exeter University, and his doctorate degree in sociology from Middle East Technical University. He started his career at Denizcilik Bankası as a Financial Analyst in 1990. Mr. Cangöz joined the Undersecretariat of Treasury in 1991 as an Assistant Specialist, and took on various duties. Mr. Cangöz worked as the General Manager of Public Finance between 2005-2012, and as the Chief Economic Advisor of the T.R. London Embassy between 2012-2015. Having served as the director of the Public Debt Management Consultancy Unit at the World Bank between 2015-2020, Mr. Cangöz has been advising international organizations since October 2020 and is the Director of the Center for Fiscal and Monetary Policy Studies at the Economic Policy Research Foundation of Türkiye. Mr. Cangöz has published studies on public finance and monetary policy, in particular asset and liability management, debt and risk management, and cash management. Since 21 October 2021, Mr. Cangöz is a Member of Board of Directors in İş

HÜSEYİN SERDAR YÜCELMember

Born in İstanbul in 1973, Hüseyin Serdar Yücel received his degree in Economics from Marmara University, Faculty of Economics and Administrative Sciences in 1996 and started his career in the External Affairs Department of isbank the same year. After working as a specialist and assistant manager at İşbank from 1999 until 2016, he has been Unit Manager in the Subsidiaries Division of Isbank from August 2016. Having held a member's seat on the boards of directors of İş Merkezleri Yönetim ve İşletim A.Ş., İş Net A.Ş. and Erişim Müşteri Hizmetleri A.Ş., Hüseyin Serdar Yücel is currently a Board member at JSC İşbank, JSC İşbank Georgia, A&T Bank and İş Faktoring A.Ş. Mr. Yücel has been named a member of the Board of Directors of is Leasing on 25 March 2022.

SENIOR MANAGEMENT

MANAGEMENT



U. ŞAFAK ÖĞÜN General Manager

For the CV of Mr. U. Şafak Öğün, see page 39.

SİBEL DOĞAN

Assistant General Manager Credits, Legal Consultancy, Asset Management Unit

Mrs. Doğan has graduated from Marmara University, Department of Public Administration. Mrs. Doğan began his career as Assistant Specialist at İşbank in 1999. She has served as Assistant Manager between 2008 and 2013, as Unit Manager between 2013 and 2018 in Corporate Credits. Since 21 May 2018 Mrs. Doğan is serving as an Assistant General Manager at İş Leasing.

NESLİHAN ORUÇ

Assistant General Manager Financial Management, Purchasing, Operation, Human Resources, Information Technologies, Investor Relations

Ms. Neslihan Oruç graduated from the Department of Economics and holds a master's degree in finance and accounting. She started her career at Almar Tarımsal A.Ş. in 1993, and later worked for Canakkale Seramik, Ford Otosan, and Vakıf Leasing. Ms. Oruç joined İş Leasing in 2001, where she served as a manager in Financial Management from 2002. She holds a Capital Markets Advanced Level License and Corporate Governance Rating License, as well as a Certified Public Accountant License. Ms. Oruç has been appointed as Assistant General Manager effective 01 October 2019.



HASAN KETENCİAssistant General Manager
Sales, Marketing

Having graduated from Dokuz Eylül University, Business Administration Department, Mr. Ketenci started his professional life as an inspector at İşbank in 1998. Following his positions as Assistant Manager in the SME Loans Allocation Department and Regional Director, Mr. Ketenci was appointed as Assistant General Manager of İş Leasing in 2020.

CEVAT BUĞRA ÇİLİNGİR Assistant General Manager

Assistant General Manager
Treasury and Financial Institutions, Legal,
Risk Follow-up

Mr. Çilingir graduated from Bilkent University, Faculty of Business Administration in 1997. Mr. Çilingir started his professional life as Assistant Specialist at İşbank in 1998. He was appointed as Assistant Manager in the Commercial Loans Allocation Department in June 2007 and promoted to Unit Manager in the same department in October 2010. He served as Maslak Branch Manager between September 2018 and June 2020, was appointed as SME Loans Allocation Regional Manager in July 2020, and was appointed as Assistant General Manager at İş Leasing in August 2022.

MANAGEMENT TEAM



ESMA TOKERCommercial Sales Manager



MURAT SİSLİ Corporate Sales Manager



ALTAN İYİGÜN Marketing Manager



TiMUÇİN ÜLKEOKOperations Manager



ARZU KAYA TOPALOĞLU Purchasing Manager



SERKAN SIRAKCommercial Loans Manager



ZEREN GÜLSOYCorporate Loans Manager



ONUR TUFANRisk Monitoring Manager







NURAN GÜNEŞ Legal Counselor

SEYİTHAN AYVAZOĞLUYÜKSEL Law Affairs Manager

MUSTAFA ÇİLLİ Finance Manager



ASLI ABACI Human Resources Manager



SARMEN HAZAROS ÇAKIR Information Technologies Manager2



ERDEM AKSULAR Head of Internal Audit

INDEPENDENT AUDITOR'S REPORT ON THE ANNUAL REPORT OF THE BOARD OF DIRECTORS

(Convenience translation of a report originally issued in Turkish)

INDEPENDENT AUDITOR'S REPORT ON THE ANNUAL REPORT OF THE BOARD OF DIRECTORS

To the Shareholders of is Finansal Kiralama A.S.

1) Opinion

We have audited the annual report of \dot{i} ş Finansal Kiralama A.Ş. ("the Company) and its subsidiaries ("the Group") for the period of 1/1/2022-31/12/2022.

In our opinion, the consolidated financial information provided in the annual report of the Board of Directors and the discussions made by the Board of Directors on the situation of the Group are presented fairly and consistent, in all material respects, with the audited full set consolidated financial statements and the information we obtained during the audit.

2) Basis for Opinion

We conducted our audit in accordance with standards on auditing as issued by the Capital Markets Board of Turkey and Independent Auditing Standards (InAS) which are part of the Turkish Auditing Standards as issued by the Public Oversight Accounting and Auditing Standards Authority of Turkey (POA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Report section of our report. We are independent of the Group in accordance with the Code of Ethics for Independent Auditors (Code of Ethics) as issued by the POA, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3) Our Auditor's Opinion on the Full Set Consolidated Financial Statements

We have expressed an unqualified opinion in our auditor's report dated January 30, 2023 on the full set consolidated financial statements of the Group for the period of 1/1/2022-31/12/2022.

4) The Responsibility of the Board of Directors on the Annual Report

In accordance with Articles 514 and 516 of the Turkish Commercial Code 6102 ("TCC") and the provisions of the Communiqué II-14.1 on the Principles of Financial Reporting In Capital Markets" ("the Communiqué") of the Capital Market Board ("CMB"), the management of the Group is responsible for the following items:

- a) Preparation of the annual report within the first three months following the balance sheet date and submission of the annual report to the general assembly.
- b) Preparation and fair presentation of the annual report; reflecting the operations of the Company Group for the year, along with its financial position in a correct, complete, straightforward, true and honest manner. In this report, the financial position is assessed according to the consolidated financial statements. The development of the Group and the potential risks to be encountered are also noted in the report. The evaluation of the board of directors is also included in this report.

- c) The annual report also includes the matters below:
- Subsequent events occurred after the end of the fiscal year which have significance,
- The research and development activities of the Group,
- Financial benefits such as salaries and bonuses paid to the board members and to those charged governance, allowances, travel, accommodation and representation expenses, financial aids and aids in kind, insurances and similar deposits.

When preparing the annual report, the board of directors takes into account the secondary legislative arrangements published by the Ministry of Trade and related institutions.

5) Auditor's Responsibilities for the Audit of the Annual Report

Our aim is to express an opinion, based on the independent audit we have performed on the annual report in accordance with provisions of the Turkish Commercial Code and the Communique, on whether the consolidated financial information provided in this annual report and the discussions of the Board of Directors are presented fairly and consistent with the Group's audited consolidated financial statements and to prepare a report including our opinion.

The independent audit we have performed is conducted in accordance with InAS and the standards on auditing as issued by the Capital Markets Board of Turkey. These standards require compliance with ethical provisions and the independent audit to be planned and performed to obtain reasonable assurance on whether the consolidated financial information provided in the annual report and the discussions of the Board of Directors are free from material misstatement and consistent with the consolidated financial statements.

The name of the engagement partner who supervised and concluded this audit is Fatma Ebru Yücel.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi m & Ernst & Young Global Limited

el. SMMM Partner

6 March 2023 İstanbul, Türkiye

CORPORATE GOVERNANCE PRACTICES SIGNATION OF THE PRACTICES OF THE PRACTICES OF THE PRACTICES OF THE PRACTICES OF THE PRACTICES OF THE PRACTICES OF THE PRACTICES OF THE PRACTICES OF THE PRACTICES OF THE PRACTICES OF THE PRACTICES OF THE PRACTICES OF THE PRACTICES OF

GENERAL ASSESSMENT

MANAGEMENT

BRIEF ANNUAL REPORT OF THE BOARD OF DIRECTORS

The analysis and assessment of the Board of Directors with regard to financial situation and operating results, and degree of realization of the scheduled activities and operations, and situation of the Company against the established strategic goals:

İş Leasing continues to support SMEs and the real sector and maintains its asset quality through effective risk management, even in such an extraordinary economic environment where challenges and uncertainties increase on a global scale. Focusing on sustainability and digitalization, is Leasing is gradually increasing its share in the financing of renewable energy investments and stands out especially with its financing solutions in the field of solar energy. Having published the first sustainability report in its sector (2020 Sustainability Report), İş Leasing published its second sustainability report for 2021 in September 2022, demonstrating how willing, stable and visionary it is in this field. In 2022, it took steps to be included in the BIST Sustainability index and completed its system entries by fulfilling all its acquisitions by applying for Refinitiv.

In 2022, with its transaction volume of 560 million USD, and its market share of 14,6%, is Leasing maintained its second place in the sector. Having decreased its leasing portfolio by 51% to TL 17.1 million over the past year, the Company further increased its shareholder's equity by 75% to 3.7 billion TL. With a net profit of 827 million TL in 2022, the Company recorded a return on equity of 28,1%. As a result of developed techniques applied and care and due diligence shown in credit risk management, the Company's non-performing debts ratio of leasing receivables continued to remain far below the sector average, and was recorded as 3,8% remained below the sector average of 4.1%.

Its total bond issuance limit of TL 10 billion approved by the Capital Markets Board of Türkiye (CMB) and having issued bonds and private sector bills worth TL 6.444 billion in total during the year, İş Leasing diversified its funding sources by securing new financing in the aggregate amount of USD 283 million from prestigious credit agencies in Türkiye and abroad.

Determination and assessment as to whether the capital of the Company is actually depleted or whether the Company is deeply in debt or not:

As of the end of 2022, capital of the Company is 695.3 million TL, and we have no finding showing, and are not of the opinion, that the capital of the Company is actually depleted or the Company is deeply in debt.

Whether the targets determined in the past periods have been reached or not, and whether the general assembly decisions have been performed or not, and if not reached or performed, the reasons thereof, and assessments:

In 2022, the Company has recorded operating results in tandem with its strategic goals thanks to its dynamic balance sheet management and by focusing on sustainable growth strategies. All decisions taken in the General Assembly meetings in the past period have been performed.

Information on direct or indirect subsidiaries of the Company and its shareholding rates:

Information on direct or indirect subsidiaries of the Company and its shareholding rates are presented in details in the footnote no. 9 of financial statements.

Information on donations and grants made during the year:

Donations and grants made by the Company in 2022 are 112 thousand TL.

Lawsuits which are brought forward against the Company, and may affect its financial situation and activities, and probable results thereof:

During the period, the Company has been involved in many lawsuits as the defendant side as a part of its ordinary activities. Accordingly, there exists no legal action or legal proceedings which are not disclosed in footnotes of consolidated financial statements or for which the required provisions and reserves are not set aside and which may make material adverse effects on the financial situation or operating results of the Company.

BRIEF ANNUAL REPORT OF THE BOARD OF DIRECTORS

Transactions of the controlling shareholders, directors, top echelon executives and their spouses and blood relatives and relatives by marriage up to second degree with the Company or its affiliates, which may cause conflicts of interests with the Company or its affiliates:

None.

Opinions and comments of the Board of Directors regarding internal control system and internal audit activities:

Internal control system of the Company covers control and monitoring activities developed by the executive management in order to ensure that the daily operations of the Company are carried out effectively and efficiently within the frame of the established policies, guidelines and limits, and aims to establish a structure ensuring that the control culture is adopted and maintained throughout the Company. On the other hand, internal audit system of the Company covers the inspection, auditing and reporting processes carried out independently from the executive management in order to ensure that all operations and activities, also including internal control and risk management, are performed in accordance with the policies, strategies and goals, and that the Company assets are protected and maintained. Our Board of Directors has assigned the Audit Committee for supervision, assessment and direction of initiatives and works within the scope of internal control and internal audit activities. Internal Audit, Internal Control and Risk Management Units, reporting to the Board of Directors through the Audit Committee, ensures that risk culture is created, developed and improved throughout the Company through its risk-based audit approach. The Audit Committee of the Company periodically assesses the efficiency of internal control system and the results of internal control activities through internal audit reports prepared and issued by the Internal Audit, Internal Control and Risk Management Units, and shares with the Board of Directors its proposals and suggestions on the actions required to be taken with respect to the findings of the said reports.

Internal Control, Risk Management, Compliance and Regulation Department oversees the Company's activities associated with regulatory compliance. The head of the department also functions as the legal "Compliance Officer"; fulfills the duties and responsibilities assigned under the Law on the Prevention of Laundering Proceeds from Crime (Anti-Money Laundering/AML) and related legislation in accordance with the Company Policy and Compliance Program and maintains the communication and coordination between MASAK (Financial Crimes Investigation Board) and the Company. In 2022, the Company's Internal Audit Department conducted Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT) Compliance Program audits. During 2022, work was carried out in relation to information and statistics regarding Internal Audit and annual MASAK training activities, and sent to the Presidency of the Financial Crimes Investigation Board until the deadlines prescribed in the Regulation on Program of Compliance with Obligations of Anti-Money Laundering and Combating the Financing of Terrorism. The head of the Internal Control, Risk Management, Compliance and Regulation Department fulfills the duties and responsibilities assigned under the Law on the Prevention of Laundering Proceeds from Crime (Anti-Money Laundering/AML) and related legislation in accordance with the Company Policy and Compliance Program and maintains the communication and coordination between MASAK (Financial Crimes Investigation Board) and the Company. The Department Head also carried out work to preclude financial crimes and sanctions risk within the scope of MASAK Compliance Program. "Impact-Probability Analyses" and "Loss Incident Database Analyses" were conducted for measuring bribery and corruption risk, and information on "Anti-Bribery and Anti-Corruption" was provided in training programs offered for Combating Financial Crimes.

Explanations on administrative and juridical sanctions imposed on the Company and members of its managerial body due to practices and acts in conflict with the laws:

None.

Information on private audits and public audits conducted during the accounting period:

During 2022 accounting period, the Company has been subject to a limited independent audit as of 30.06.2022, and to an independent audit as of 31.12.2022 by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Muşavirlik A.Ş. Furthermore, as a requirement of full certification of corporate tax, the Company's financial statements have been subject to tax audit in quarterly periods by Kuzey Bağımsız Denetim ve Serbest Muhasebeci Mali Musavirlik A.S. The BRSA Liability Compliance Audit, which started as of the end of 2021, was completed in 2022, and MASAK Liability Compliance Audit and Ministry of Industry Audit were also carried out in 2022.

Legal transactions and actions performed with the parent company, or an affiliate of parent company, in favor of the parent company or any affiliate thereof under direction of parent company; and all other measures taken or avoided to be taken in favor of the parent company or any affiliate thereof in the past activity year; and according to the conditions and circumstances known by them as of the time the legal transaction is performed or the measure is taken or is avoided to be taken, whether an appropriate counter-obligation is provided in each legal transaction or not, and whether the measure taken or avoided to be taken has caused damages to the company or not, and if the company has incurred damages, whether such damages are offset and balanced or not:

There exists no legal transactions and actions performed with the parent company of the Company, or an affiliate of parent company, in favor of the parent company or any affiliate thereof under direction of parent company; and no measures taken or avoided to be taken in favor of the parent company or any affiliate thereof in the past activity year.

"Conclusion" section of the Affiliation Report:

During 2022 activity year, within the frame of the relevant provisions of the Turkish Commercial Code, our Company is affiliated to the group of companies of T. İş Bankası A.Ş. Pursuant to article 199 of the Turkish Commercial Code, our Company's Board of Directors has incorporated the following statement in its affiliation report issued about its relations with its parent company and with affiliates of its parent company:

"With respect to all transactions performed by the Company and its parent company and the affiliates thereof during the activity year of 01.01.2022 - 31.12.2022, to the best of its knowledge, all legal transactions and actions performed in favor of the parent company or any affiliate thereof under direction of parent company, and all measures taken or avoided to be taken in favor of the parent company or any affiliate thereof in 2022 activity year have been considered and evaluated. We hereby declare that our Company has not incurred damages due to a transaction conducted in 2022 within the knowledge of the Company."

CHANGES WITHIN THE REPORTING PERIOD

Increase in the Share Capital

None.

Annual General Assembly Held within the Period

The Company's 2021 Annual General Assembly has been held at the address of İş Kuleleri, 34330, İş Bankası Oditoryum Binası, 4. Levent - İstanbul on 25 March 2022. Ordinary General Assembly Meeting of 2021 was held with the presence of the shareholders representing 600,000,000 Group A and 43,026,179,316 Group B shares from 69,530,264,500 shares corresponding to the Company's total equity of TL 695,302,645. In the meeting, the motions filed by the shareholders with respect to the agenda topics have been approved in unanimity.

Profit Distribution

Based on the Board of Directors decision no. 2945 dated 14 February 2022, it has been decided that, according to the Profit Distribution Table submitted to, and approved by, the General Assembly of Shareholders, that TL 310,063 thousand, which is the net distributable profit for the period which is calculated as TL 207,289 thousand that is the net profit for the period arising according to the CMB legislation and TL 10,364 thousand first legal reserves set aside as first legal reserves and calculated according to the TL 299,699 thousand profit that descends in the Company's legal records, be retained and set aside as extraordinary reserves. It has also been decided that deferred tax income in the amount of TL 40,416 thousand included in the net profit for the period according to the Company's legal records, which were retained, and be transferred to extraordinary reserves.

Changes in Articles of Association

None.

COMPANY RISK POLICIES

Credit Risk

Overall Principles Regarding the Credit Risk Management Process:

- 1. The procedures and standards regarding transactions causing credit risk are set down in writing and announced to all employees concerned. As a general principle, the procedures and standards are reviewed at least annually and updated when
- 2. Transactions causing credit risk with counterparty exposure must be conducted so as not create a concentration and be characterized as "well-diversified" by considering the level of risk. For this purpose, credit risk is monitored by criteria such as counterparty, collateral, sector, maturity and currency.
- 3. The credit worthiness of the counterparty is assessed by concrete data. For this purpose, a rating and/or grading system has been established and is used as a decision-supporting tool. A satisfactory performance of the counterparty with regard to liabilities is not based on the liquidity of collateral as a principle.
- 4. In transactions causing credit risk, the standards for acquiring collateral from the counterparty is determined in writing. The types of collateral to be obtained must be in conformity with regulations, conducted activities, market conditions and the essence of this policy.
- 5. Signs of complications observed in all variables that might hinder the counterparty in the fulfillment of its liabilities and which are both systemic and unique to the debtor, are evaluated as early warning signals.
- To fulfill this purpose, credit risk is monitored closely by the Board of Directors. Problematic assets should be transformed into normal assets in a short period of time by judgment of efficiency. The economic value of the asset in question must be more than the resource to be allocated for this purpose.

Market Risk

Overall Principles Regarding the Market Risk Management Process:

- . Transactions performed in money and capital markets must be conducted so as not to cause a concentration of parameters such as instrument, maturity, currency, type of interest accrual and be characterized as "well-diversified" by considering the level of risk. As part of diversification, parameters such as maturity, monetary unit, etc. Are monitored to avoid concentration.
- 2. Monitoring of the credit worthiness of issuers of financial instruments causing market risk is given particular importance. In this context, the issuer should hold an "investment grade" level rating from a credit risk rating organization or must be at the "healthy" category in internal ratings.

Liquidity Risk

Overall Principles Regarding the Liquidity Risk Management Process:

- 1. The primary priority is the compliance of the firm's liquidity risk to the limits set down in legislation and conformance of this risk with the basic strategies of the firm.
- 2. In order to maintain efficiency and sustainability in liquidity management, a range of available funds, markets, instruments and maturities must be utilized for maximum diversification.
- 3. In managing liquidity risk, a portfolio structure is formed to derive profit from and comply with market risk management functions, and a risk-return balance is consistently monitored without compromising liquidity requirements.
- 4. The firm prepares and applies an Emergency State Action and Funding Plan for extraordinary periods.

Operational Risk

Overall Principles Regarding the Operational Risk Management Process::

- 1. Within the firm, there is a business continuity plan approved by the Board of Directors that displays the continuity of activities in the event of extraordinary conditions, minimizing monetary and reputational loss, clearly defining the duties and responsibilities of employees in such situations, the priority of activities and the manner in which these activities will be carried out. The functionality of the plan is reviewed regularly and results are reported to the Board of Directors. Required actions are taken with respect to non-functional issues.
- 2. The firm must reserve and back up important documents and information apart from the regular field of activity in a safe
- 3. Operational risks must be assessed in terms of the probability of occurrence as well as the level of the effect in the event of occurrence, and necessary measures must be taken.
- 4. The firm systematically monitors and reports core operational risk indicators and loss data and implements the necessary measures.

PROFIT DISTRIBUTION POLICY

Principles as to profit distribution of our Company are set down in Article 26 of the Articles of Association.

Distribution of profit in our Company is decided by the General Assembly of Shareholders in line with proposals of the Board of Directors by considering the provisions of the Turkish Commercial Code, the Capital Markets Law and other laws and regulations applicable on our Company.

As profit distribution policy, it is contemplated that at least 30% of the distributable profit will be distributed in the form of cash dividends and/or dematerialized shares, providing that there exists no setback in the global and national economic conditions, and the Company's financial standing and capital adequacy ratios are at the specified levels.

Cash dividend payments are effected by no later than the end of second month following the date of meeting of the General Assembly of Shareholders where the profit distribution decision is taken. Profit share distribution in the form of bonus shares is effected upon receipt of legal permissions and licenses.

Our capital does not contain any share privileged in terms of profit shares.

No founder's jouissance shares are issued, and no profit share is paid to our Directors and employees.

The Company may distribute profit share advances to its shareholders within the frame of provisions of relevant article of the Capital Markets Law. The provisions of the relevant legislation are complied with in calculation and distribution of profit share advances.

COMPANY INFORMATION POLICY

General Framework of the Disclosure Policy

Our company provides all relevant financial information as well as other explanations and disclosures in line with the provisions of Law no. 6361 on Financial Leasing, Factoring And Financing Companies regulations pursuant to this law, the Capital Market Board legislation, the Turkish Commercial Code and the regulations governing the Exchange Istanbul where our stocks are traded. Bearing in mind generally accepted accounting principles as well as corporate governance principles, we pursue a comprehensive policy to provide information to the public at large.

The underlying goal of the disclosure policy is to ensure that shareholders, investors, employees, clients, creditors and other interested parties are provided access to the necessary information and explanations – with the exception of those related to trade secrets –in a timely, accurate, complete and comprehensive fashion, under equal conditions and as easily and inexpensively as possible.

Our company has actively adopted corporate governance principles, and in the context of informing the public, it exerts utmost effort to implement the requirements of the applicable legislation and international best practices. The is Finansal Kiralama A.Ş. Disclosure Policy, which has been prepared with this aim in mind, has been put into effect upon approval by the Board of Directors. Modifications to the Disclosure Policy are disclosed to the public after approval by the Board of Directors. A current version of our Disclosure Policy is provided at our website.

Authorization and Responsibility

The Board of Directors is responsible for the supervision, monitoring and development of company's information policy. A Corporate Governance Committee consisting of three board members has been formed to monitor our company's compliance with corporate governance principles and provide suggestions to the Board while the Investor Relations Unit has been mandated to coordinate the information function.

The Investor Relations Unit

Our company has formed an Investor Relations Unit with the aim of establishing relations with our shareholders in a regulated fashion and efficiently responding to investor requests. The operations of the unit are been regularly reported to the Board of Directors and the Corporate Governance Committee.

Means and Methods in Disclosing Information to the Public

The methods and means used in informing the public within the framework of the Financial Leasing Legislation, the Capital Market Legislation, the Turkish Commercial Code and other concerned legislations are described below:

- · Financial statements are prepared quarterly on a consolidated basis in accordance with International Accounting Standards and Türkiye Accounting Standards as required by the Capital Market Board (CMB) including related footnotes and explanations as well as the independent audit report. These are sent to the Public Disclosure Platform (PDP) within legal time limits and are published on our company's website. Financial statements are also translated into English and published on the website.
- Financial statements prepared according to International Accounting Standards are also sent quarterly to the Association of Financial Institutions (FKB).
- · Unconsolidated financial statements prepared according to International Accounting Standards and related information are also sent quarterly to Banking Regulation and Supervision Agency (BRSA), which are published as aggregated (Total Industry) on the BRSA website.
- Information on special circumstances required in the Capital Market Board (CMB) legislation is sent to the Public Disclosure Platform (PDP) within the required time limits. As a company policy, the disclosures of special circumstances are signed by the Assistant General Manager responsible from finance and the Accounting Manager; however should these be not in the office, they are being signed by responsibles to be determined by the General Manager and submitted to the PDP.

COMPANY INFORMATION POLICY

Disclosures of special circumstances are submitted to electronically reported under PDP system. Within 1 business day after the information is disclosed to the public, disclosures of special circumstances are published on our website and are accessible for further 5 years.

- Appropriate announcements are sent to the Commercial Registry Gazette and to daily newspapers in the event of changes to the articles of association, of meetings of the General Assembly, or capital increases.
- &nsbp; Our regular general assembly meetings are held within legal time frames every year and all activities performed to ensure the participation of shareholders to the general assembly are documented. The information regarding general assembly meetings is provided under our website www.isleasing.com.tr, to facilitate direct access of all shareholders. Starting from the date of invitation for general assembly, the annual report, financial statements and notes, profit distribution proposal, information memorandum prepared on relevant items of agenda of the general assembly, other relevant documents regarding agenda items, current articles of association, proposal on amendments of articles of association with explanation are provided for the scrutiny of our shareholders at our headquarters.
- Quarterly Operations Reports are prepared in accordance with Capital Market Board (CMB) legislation and corporate
 governance principles and upon approval of Board of Directors, submitted to PDP and published at our website. Company
 Annual Report, prepared every year prior to the General Assembly in both Turkish and English in a manner to include any
 relevant information and explanations is made available to shareholders and published on our website at www.isleasing.
 com.tr.
- It is not planned to hold regular discussions and meetings with the press. When it appears necessary or in order to respond to requests from members of the press, certain announcements are made in the written and visual media. Announcements to written and visual media and data distribution institutions may be made by the Chairman of the Board of Directors, the General Manager or his deputy and other persons designated by those authorities.
- In the Communiqué on Material Events Subject to Disclosure, the future-oriented assessments are defined as "assessments which contain future plans and predictions considered as insider information, or which give an idea to investors about the issuer's future activities, and financial situation and performance". Where the future-oriented assessments are intended to be made public through press and media or other means of communication, the same information is further announced through PDP (Public Disclosure Platform) concurrently. In the case of a material change in the future-oriented assessments already made public, the public is separately informed thereabout. Future-oriented prospects are made public with a prior written approval of the General Manager or the Deputy General Manager authorized by the Board of Directors of our Company.
- All meeting requests from shareholders are positively responded to and meetings are organized within the shortest possible time frame. From time to time teleconferences are organized by the Investor Relations Unit to provide information to shareholders and stakeholders. Such information is posted in Turkish and English on our website www. isleasing.com.tr to timely provide them to all market participants under equal conditions.
- In order to convey the company's sectoral performance, financial results, vision, strategies and targets to shareholders in a most efficient manner, the Investor Relations Unit accepts meeting requests from shareholders, investment houses, analysts and investors, actively arranges meetings and road-shows with interested parties and visits investors both in Türkiye and abroad. Furthermore, to achieve effective publicity of our Company, The Investor Relations Unit prepares presentations and reports which are posted in Turkish and English on our website www.isleasing.com.tr to timely provide them to all market participants under equal conditions.

• Upon request of our shareholders, creditors, rating agencies and organizations doing research on our company, financial statements and related information are sent by the Investor Relations Unit via e-mail. Within the framework of corporate governance principles, in the section "Special to the Investor" which is posted both in Turkish and in English on our website www.isleasing.com.tr, detailed information and data are given on our company. Every question from shareholders and other parties is answered by way of e-mails, letters, or telephone and similar means through the coordination of the Investor Relations Unit.

Other Disclosures

Disclosures other than those mentioned above are made available to the public in line with the authorizations specified in the list of authorized signatories.

Corporate Website of İş Finansal Kiralama A.Ş.

MANAGEMENT

Our Company's website is used actively and frequently to inform the public. Prepared in both Turkish and English, the website contains the information and data determined by the regulatory authorities and required by the principles of corporate governance. The site contains announcements on upcoming General Assembly meetings, agenda items and related information, documents and reports and procedures for participating in the General Assembly meeting. In addition, the company's disclosure policy and ethical standards are also featured on the website. The web site is monitored and kept up to date by the Investor Relations Unit.

Monitoring News and Rumors About the Company

In order to follow-up the news and rumors about our company appearing on press-publication organs or web sites, the services of a company specialized in media monitoring services are being utilized. All news appearing about our company is sent by the service provider to our company on a daily basis.

In the event that news or rumors appear on written and visual media which are of significance to affect stakeholders investment decisions or the value of capital market instruments, are not originated by representative authorized persons of the Company, have a different content than the information previously made public through disclosure documents; an immediate disclosure is made to the public as to the validity and completeness of such information. In the event the information necessitates declaration of special circumstances, then the disclosure is made in the form of disclosure of special circumstances.

Deferring Disclosure of Internal Information

Bearing the responsibility, our company may defer the disclosure of internal information in order to prevent damage to its legal rights and interests. No disclosure is made to the public regarding the internal information during the deferment period. Our company is responsible to take all kinds of measures to prevent the deferral from forming a risk of deceiving the public and the information is kept confidential during the deferment period.

Measures to ensure the confidentiality of information are subject to Board of Directors approval. By the time the reasons for deferral are eliminated, an announcement is made to public and immediately to PDP; containing the internal information, the decision to defer and the reasons for deferral.

COMPANY INFORMATION POLICY

Criteria in Determining Persons with Administrative Responsibility

When determining the persons who have administrative responsibility, the duties of such individuals within the company and the content of information accessed by such persons are taken as criteria. Accordingly, managers and other employees having information on only a part of the operations of the company and who have limited access to information about all activities are not evaluated in the context of the persons having access to inside information.

In this context, Board Members and Auditors, the General Manager and Assistant General Manager as well as the unit managers and some company employees with access to complete information about the company such as asset-liability structure, profit and loss, cash flows, strategic objectives, etc. and authority to administrative decisions that may affect the company at a macro-level are identified as persons with administrative responsibility.

The Announcements of the Statements Regarding the Company's Indirect or Direct Legal and Commercial Relations due to Capital, Management and Audit with real and legal persons

The Company's statements regarding its indirect or direct legal and commercial relations due to capital, management and audit with real and legal persons, are done within the framework of the CMB's regulations.

Confidentiality of Information to be Disclosed to the Public

All information of the Company, encountered during the period of service which are in the nature of trade secret, and are not desired to be known by persons other than those authorized by the Company, shall be considered as "Company Information". All employees are obligated to protect company information during and after the termination of their service.

Company Ethical Rules, outlining the rules of professional ethics and the sanctions to be applied by the company in case of discordance, in accordance with existing laws and regulations, are published and announced to all staff. Necessary measures are taken to prevent the usage of insider information.

The list of persons with access to internal information is kept up-to-date within the company. Persons having access are required to keep such information confidential until it is announced to the public by a declaration of special circumstances. In order to ensure confidentiality until the declaration of special circumstances, company employees with access to internal information are informed about their responsibilities arising from relevant legislation. Independent auditors, consultants or other persons and institutions rendering services and having temporary access to internal information are contractually covered with a confidentiality clause.

GENERAL ASSESSMENT

MANAGEMENT CORPORATE GOVERNANCE PRACTICES | FINANCIAL STATEMENTS

COMPANY ETHICAL PRINCIPLES

COMPANY ETHICAL PRINCIPLES

I. GENERAL PROVISIONS:

Article 1. Purpose And Scope:

Basic purpose of the Professional Ethical Principles of the Association of Financial Institutions (the "Association"), applicable on all kinds of relations and affairs of companies, being members of the Association, with each other or with their customers, shareholders or employees, or with other entities and institutions, is to maintain the continuity of professional reputation, and to protect stability, trust and confidence in the relevant sectors with regard to fields of business of financial leasing, factoring and finance companies.

İş Finansal Kiralama A.Ş. Ethical Principles ("Ethical Principles") determines and sets down the rules and principles required to be complied with in all kinds of relations and affairs of İş Finansal Kiralama A.Ş. (the "Company") with the Association members, and with its customers, shareholders and employees ("Employees"), and with other entities and institutions, and forms a basis for sanctions to be imposed by the Company in the case of breach of these principles.

Ethical Principles will be published in the Company's corporate internet site (www.isleasing.com.tr) and the Company's internal publications. It is the responsibility of Managers of the Company to communicate these Ethical Principles to all Employees, and to ensure that the Employees place the required importance on these rules, and to endeavor and show leadership for compliance with these rules. The Board of Directors, Senior Management, Managers and Employees are all liable to comply with these principles.

Article 2. Grounds:

These Ethical Principles are relied upon the "Financial Leasing, Factoring and Finance Companies Professional Ethical Principles" published and made effective by the Association of Financial Institutions (the "Association") on 18 March 2015, and the provisions of "Corporate Governance Communiqué" published by the Capital Markets Board.

Article 3. General Principles:

For the sake of trust and stability in financial markets, and for effective operation of crediting systems by also taking into consideration the requirements of economic development, and for prevention of practices and actions which may cause substantial damages in economy, and with a view to safeguarding the social interests and for protection of environment, the Company and the Employees perform their duties and functions and take actions in tandem with the following general principles.

a) Honesty:

In performing its activities, and in all its relations with its customers, Employees, shareholders, group companies, and with Association members, vendors, and other entities and institutions, the Company adheres to and acts in line with the principle of honesty.

b) Neutrality:

The Company does not discriminate between its Employees and customers, and refrains from acting in a biased and prejudiced way.

In providing its services to its Customers, the Company does not make any discrimination on the basis of such differences as national or ethnic origin, religion, financial and social status, or gender.

COMPANY ETHICAL PRINCIPLES

c) Reliability:

In all of its services and actions, the Company gives clear, understandable and true information to its customers and offers its customer services completely and timely, within a mutual trust atmosphere.

d) Transparency:

The Company keeps its customers informed clearly, understandably and explicitly about such issues as rights and obligations, benefits and risks of products and services provided to the customers.

e) Safeguarding the Social Interests, and Respect for Environment

In all its activities and operations, in addition to profitability, the Company makes a point of giving support to social and cultural activities in the light of the principles of safeguarding the social interests and of respect for environment.

f) Prevention of Laundering of Crime Revenues:

Within the framework of international norms and national applicable laws, the Company adopts it as an important principle to fight against laundering of crime revenues and against corruptions and similar other crimes, and does its best in order to enter into cooperation with both Association members and other entities and institutions and concerned authorities. The Company internally takes the necessary measures and organizes training programs for its Employees in connection therewith.

g) Insider Trading:

The Company takes all kinds of actions in order to prevent use of insider information.

II. RELATIONS OF COMPANY WITH PUBLIC ENTITIES AND ADMINISTRATIONS:

Article 4. Relations with Public Entities and Administrations:

In its relations with public entities and administrations, the Company acts in line with honesty, accountability and transparency principles, and ensures that all information, documents and records requested for audit and control purposes pursuant to the laws are provided accurately, completely and timely.

Other than issues which are solely concerned with the Company itself, the Company will inform the Association before taking comments and opinions of public entities and administrations on issues which may ultimately be binding on the Financial Leasing Sector.

III. RELATIONS WITH MEMBERS OF THE ASSOCIATION:

Article 5. Exchange of Information:

To the extent allowed by the applicable laws and regulations, the Company exchanges information with members of the Association accurately and systematically on all and any subjects whatsoever.

Article 6. Personnel Movements:

The Company refrains from all kinds of acts which may lead to unfair competition about employment of personnel.

In spite of freedom of contract and movement in terms of employment of personnel pursuant to the Labor Act and other relevant applicable laws and regulations, the Company takes care to ensure that its personnel recruitments do not interrupt services of other companies. The Company acts honestly and objectively in providing information that may be requested by other companies about its ex-employees.

Article 7. Competition:

The Company considers and treats competition as a legitimate contest among all companies operating in financial leasing, factoring and finance sector enabling the market actors to take their economic decisions freely. Therefore, in its activities carried out within free market economy, the Company avoids all kinds of acts, behaviors and statements which may lead to unfair competition, within the frame of principles of not only safeguarding its own interests, but also:

- a) ensuring continuity of trust in financial leasing, factoring and finance companies in general; and
- b) endeavoring for further development of the sector; and
- c) safeguarding joint interests of market players.

This principle is both valid for the Company as a separate legal personality, and covers the acts, behaviors and statements of Managers and Employees of the Company as well.

Article 8. Advertisements and Promotions:

In its advertisements and promotions aimed at promotion and marketing of both its own financial products and the products and services of members of the Association, the Company complies with the laws and general ethical rules, and acts honestly and realistically, and refrains from all kinds of acts or behaviors which may damage the prestige and reputation of its sector, and may misrepresent its sector.

In its advertisements and promotions, the Company does not use any words or phrases defaming or humiliating other Association members or products and services of other Association members.

IV. RELATIONS OF COMPANY WITH ITS CUSTOMERS:

Article 9. Information of Customers:

With respect to all kinds of products and services offered to its customers, the Company gives true, accurate and complete information to its customers in a timely manner at all stages of service relations and in all aspects, by strictly complying with the limitations set forth in the applicable laws.

Article 10. Customer Secrets:

The Company is under obligation to keep in strict confidence all kinds of information and documents of customers and not to divulge them to third parties, other than persons and entities who are clearly and legally authorized to request information and documents.

Article 11. Service Quality:

The Company considers service quality as a condition precedent of meeting the customer needs and expectations through top quality services to be provided. The Company makes sure that two basic elements of this concept, i.e. technological infrastructure and qualified human resources, are used for continuous development in service quality.

The Company provides services of the same quality and same level to all customers. However, identification of target markets, and differentiation of organizational structure and product range or mix according to the target masses, or adoption of different approaches towards customers in different risk groups cannot be construed as a discrimination among customers or as categorization of customers.

Article 12. Customer Complaints:

The Company establishes a system capable of responding to all kinds of questions of its customers with respect to its services, and keeps its customers informed about the services.

COMPANY ETHICAL PRINCIPLES

The Company delves into causes of customer complaints, and takes actions required for non-repetition of just complaints. The Company informs its Employees for correction of mistakes leading to complaints and for prevention of repetition thereof.

Article 13. Security:

The Company takes all kinds of technical and legal actions for the sake of transactional security in all and any service environments due to changing service channels and technological developments. The Company informs its customers about actions taken by itself and actions required to be taken by the customers.

V. RELATIONS WITH EMPLOYEES:

The Company adopts a strategy respectful for rights and interests of its Employees and applying contemporary human resources policies. The Company accepts and treats collaboration and solidarity as important elements of work environment; encourages mutual respect; assures continuity of peace at work; creates appropriate environments where the Employees may express themselves and uses such environments for development of the Company and its Employees; and supports social events and activities of the Employees based on voluntary participation.

Article 14. General Qualifications of Employees:

The Company makes sure that its Employees have the knowledge and the sense of responsibility necessitated by their job positions and duties.

Article 15. Recruitment and Career Development:

The Company provides equal opportunities both in recruitment and in career development without any discrimination among its Employees. Departing from the principle of best management of human resources, the Company provides training courses, seminars and similar other facilities needed by its Employees to reach the knowledge level according to the necessities of the time and the profession.

In professional promotion of its Employees, the Company takes into account not only their knowledge, skills and personal successes, but also their loyalty to Ethical Principles and their care shown in implementation of principles.

Article 16. Representation Principles and Work Environment:

The Company issues internal regulations requiring its Employees to be clean and well-groomed in line with reputation of profession and knowing that they represent the Company.

The Company takes actions in order to increase motivation of its Employees in all service units and for the sake of provision of service under better conditions, and creates a healthy and safe work environment.

The Company takes required actions in order to prevent all kinds of harassment, especially mobbing, and holds an investigation in the case of allegations thereof. If a mobbing act is detected as a result of investigation, it takes the required actions and applies the sanctions required as per the pertinent laws.

Article 17. Working Hours:

The Company ensures that adequate personnel of a number fit for the workload are recruited and employed. It organizes its Employees in such manner to use them with maximum efficiency within working hours, and shows maximum efforts to ensure that overtime work is not needed, and the Employees regularly use their annual leaves.

Article 18. Rights Of Employees:

The Company assures that all rights of the Employees arising out of the applicable laws and regulations are recognized and granted fully, accurately and timely.

MANAGEMENT

The Company issues internal regulations precluding its Employees from:

- a) entering into non-ethical relations with customers such as debt/credit and surety relations; and
- b) getting gifts from existing or potential customers: and
- c) deriving personal benefits from their own business relations or from opportunities of customers by using their personal positions.

VI. PROFESSIONAL RULES AND ETHICAL PRINCIPLES TO BE ABIDED BY COMPANY EMPLOYEES:

Article 20. Professional Rules and Ethical Principles to be Abided by Employees:

The Employees are obliged:

- a) to comply with the current applicable laws and regulations in the course of performance of their job duties; and
- b) to keep their customers informed about benefits and risks of products and services offered to them; and
- c) to provide unbiased and fair services to customers receiving the same services; and
- d) not to disclose any secrets of the Company and its customers, which come to their knowledge in the course of performance of their job duties, to third parties other than the authorities legally and clearly authorized to request them;
- e) not to cause any loss of reputation of the Company in their works and behaviors; and
- f) not to engage in activities which may lead to their identification as a "Commercial Enterprise" or as an "Artisan or Tradesman"; and
- g) not to act contrary to justice, integrity, honesty, reliability and social responsibility principles; and
- h) to enter into cooperation and to establish respectful and attentive communication with other employees in tandem with joint purposes and motives in performing their job duties and obligations; and
- i) not to use the assets and resources of the Company inefficiently and for non-intended purposes; and
- j) not to derive personal benefits from their own business relations or from opportunities of customers by using their personal positions; and
- k) to immediately refuse offers made to them for provision of benefits, and to report such offers to official authorities and their superiors; and
- l) to direct potential customers first of all to the Company; and
- m) not to enter into non-ethical relations with customers such as debt/credit and surety relations; and
- n) not to accept gifts from existing or potential customers other than common usage and practices; and
- o) to assume responsibility and accountability with respect to their duties in the course of performance of services; and
- p) not to ruin the reputation of the Company and other financial institutions and not to engage in defamatory or humiliating acts towards business partners, shareholders, employees and customers by using their own identity or by concealing their identity or by using misleading identities in media and social media environments, profile accounts or other communications; and

COMPANY ETHICAL PRINCIPLES

q) not to take acts binding on the Company, and not to give deceptive and untrue statements by overriding their authority in performance of their job duties.

Article 21. Development of Ethical Principles of Companies:

The Company may at any time and in its sole option make proposals to the Board of Directors of the Association for development and if required, for amendment and revision of the Ethical Principles.

VII. RELATIONS OF COMPANY WITH THE ASSOCIATION:

Article 22. Relations with the Association:

In its relations with the Association, the Company acts in line with honesty and transparency principles, and ensures that all requested information, documents and records are transmitted accurately, completely and timely.

The Company will not make public:

- a) information about other members of the Association; and
- b) correspondences exchanged by the Association with public entities and administrations; and
- c) agreements signed by the Association with its service providers, advisors and consultants; and
- d) any kind of confidential information and documents sent and provided by the Association.

VIII. RELATIONS OF COMPANY WITH ITS SHAREHOLDERS:

Article 23. Relations with Shareholders:

The Company protects the rights and interests of shareholders as outlined and determined by the applicable laws, and shows maximum efforts to create value against resources provided by shareholders. The Company makes sure that the required information is disclosed to shareholders and to public accurately, completely and timely. The resources, assets and working time of the Company are managed efficiently on the basis of sustainable growth and profitability.

IX. OTHER PROVISIONS:

Article 24. Compliance with Laws and Legal Actions:

The Company complies with all laws and regulations within the fields of business of the Company, and all policies and working principles published by the Board of Directors of the Company. The Company establishes the systems required for keeping of all operational and legal records completely and in accordance with the laws, and keeps all records, and issues all reports. The Company ensures that agreements signed with other persons and entities are open, clear and understandable and compliant with laws and the Ethical Principles. Other than those authorized in accordance with the principles and limits set forth in the signature circular or the relevant special authorization certificate, the Company takes actions to prevent any Employee from entering into engagement binding on the Company.

Article 25. Public Disclosure:

The Company publishes all public disclosures, statements or bulletins through its legal representatives in compliance with the laws. The Company ensures that disclosures that are newsworthy or for promotion purposes are made by the Company representatives designated in accordance with the information policy of the Company. Information requests of third parties, which are by nature in confidential category for the Company, are responded within the knowledge of the Top Management.

Article 26. Confidentiality:

The Company and its Employees know that all financial and trade secrets of the Company, and all information which, if disclosed, may weaken the competitive power of the Company, and personnel rights and information, and agreements signed with business partners are "confidential" by nature, and they protect and keep them in strict confidence. Information and documents obtained as a requirement of business may in no case and for no purpose whatsoever be shared with unauthorized persons or entities inside or outside the Company, and be used for speculative purposes or personal interests.

Article 27. Detection of Breaches, and Sanction:

Transactions or acts alleged to be contrary to the Association's Ethical Principles and Professional Rules and Decisions are first of all evaluated in the relevant sector committees, and then presented to the decision of the Board of Directors of the Association. If the Board of Directors of the Association decides that a company has breached these Ethical Principles, then it may inflict an administrative fine pursuant to article 42.3 of the Law no. 6361, and it is separately reported to the Banking Regulation and Supervision Authority.

Article 28. Effective Date:

These Ethical Principles have entered into force as of 30.06.2015.

CORPORATE GOVERNANCE PRINCIPLES DECLARATION

İstanbul. 17.02.2023

To Board of Directors of İş Finansal Kiralama A.Ş.

CORPORATE GOVERNANCE PRINCIPLES DECLARATION

Pursuant to the "Corporate Governance Communiqué" no. II-17.1 of the Capital Markets Board of Türkiye (CMB), which went into force upon its publication in the Official Gazette issue 28871 dated 03 January 2014, it has been deemed appropriate for companies traded on Borsa İstanbul (BİST) to incorporate their declaration of compliance with Corporate Governance Principles and their compliance reports in their annual reports and to post the same on their websites. Under the Capital Market legislation, our Company's corporate governance principles reports for each year have been published on our corporate website (www.isleasing.com.tr) and in our respective annual reports since 2005.

Our Company sees great benefit in enforcing and implementing the corporate governance principles across our Company both with respect to the development of national and international capital markets, and with respect to our Company's interests. Implementation of corporate governance principles at our Company is a continuous and dynamic process, and hence, corporate governance notion is maintained with an expanding scope.

Under this context, being listed under the corporate governance index of Borsa İstanbul, as a result of the rating process performed by Saha Kurumsal Yönetim ve Kredi Derecelendirme A.Ş. in 2022, considering the emphasis on corporate governance rules, the willingness to perform this process consistently and dynamically and the improvement realized in the process since the previous rating score, corporate governance rating score of our company has been rated as 9.29 (92.91) and the rating report has been announced to public. This rating report has also been shared with the public under our company website (www.isleasing.com.tr), concerning to increase this corporate governance rating score, the protection of rights of shareholders, informing the public and maintaining transparency, Sustainability Strategy and the adjustment to the said rules in decisions and transactions concerning stakeholders and Board of Directors are aimed and in this context, effort for corporate governance compliance is maintained under the supervision of our committee.

It is targeted to achieve maximum compliance with these principles in the protection of our shareholders' rights, public disclosures, ensuring transparency, and decisions and transactions concerning stakeholders and the Board of Directors.

To this end, activities for ensuring compliance with corporate governance principles are carried on under the supervision of our Committee. Within this framework, Corporate Governance Principles Compliance Report and Corporate Governance Information Form for 2022 fiscal year, which incorporates the aspects of those principles that can and cannot be implemented, has been prepared in line with our Company's priorities in this respect, and attached hereto.

We have reviewed the Corporate Governance Principles Compliance Report and Corporate Governance Information Form, which has been prepared in accordance with the Corporate Governance Principles and the Company's Corporate governance practices and which will be included in the Company's annual report. As a result of our assessment, the said Report has been deemed in conformity with our declaration above, and presented for your information.

Sincerely,

İş Finansal Kiralama A.Ş.

Corporate Governance Committee

Neslihan ORUÇ Member Serdar YÜCEL Member

M. Coşkun CANGÖZ Member Selim YAZICI Chairman

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

PART I – STATEMENT OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

İş Finansal Kiralama Anonim Şirketi (the Company or İş Leasing) is governed by the Corporate Governance Principles set forth in the Capital Markets legislation, and this statement describes the Company's responsibilities and the degree of compliance within the frame of the Capital Markets Board of Türkiye (CMB) Corporate Governance Communiqué.

İş Leasing addresses its rights and responsibilities primarily towards its shareholders and its employees, customers and other relevant parties within the frame of efficient governance and oversight based on the principles of accountability, equality, transparency and responsibility that make up the universal elements of the corporate governance concept. The Company pursues its operations in compliance with all the compulsory articles of Corporate Governance Principles, putting all necessary policies and measures into practice.

As per the Capital Market Board's decision 2/49 dated 10 January 2019, Corporate Governance Compliance Report numbered II-17.1 will be done on KAP platform using Corporate Compliance Report (URF) and Corporate Governance Information Form (KYBF) templates. Related reports may be found at www.kap.org.tr/tr/sirket-bilgileri/ozet/988-is-finansalkiralama-a-s

Information explaining reporting through templates is presented below.

Further details regarding the level of compliance with the Corporate Governance Principles are presented in the relevant sections of this report.

PART II - SHAREHOLDERS

1. Investor Relations Unit

There is an Investor Relations Department at the Company, which is responsible for maintaining relationships with shareholders.

Name and Surname	Position	Telephone Number	E-Mail Address
Neslihan Oruç	Assistant General Manager	+90 212 350 74 70	neslihanoruc@isleasing.com.tr
Mustafa Çilli	Financial Management Manager	+90 212 350 74 73	mustafacilli@isleasing.com.tr
Firuze Kutlu	Supervisor	+90 212 350 74 72	firuzekutlu@isleasing.com.tr

The Investor Relations Department reports directly to Mr. U. Şafak Öğün, General Manager. Ms. Neslihan Oruç holds Capital Market Activities Advanced Level License and Corporate Governance Rating Expertise License.

The activities of the Investor Relations Department are regularly reported to the Board of Directors and the Corporate Governance Committee. The Investor Relations Department basically carries out the following duties:

- Ensure that the records in relation to shareholders are kept in a healthy, secure and up-to-date manner,
- · Respond to shareholders' written inquiries about the Company, save for those that are not publicly disclosed, are confidential and/or trade secrets,
- Ensure that General Assembly Meetings are convened in accordance with the applicable legislation, the Company's Articles of Association and other internal regulations; prepare the documents that may be useful to shareholders; ensure that the records of voting results are kept and reports covering the results are sent to shareholders,
- · Oversee and monitor any and all matters related to public disclosure under the legislation and the Company's Information Policy,
- · Prepare informative reports for investors; organize presentations and meetings as and when necessary.

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

The Investor Relations Department responded to 33 verbal and 31 written inquiry received from the shareholders during the reporting period, and records on shareholders were kept up-to-date.

2. Exercise of Shareholders' Right to Information

All inquiries of shareholders, save for trade secrets or undisclosed information, are being satisfied by the Investor Relations Department within the frame of applicable legislation. The inquiries are first addressed by someone no lower than a Department Manager in the hierarchy, and are responded to in the fastest and the most efficient manner.

All explanations in relation to capital increases, profit distribution, General Assembly meetings, and other matters frequently required under the public disclosure regulations and any information concerning the occurrences with a potential impact on the exercise of shareholders' rights are made public on the Company website, and individual inquiries are fulfilled by the Investor Relations Department.

Pursuant to legislation, minority shareholders are entitled to request appointment of a special auditor from the General Assembly of Shareholders for inspecting some specific events. The Company's shareholders did not request appointment of a special auditor from the General Assembly during 2022. Nevertheless, the request for appointment of a special auditor has not been set forth as an individual right in the Company's Articles of Association.

3. General Assembly Meetings

The arrangements related to the Company's General Assembly meetings are covered in the "Articles of Association" and "General Assembly Guidelines", which are also posted on the Company website.

During the reporting period, one General Assembly meeting was held, which was the 2021 Ordinary General Assembly Meeting. The said meeting was held both physically and electronically on 25 March 2022. The procedures prior to the General Assembly were handled in accordance with the Corporate Governance Principles, and the decisions concerning the General Assembly have been shared with the public within due time. 2021 Ordinary General Assembly Meeting was convened with a quorum of 62,74% and was not attended by any stakeholders other than shareholders, or by media members.

Since the Company's Articles of Association do not contain a provision setting out the participation of media members and stakeholders other than shareholders in the General Assembly meetings, media members and stakeholders other than shareholders are not admitted to General Assembly meetings.

The announcements for the meeting including the meeting place, date, time, agenda and sample proxy form were made in due time by being placed in the Trade Registry Gazette and Dünya daily, as well as on the Public Disclosure Platform (in Turkish: KAP) and the Company website; the same were also sent by certified mail to shareholders who are recorded in the share ledger within the same period of time. Before the meeting, the annual report, financial statements and reports, profit distribution proposal, informative document on the General Assembly meeting agenda items, other documents forming the basis of agenda items, and the latest version of the Articles of Association have been made available at the Company headquarters and on the Company website for examination by shareholders.

Shareholders were given the opportunity to ask questions and make suggestions at every stage of the meeting. Shareholders exercised their right to ask questions during the meeting, which were responded to forthwith, and this has been covered in the meeting minutes. No agenda item suggestions were received during the General Assembly meeting. General Assembly meeting minutes have been delivered to shareholders upon conclusion of the meeting and were also posted on the Public Disclosure Platform and the Company website.

During the General Assembly meeting held in 2022, information was provided on the donations and aids made during the reporting period under a dedicated agenda item.

4. Voting Rights and Minority Rights

Pursuant to the Articles of Association, each share entitles its holder to one vote. Although the shares making up the Company's capital do not entail any voting privilege, holders of Class A shares have the privilege to nominate the members of the Board of Directors and to have their consent sought for modifications to be made to the Articles of Association.

There are no cross-shareholding relationships with any company.

There are no members on the Board of Directors, who have been elected with minority votes. The Articles of Association grant no minority rights to those who hold less than one twentieth of the capital.

5. Dividend Right and Profit Distribution Policy

No shares entail any privileges in dividend distribution. The full text of the Company's publicly disclosed Profit Distribution Policy is available in the annual report and on the Company website.

Profit for 2021 has been distributed in accordance with the resolution passed in the Ordinary General Assembly Meeting held in 2022.

6. Share Transfer

Shares are transferred subject to the Company's Articles of Association and the provisions of applicable legislation.

PART III - PUBLIC DISCLOSURE AND TRANSPARENCY

7. Information Policy

The Company Information Policy is publicly disclosed and presented for the information of shareholders at the General Assembly Meeting, as and when it is updated. The Information Policy, in English and Turkish languages, is posted on the Company website and in the annual report.

The Investor Relations Department is responsible for executing the Information Policy.

There are no material changes in the Company's planned administration and operations for the future.

8. Company Internet Site (www.isleasing.com.tr) and its Content

Prepared in Turkish and English languages, the corporate website covers all the matters set out by Corporate Governance Principles and regulatory authorities, and care is taken to keep the website up-to-date at all times.

9. Annual Report

The Company's annual reports are developed so as to cover the information and data required by applicable legislation.

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

PART IV - STAKEHOLDERS

10. Keeping Stakeholders Informed

The Company's stakeholders are kept regularly informed through material event disclosures, General Assembly meeting minutes, annual reports, financial reports, Public Disclosure Platform and the Company website.

Employees are informed on the Company's goals and activities through performance appraisal meetings held, and all employees have access to memorandums posted on the corporate portal, which is set up to function as the internal information sharing system.

Any act subject to complaint can be communicated by the relevant stakeholder directly to the addressee, the Internal Audit Unit, the Investor Relations Department and the Company's senior management through internal platforms or the Company website; any such complaints raised are forwarded to the Corporate Governance Committee and the Audit Committee.

11. Stakeholder Participation in Management

The Company's Articles of Association do not contain any provisions setting out stakeholder participation in the Company's management. Within the frame of the provisions of the Articles of Association, shareholders are involved in decision-making regarding the Company's administration by casting votes in the General Assembly meetings.

There is a suggestion system in place whereby employees can convey their suggestions regarding the Company's operations. There is an online communication environment at iş Leasing that facilitates communication of any and all demands and complaints by the employees directly to the senior management.

12. Human Resources Policy

The Company's Human Resources Policy is outlined below:

- The Company espoused the principle of giving equal opportunities to individuals with equal qualifications in recruiting, and the recruitment criteria have been documented in writing.
- No discrimination on the basis of race, religion, language and sex is allowed among employees; respecting human rights is promoted and care is taken to safeguard employees against internal physical and emotional abuse.
- Care is taken to provide a safe working environment and working conditions at high standards, and to further improve
 them as needed.
- Objective data are taken into consideration in making decisions about training, appointment and promotion.
- Employees are informed of decisions that are of concern to them, along with developments.
- Training plans are made to support employee development, and necessary arrangements are made for participation in training programs.

The Company executives did not receive any complaints from the employees with respect to discrimination during the reporting period.

The Company's Corporate Portal, which is set up to enhance internal information sharing and to increase the effectiveness of communication with the employees, gives all employees quick access to legislation, the activities of departments, job descriptions and distribution of tasks, performance management practices, current announcements and reference sources.

Job descriptions, individual targets, performance and rewarding criteria are determined by the Company management and announced to employees.

13. Code of Ethics and Social Responsibility

The Company has embraced the Ethical Principles announced by the Association of Financial Institutions, which are posted on the Company website.

The Company takes care to make sure that the projects that it extends financing to are compliant with the relevant legislation on environmental and public health; in addition, the Company extends support to social responsibility projects that it deems appropriate.

PART IV - BOARD OF DIRECTORS

14. Structure and Formation of the Board of Directors

Members of the Board of Directors of is Leasing are presented below.

First & Last Name	Position	Executive/Non-Executive	Term of Office
N. Burak Seyrek	Chairman	Non-Executive	2 years
Necati Çağlar	Deputy Chairman	Non-Executive	2 years
Ömer Karakuş	Member	Non-Executive	2 years
Mehmet Şencan	Member	Non-Executive	2 years
U. Şafak Öğün	General Manager/Member	Executive	2 years
A. Botan Berker	Independent Member	Non-Executive	2 years
Selim Yazıcı	Independent Member	Non-Executive	2 years
M. Coşkun Cangöz	Member	Non-Executive	2 years
H. Serdar Yücel	Member	Non-Executive	2 years

The Board of Directors is made up of non-executive members, save for the General Manager.

Three independent members, who satisfy the independence criteria set out in the Corporate Governance Principles serve on the Board of Directors; no circumstances arose that would prejudice the independence of the members during the reporting period. Declarations of independence by the relevant members are quoted below:

INDEPENDENCE STATEMENT

I, the undersigned, hereby declare, state and warrant:

- That I have not served as a director to İş Finansal Kiralama A.Ş. for more than six years in total during the recent ten years;
- That no direct or indirect employment, capital or other material commercial relations have been established in the recent
 five years between the Company, or any one of the related parties of the Company, or other legal entities connected in
 management and capital terms to the shareholders directly or indirectly holding 5% or more shares in the capital of the
 Company on one hand, and me and my spouse and my blood relatives and relatives by marriage up to third degree on the
 other hand;
- That during the recent five years I have not worked in or served as a director to service providers managing the operations and organization of the Company as a whole or in part within the frame of contracts, and particularly, the firms engaged in audit, rating and consultancy services for the Company;
- That during the recent five years I have not worked as partner, employee or director in any one of the firms supplying material services and products to the Company;
- That if I hold shares due to my office in the Board of Directors, I hold less than 1% of shares, and my shares are not preferential or privileged;
- That I have the required professional training, knowledge and experience as required for performance of my duties assumed by me as an independent member of the Board of Directors; and
- That I am deemed a resident of Türkiye according to the Income Tax Law; and
- That I have strong ethical standards, professional reputation and experience which enable me to make positive contributions to operations and activities of the Company, and to protect my neutrality in conflicts of interests among the partners of the Company, and to give decisions freely in consideration of the rights of stakeholders;

therefore, I am going to perform my duties and functions as a director of the Company as an independent member of the Board of Directors.

Name & Surname: Dr. A. Botan Berker

Botan Berley

Date: 25.03.2022

Signature:

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İŞ LEASING 2022 ANNUAL REPORT

I, the undersigned, hereby declare, state and warrant:

MANAGEMENT

- That I have not served as a director to is Finansal Kiralama A.S. for more than six years in total during the recent ten years;
- That no direct or indirect employment, capital or other material commercial relations have been established in the recent five years between the Company, or any one of the related parties of the Company, or other legal entities connected in management and capital terms to the shareholders directly or indirectly holding 5% or more shares in the capital of the Company on one hand, and me and my spouse and my blood relatives and relatives by marriage up to third degree on the other hand:
- That during the recent five years I have not worked in or served as a director to service providers managing the operations and organization of the Company as a whole or in part within the frame of contracts, and particularly, the firms engaged in audit, rating and consultancy services for the Company;
- That during the recent five years I have not worked as partner, employee or director in any one of the firms supplying material services and products to the Company;
- That if I hold shares due to my office in the Board of Directors, I hold less than 1% of shares, and my shares are not preferential or privileged;
- That I have the required professional training, knowledge and experience as required for performance of my duties assumed by me as an independent member of the Board of Directors; and
- That I am deemed a resident of Türkiye according to the Income Tax Law; and
- That I have strong ethical standards, professional reputation and experience which enable me to make positive contributions to operations and activities of the Company, and to protect my neutrality in conflicts of interests among the partners of the Company, and to give decisions freely in consideration of the rights of stakeholders;

therefore, I am going to perform my duties and functions as a director of the Company as an independent member of the Board of Directors.

Name & Surname: Selim Yazıcı

Date: 25.03.2022

Signature:



INDEPENDENCE STATEMENT

I, the undersigned, hereby declare, state and warrant:

- That I have not served as a director to is Finansal Kiralama A.S. for more than six years in total during the recent ten years;
- That no direct or indirect employment, capital or other material commercial relations have been established in the
 recentfive years between the Company, or any one of the related parties of the Company, or other legal entities connected
 in management and capital terms to the shareholders directly or indirectly holding 5% or more shares in the capital of the
 Company on one hand, and me and my spouse and my blood relatives and relatives by marriage up to third degree on the
 other hand;
- That during the recent five years I have not worked in or served as a director to service providers managing the operations and organization of the Company as a whole or in part within the frame of contracts, and particularly, the firms engaged in audit, rating and consultancy services for the Company;
- That during the recent five years I have not worked as partner, employee or director in any one of the firms supplying material services and products to the Company;
- That if I hold shares due to my office in the Board of Directors, I hold less than 1% of shares, and my shares are not preferential or privileged;
- That I have the required professional training, knowledge and experience as required for performance of my duties assumed by me as an independent member of the Board of Directors; and
- That I am deemed a resident of Türkiye according to the Income Tax Law; and
- That I have strong ethical standards, professional reputation and experience which enable me to make positive contributions to operations and activities of the Company, and to protect my neutrality in conflicts of interests among the partners of the Company, and to give decisions freely in consideration of the rights of stakeholders;

therefore, I am going to perform my duties and functions as a director of the Company as an independent member of the Board of Directors.

Name & Surname: M. Coşkun Cangöz

CHONEZ

Date: 25.03.2022

Signature:

The Company did not impose any specific rules governing outside positions to be held by the members of the Board of Directors. The arrangements set forth in the Corporate Governance Principles are followed in this respect. Outside positions held by the members of the Board of Directors are presented below:

First & Last Name	Entity	Position
N. Busak Cousak	Türkiye İş Bankası A.Ş. / Group company	Deputy Chief Executive
N. Burak Seyrek	İş Faktoring A.Ş. / Group company	Chairman of the Board of Directors
Necati Çağlar	Türkiye İş Bankası A.Ş. / Group company	Commercial Loans Allocation Department Manager
	İş Faktoring A.Ş./ Group company	Member of the Board of Directors
Ömer Karakuş		
Mehmet Şencan		
U. Şafak Öğün		
A. Botan Berker	Merit Risk Yönetimi ve Danışmanlık Ltd. / Out-group	Executive Partner
A. BOLAII BEIKEI	Odeabank/ Out-group	Member of the Board of Directors
Selim Yazıcı	İş Girişim Sermayesi A.Ş. /Group company	Independent Member of the Board of Directors
M. Coşkun Cangöz	Türkiye Ekonomi Politikaları Araştırma Vakfı/ Out-group	Director
	Türkiye İş Bankası A.Ş. / Group company	Manager, Subsidiaries Division
	Arap Türk Bankası A.Ş. / Out-group	Member of the Board of Directors
H. Serdar Yücel	JSC İşbank / Out-group	Member of the Board of Directors
	JSC Isbank Georgia / Out-group	Member of the Board of Directors
	İş Faktoring A.Ş. / Group company	Member of the Board of Directors

Members of the Board of Directors have been elected as per the motion given by the holders of Class A privileged shares at the Ordinary General Assembly Meeting. There is one woman member.

15. Operating Principles of the Board of Directors

The Board of Directors meets at a frequency that will guarantee effective fulfillment of its duties. Agendas for the Board of Directors meetings are prepared by the Chairman of the Board, who seeks proposals from the other members and the General Manager, as well. Information and documents related to the matters covered in the Board of Directors meeting agenda are presented for consideration by the members in advance of the meeting.

During 2022, four Board meetings took place; full attendance was secured in the meetings held in March, June, September and December. All decisions in the meetings were passed unanimously. The Board of Directors passed 100 decisions, either during the meetings or based on the examination of relevant files.

The questions posed and assessments made by the members, and grounds for dissenting votes, if applicable, are entered into the meeting minutes. No members cast dissenting votes in any of the meetings held in 2022.

Duties and responsibilities of the members of the Board of Directors are expressly stated in the Articles of Association. Pursuant to the Company's Articles of Association, Board members do not have weighted votes or vetoing rights. As per the Articles of Association, the Board of Directors meets with the majority of its full membership and decisions are passed by the majority of those who are present in the meeting. There is not a specific written internal guideline defining how Board of Directors meetings will be made.

During 2022, all related party transactions and transaction basics were laid down for the approval of the Board of Directors. All related decisions were passed unanimously, and there were no related party transactions or transactions of a material nature which had to be submitted to the General Assembly for approval by reason of withdrawal of consent by independent members in 2022. There are no decisions referred to the General Assembly by reason of related party or material transactions.

"Officers' Liability Insurance" policy has been purchased for indemnification of losses that the Company and/or third parties may sustain due to the faults of the Company's Board members or executives committed in the performance of their jobs.

16. Number, Structure and Independence of the Board of Directors Committees

Within the frame of the provisions set out in the applicable legislation, Audit Committee, Early Detection of Risk Committee and Corporate Governance Committee have been set up under the Board of Directors at the Company. The committees present information on their activities and the results of their meetings to the Board of Directors when necessary. The operating principles of the committees are posted on the Company website.

Audit Committee

Formed of three members, the Audit Committee is headed by Ms. A. Botan Berker, a non-executive independent Board member. The other member of the Committee is Mr. Selim Yazıcı and Mr. M. Coşkun Cangöz, a non-executive independent Board member.

The duties and operating principles of the Audit Committee have been approved by the Board of Directors and put into force. The Committee carries out its activities within the frame of these principles.

Duties and Operating Principles of the Audit Committee

Article 1 Purpose and Scope

This Regulation covers the establishment of an Audit Committee, and regulation of the duties and responsibilities of this Committee as well as its operational procedures in order to ensure that the Board of Directors fulfills its supervisory and audit duties and responsibilities in a healthy manner.

Article 2 Justification

This Regulation has been prepared based on the Corporate Governance Communiqué of the Capital Markets Board.

Article 3 Establishment of the Audit Committee

An audit committee is established by at least two members to be selected from among the Board members. The members of the Committee elect a Chairman among themselves.

All of the Committee members are elected from among the independent members of the Board.

If possible, at least one of the members of the Audit Committee should be elected from the Board members having a minimum 5 years of experience in audit/accounting and finance topics.

Committee membership automatically ends upon the termination of the Board membership of the relevant member.

Article 4 Duties and Responsibilities of the Audit Committee

The duties and responsibilities of the Audit Committee have been outlined below.

The Audit Committee supervises the operation and efficiency of the Company's accounting system, disclosure of its financial information, its independent audit and its internal control and internal audit system.

The selection of the independent audit firm, commencement of the independent audit process after preparing the independent audit contracts, and the subsequent works of the independent audit firm at all times is conducted under the supervision of the Audit Committee.

The Audit Committee determines the name of the independent audit firm and the services to be procured from it, and submits this list to the approval of the Board of Directors.

The Audit Committee determines the methods and criteria to apply to the processing and settling of the complaints sent to the Company regarding the Company's accounting, internal control and audit system, and the independent audit as well as the treatment of the Company's disclosures made by the Company's employees on the subjects of the independent audit within the framework of the confidential principle.

The Audit Company submits in writing to the Board of Directors its assessments on the accuracy and authenticity of the annual and interim financial statements to be disclosed to public and the conformance of these statements with the accounting principles adopted by the Company also by taking the opinions of the Company's managers and independent auditors.

The Audit Committee also performs other works and assignments to be assigned to it by the Board of Directors.

Article 5 The Audit Committee's Operation Principles and Procedures

The Audit Committee meets at least once every three months and at least four times annually.

The Committee meets with the attendance of all its members, and the decision quorum for the Committee is the majority of the present.

The Committee keeps a minute book and all decisions taken by the Committee are recorded in this book under a separate log number.

The results of the Committee's meetings are issued as an official report which includes the assessments and decisions together with their justifications, and submitted to the Board of Directors within at least one month following the relevant meeting.

The decisions of the Committee take effect upon the approval by the Board of Directors.

The Audit Committee immediately sends its determinations, assessments and suggestions regarding the area of its responsibility to the Board of Directors in writing.

The activities and the meeting results of the Committee are announced at the annual activity report. The annual activity report also provides how many times the Audit Committee has submitted written notifications to the Board of Directors during the given fiscal year.

The Audit Committee may invite other people to its meetings as needed to get their opinions on a subject.

Internal Audit Unit determines the agenda of the meetings, makes the calls for the meetings, ensures the communication between the members of the Committee, keeps the minute book, and fulfills other secretarial works of the Committee

The resources and support needed by the Committee during the execution of its duty are provided by the Board of Directors.

Subject to the approval of the Board of Directors, the Committee may benefit from the opinions of the independent experts as may be needed on a subject related with its activities requiring specialization. The charge of such consultancy services needed by the Committee is paid by the Company.

The members of the Audit Committee conduct their duties within the framework of the principles of independence and neutrality.

Article 6

Validity

The clauses of this Regulation take effect on the date approved by the Board of Directors and are executed by the Board of Directors.

Relevant Decisions of the Board of Directors

Decision	Effective Date	Revision	Relevant Articles
27.05.2014 / 2151	27.05.2014	1.0	All

During 2022, the Audit Committee met 4 times and passed 19 decisions. In the meetings held, the Committee discussed and evaluated the following topics:

- Distribution of duties within the Committee has been decided and the Head of the Committee has been elected.
- The Independent Audit Firm has been designated and presented for approval to the Board of Directors.
- Upon getting the opinions of the responsible Company managers, it has been established that the consolidated financial statements and their notes, and annual reports have been prepared accurately and in accordance with the applicable legislation and generally accepted principles and norms, and they have been presented for approval to the Board of Directors for subsequent disclosure.
- It has been established, as also confirmed by the opinions of responsible managers in the Company, that unconsolidated financial statements and their notes have been drawn up accurately and in accordance with the applicable legislation and generally-accepted principles and standards, and they have been presented for approval to the Board of Directors.
- Information Systems Regulatory Compliance Report that has been prepared by the Internal Audit Department and Internal Control and Risk Management, Compliance and Legislation Department has been approved and presented for approval to the Board of Directors.
- It has been established that the Committee did not determine any negative findings with respect to the entry of the Company's commercial transactions into accounting records, to the operation and efficiency of the internal control system, and fulfillment of tax and legal obligations during the reporting period, and that all are in order.
- Findings, opinions and suggestions that resulted from the audit activities carried out by Internal Audit and Internal Control and Risk Management, Compliance and Legislation Department were first shared with, and evaluated by, those who conducted the relevant activities, and it was ensured that necessary complementary and preventive actions were taken.
- Internal control, file audit and department/unit audit reports drawn up during the reporting period by Internal Audit and Internal Control and Risk Management, Compliance and Legislation Department have been examined, and presented for the approval of the Board of Directors.
- 2023 audit plan and 2023 Internal Control and Risk Management Activity Plan developed by the Company have been discussed and approved.

Formed of four members, the Corporate Governance Committee also functions as the Nomination Committee and the Remuneration Committee. Mr. Selim Yazıcı, non-executive independent Board member, serves as the head of the Committee, whereas the other members are Mr. Coskun Cangöz and Mr. H. Serdar Yücel, non-executive Board members, and Ms. Neslihan Oruç, Investor Relations Department Manager.

The duties and operating principles of the Corporate Governance Committee have been approved by the Board of Directors and put into force. The Committee carries out its activities within the frame of these principles.

Duties and Operating Principles of the Corporate Governance Committee

Article 1 Purpose and Scope

This Regulation covers the establishment of a Corporate Governance Committee and regulation of the duties and responsibilities of this Committee as well as its operational principles and procedures in order to ensure that the Board of Directors fulfills its duties and responsibilities on corporate governance in a healthy manner.

The duties of the Nominating Committee and Compensation Committee will be fulfilled by the Corporate Governance Committee until their establishment.

Article 2 Justification

This Regulation has been prepared based on the Corporate Governance Communiqué of the Capital Markets Board.

Article 3 Establishment of the Corporate Governance Communiqué

Corporate governance Committee is established by appointment of at least two members from among the Board members and the Manager of the Investor Relations Unit/Department.

The members of the Committee elect a Chairman among themselves. The Chairman of the Committee is elected from among the independent members of the Board. Persons who are not Board members but having specialization on their subjects can also become members to the Corporate Governance Committee.

If the Corporate Governance Committee has two members elected from the Board of Directors, both of these members are required to be from the independent members of the Board; and if the Committee has more than two board members, then majority of these members should be independent members. General Manager cannot become a member of the Committee.

The Manager of the Investors Relations Unit/Department is required to work full-time in the company and be positioned as a member of the Corporate Governance Committee.

Corporate Governance Committee membership automatically ends upon the termination of the Board membership.

Article 4 Duties and Responsibilities of the Corporate Governance Committee

The duties and responsibilities of the Corporate Governance Committee have been outlined below.

The Corporate Governance Committee establishes whether or not the corporate governance principles are duly applied in the Company, and determines the reasons if they are not applied and lay down the conflicts of interest emerging due to the non-application of these principles in the Company, and advises the Board of Directors for the improvement of the corporate governance applications.

The Corporate Governance Committee supervises the activities of the Company's Investment Relations Department.

The Committee lays down the fundamental principles regarding the communication of the Company with the investors, and reviews these principles on a regular basis.

The Corporate Governance Committee, together with the Investors Relations Department, further submits to the Board of Directors its advice for the improvement of the communication between the Company and the shareholders, and the elimination and settlement of the possible disputes in between.

The Corporate Governance Committee reviews the Corporate Governance Principles Compliance Report of the Company prior to its being published in the Company's annual activity report, and submits its opinions to the Board of Directors.

The Corporate Governance Committee prepares its advice and assessments for the identification or amendment of the Company's Disclosure Policy and submits it to the Board of Directors. It also oversees to ensure that the Disclosure Policy covers at least the minimum obligatory content laid down by the laws and regulations regarding the communication of the Company with the stakeholders, and it reviews the content, quality, consistency and accuracy of the documents, presentations and explanations to ensure that they are prepared in accordance with the Disclosure Policy.

The Corporate Governance Committee works for infusing the corporate governance culture into the Company and its adoption by the managers and employees at all levels. It follows the domestic and international developments on corporate governance front and monitors their possible effects for the Company.

The duties and responsibilities of the Corporate Governance Committee on nominations have been outlined below.

The Corporate Governance Committee works for setting up a transparent system for the identification, assessment and training of the candidates for board membership and the managerial positions with administrational responsibility and for adoption of proper policies and strategies on this subject.

The Corporate Governance Committee makes regular assessments on the structure and productivity of the Board of Directors and submits its advice on possible changes to the Board of Directors.

The Corporate Governance Committee is responsible for performing the jobs regarding the nomination of the independent member candidates for the Board which are stipulated by the laws and regulations and which are compulsory for the Group including the Company as announced by the Board each year.

The duties and responsibilities of the Corporate Governance Committee on the salaries and remunerations have been outlined below:

The Corporate Governance Committee lays down and oversees the principles, criteria and practices to apply to the compensations of the members of the Board of Directors and executives with administrational responsibility in view of the Company's long term targets.

It submits to the Board of Directors its suggestions about the wages to be offered to the Board members and executives with administrational responsibility as set forth, also in consideration with the degree of realization of the criteria applicable to such compensation.

It provides its assessments and suggestions on the creation and amendment of the Company's compensation policy which sets the compensation principles for the members of the Board of Directors and the managers with administrational responsibility, and submits its opinions to the Board of Directors.

The Corporate Governance Committee also fulfills other duties and responsibilities within its area of responsibility as may be delegated to it by the Board of Directors.

The Corporate Governance Committee meets at least once every three months and four times annually.

The Committee meets with the attendance of all its members and takes its decisions by majority vote.

The Committee keeps a decision book and the decisions taken by the Committee are recorded in this book with a loa number.

The results of the Committee's meetings are issued as an official report and the assessments and decisions of the Committee are submitted to the Board of Directors within at least one month following the relevant meeting of the Committee.

The decisions of the Committee take effect upon the approval of the Board of Directors.

The Corporate Governance Committee immediately submits its findings, assessments and suggestions on the area of its work and responsibility to the Board of Directors in writing.

The Corporate Governance Committee may invite other people to its meetings as needed to get their opinions on a subject.

The Investor Relations Unit/Department determines the agenda of the meetings, makes the calls for the meetings, ensures the communication within the members of the Committee, keeps the minute book, and fulfills other secretarial works of the Committee.

The resources and support needed by the Committee during the execution of its duty are provided by the Board of Directors.

Subject to the approval of the Board of Directors, the Committee may benefit from the opinions of the independent experts as may be needed on a subject related with its activities requiring specialization. The charge of such consultancy services needed by the Committee is provided by the Company.

The members of the Corporate Governance Committee conduct their duties within the framework of the principles of independence and neutrality.

Article 6 Validity

The clauses of this Regulation take effect on the date approved by the Board of Directors and are executed by the Board of Directors.

Relevant Decisions of the Board of Directors

Decision	Effective Date	Revision	Relevant Articles
27.05.2014 / 2151	27.05.2014	1.0	All

During 2022, the Corporate Governance Committee met 4 times and passed 8 decisions. In the meetings held, the Committee discussed and evaluated the following topics:

- Corporate governance principles compliance report, which was prepared by the Company and covers the 2022 operating period, has been studied and presented for the approval of the Board of Directors.
- Salary rises for 2022 for Company employees have been determined and presented for the approval of the Board of Directors.
- Distribution of duties within the Committee has been decided and the Head of the Committee has been elected.
- Proposed nominees for the independent member seats on the Board of Directors have been evaluated, giving due consideration to whether they satisfy the independence criteria, and the report thereon has been presented to the Board of Directors.

- The operation and efficiency of the Investor Relations Department has been discussed, and it has been established that activities were carried out duly with respect to informing the investors and public disclosure.
- It has been established that activities were carried out duly across the Company with respect to implementation of Corporate Governance Principles, and that there are no material complaints that the Company received from stakeholders.

Early Detection of Risk Committee

Formed of three members, Early Detection of Risk Committee is headed by Mr. Coşkun Cangöz, non-executive independent Board member, serves as the head of the Committee whereas the other members are Ms. A. Botan Berker, non-executive Board members and Mr. H. Serdar Yücel.

The duties and operating principles of the Early Detection of Risk Committee have been approved by the Board of Directors and put into force. The Committee carries out its activities within the frame of these principles.

Duties and Operating Principles of the Early Detection of Risk Committee

Article 1 Purpose and Scope

This Regulation covers the establishment of the Early Detection of Risk Committee and regulation of the duties and responsibilities as well as the operation procedures and principles of this Committee in order to ensure the Board of Directors fulfills its duties and responsibilities in the area of risk management in a well manner.

Article 2 Justification

This Regulation has been prepared based on the Article 378 of the Turkish Commercial Code and the Corporate Governance Communiqué published by the Capital Markets Board..

Article 3 Establishment of the Early Detection of Risk Committee

Early Detection of Risk Committee is established comprising at least two members to be elected from among the members of the Board of Directors.

Committee members elect a Chairman from among them. The Committee's Chairman should be elected from among the independent members of the Board of Directors. Persons who are not members of the Board of Directors but specialized on their areas can become members of the Committee.

Both members of the Committee have to be independent members of the Board of Directors if the Committee is consisted of two members, and majority of the Committee members should be independent if the Committee is consisted of more than two members. General Manager cannot be a member of the Committee.

The membership to the Early Detection of Risk Committee ends upon the termination of the Board membership of the relevant member, if applicable.

Article 4 Duties and Responsibilities of the Early Detection of Risk Committee

Early Detection of Risk Committee conducts works aimed at early perception of risks that may imperil the existence, development and sustenance of the Company; taking the required measures regarding the identified risks; and management of such risks.

It submits in writing to the Board of Directors its suggestions and opinions regarding the establishment and development of the Company's risk management system capable of minimizing the effects of the risks for all stakeholders including mainly the shareholders.

It reviews the Company's risk management system at least once a year.

It supervises the realization of the risk management applications in accordance with the decisions of the Board of Directors and the Committee.

It reviews the determinations and assessments regarding the risk management that will be included to the Company's annual activity report.

Early Detection of Risk Committee also fulfills other duties and responsibilities in its area of responsibility as may be assigned to it by the Board of Managers.

Article 5 Operation Principles and Procedures of Early Detection of Risk Committee

Early Detection of Risk Committee meets at least every three months and at least four times a year.

The Committee meets with the attendance of all its members, and the decision quorum for the Committee is the majority of the present.

The Committee keeps a minute book where the decisions taken are recorded with a separate log number.

The results of the Committee's meetings are issued as an official report which includes the assessments and decisions together with their justifications, and submitted to the Board of Directors within at least one month following the relevant meeting.

The Committee's decisions take effect upon the approval of the Board of Directors.

The Early Detection of Risk Committee immediately sends its determinations, assessments and suggestions regarding the area of its responsibility to the Board of Directors in writing.

Early Detection of Risk Committee may invite other persons to its meetings and take their opinions as it may deem necessary.

Setting the agenda of the Committee's meeting, making calls for the meeting, ensuring the communication with the Committee members, keeping the minute book and other secretarial works of the Committee are performed by the unit in charge of the risk management.

All kinds of resources and support needed during the Committee's fulfillment of its duty are provided by the Board of

The Committee may benefit from the opinions of the independent experts as it may need regarding its activities subject to the approval of the Board of Directors. The fee of the consultancy service needed by the Committee is paid by the Company.

The members of the Early Detection of Risk Committee fulfill their duties in compliance with the principles of independence and neutrality.

Article 6 Validity

The provisions of this Regulation take effect on the date of their approval by the Board of Directors and are executed by the Board of Directors.

Relevant Board Decisions

Decision	Effective Date	Revision	Relevant Articles
27.05.2014 / 2151	27.05.2014	1.0	All

During 2022, the Corporate Governance Committee met four times and passed fourteen decisions. In the meetings held, the Committee discussed and evaluated the following topics:

- Distribution of duties within the Committee has been decided and the Head of the Committee has been elected.
- Periodic risk reports prepared by the Internal Control, Risk Management, Compliance and Legislation Department has been evaluated by the Committee; it has been established that the risks specified in the reports remain within the limits set by the Board of Directors for individual risks to be carried and for total risk exposure. The reports have been presented for the information of the Board of Directors.
- Risk management systems have been reviewed, necessary activities were carried out to update the risk management strategy and policies to be pursued by the Company for taking necessary action and managing the risks, and the same have been presented for the information of the Board of Directors.

17. Risk Management and Internal Control Mechanism

Potential risks that the Company may be exposed to are defined in the Risk Catalogue. Risk policies have been prepared for risk categories that are critical for the Company's operations, and internal control processes have been established for all practices, procedures and workflows. Internal implementation controls and audits are being carried out by Internal Audit and Internal Control and Risk Management, Compliance and Legislation Departments.

The Early Detection of Risk Committee regularly reviews the processes for risk measurement, assessment and management, and reports its activities to the Board of Directors on a monthly basis. Moreover, the Audit Committee monitors the efficiency of the Company's risk management and internal control activities through internal audit activities, and reports the same to the Board of Directors.

18. Strategic Goals of the Company

Strategic goals of the Company are set by the Board of Directors, taking into consideration competitive conditions, overall economic conjuncture, general projections regarding national and international financial markets, and the Company's medium and long-term targets. The members of the Board of Directors and the Company executives discuss and evaluate the strategies and goals set in a detailed and thorough manner. The office of the General Manager of the Company is responsible for implementing the defined strategy and goals.

Actualizations with respect to the approved strategy and goals are reported to the Board of Directors on a monthly basis. The topics reviewed in the Board meetings include the Company's position in the sector, its activities, the actualization levels of the annual budget and targets, financial structure and performance, the alignment level of reporting and operations to international standards, and the reasons and possible actions that can be taken in case of non-achievement of the goals.

19. Financial Rights

The Remuneration Policy, which covers the criteria used for determining any rights, benefits and remunerations provided to the Company employees, is available on the Company website.

Attendance fees paid to the members of the Board of Directors are determined by the General Assembly and disclosed on the Public Disclosure Platform.

During 2022, benefits, allowances, resources in cash and in kind, insurance and similar benefits provided to the members of the Board of Directors and the Company's senior executives amounted to TL 9,785 thousand.

Members of the Board of Directors and senior executives are not disbursed loans or credit, nor are they granted guarantee in their favor.

CORPORATE GOVERNANCE COMPLIANCE REPORT

		C	ompli	iance Status		
	Yes	Partial	No	Exempted	Not Applicable	Explanation
Corporate Governance Compliance Repo			110		7 (pptiledbite	
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	Χ					
investors at the corporate website.						
1.2. RIGHT TO OBTAIN AND REVIEW INF	ORM/	ATION				
1.2.1 - Management did not enter into any						
transaction that would complicate the	X					
conduct of special audit.						
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	Χ					
multiple topics.						
1.3.7- Insiders with privileged information						No such transaction took place in
have informed the board of directors						2022.
about transactions conducted on their						
behalf within the scope of the company's					Χ	
activities in order for these transactions to						
be presented at the General Shareholders'						
Meeting.						
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	X					
responsible for the preparation of the						
financial statements were present at the						
General Shareholders' Meeting.						
1.3.10 - The agenda of the General						
Shareholders' Meeting included a						
separate item detailing the amounts	X					
and beneficiaries of all donations and						
contributions.						
1.3.11 - The General Shareholders'						Since the Company's Articles of
Meeting was held open to the public,						Association do not contain any
including the stakeholders, without						provisions regarding participation
having the right to speak.						of stakeholders other than
		X				shareholders and media in
		/ /				General Shareholders' Meetings,
						stakeholders other than media,
						shareholders and employees
						are not admitted to General
44 1/0=11/15						Shareholders' Meetings.
1.4. VOTING RIGHTS						
1.4.1 - There is no restriction preventing						
shareholders from exercising their	X					
shareholder rights.						

		C	ompli	ance Status		
	Yes	Partial	No	Exempted	Not Applicable	Explanation
1.4.2 - The company does not have shares that carry privileged voting rights.			X			Pursuant to the Articles of Association, each share entitles its holder to one vote. While the shares constituting the Company's capital do not possess any voting privileges, Class (A) shareholders have the privilege of nominating candidates for the seats on the Board of Directors and pursuance of their consent for amendments to the Articles of Association.
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			The Company's Articles of Association do not grant minority rights to those holding less than one twentieth of the Company's capital.
1.6. DIVIDEND RIGHT						
1.6.1 - The dividend policy approved by the General Shareholders' Meeting is posted on the company website.	Χ					
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.	Χ					
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.	Χ					
2.1. CORPORATE WEBSITE 2.1.1 The company website includes all						
elements listed in Corporate Governance Principle 2.1.1.	X					

MANAGEMENT

		C	ompli	ance Status		
					Not	Explanation
	Yes	Partial	No	Exempted	Applicable	
2.1.2 - The shareholding structure (names,						Since we do not have access
privileges, number and ratio of shares,						to our shareholders' data, the
and beneficial owners of more than 5% of		Χ				related update is made by the MKK
the issued share capital) is updated on the						(Central Securities Depository) on
website at least every 6 months.						PDP (Public Disclosure Platform).
2.1.4 - The company website is prepared in						
other selected foreign languages, in a way	X					
to present exactly the same information						
with the Turkish content.						
2.2. ANNUAL REPORT						
2.2.1 - The board of directors ensures that						
the annual report represents a true and	Χ					
complete view of the company's activities.						
2.2.2 - The annual report includes all						
elements listed in Corporate Governance	Χ					
Principle 2.2.2.						
3.1. CORPORATION'S POLICY ON STAKE	HOLD	ERS				
3.1.1- The rights of the stakeholders						
are protected pursuant to the relevant	Χ					
regulations, contracts and within the						
framework of bona fides principles.						
3.1.3 - Policies or procedures addressing						
stakeholders' rights are published on the	Χ					
company's website.						
3.1.4 - A whistleblowing program is in						
place for reporting legal and ethical	Χ					
issues.						
3.1.5 - The company addresses conflicts of						
interest among stakeholders in a balanced	Χ					
manner.						
3.2. SUPPORTING THE PARTICIPATION C)F THE	STAKE	HOLD	DERS IN THE	CORPORA	TION'S MANAGEMENT
3.2.1 - The Articles of Association, or the						
internal regulations (terms of reference/	Χ					
manuals), regulate the participation of						
employees in management.						N. / II. I.
3.2.2 - Surveys/other research techniques,						No surveys/consultations were
consultation, interviews, observation						deemed necessary since there
method etc. were conducted to obtain		.,				are no material decisions that
opinions from stakeholders on decisions		X				significantly affect stakeholders.
that significantly affect them.						Such studies will naturally be
						carried out in the event that there
2.2.111114411.01560110555.001.577						is such a decision.
3.3. HUMAN RESOURCES POLICY						

		Co	ompli	ance Status		
	Vec				Not Applicable	Explanation
3.3.1 - The company has adopted an employment policy ensuring equal opportunities, and a succession plan for all key managerial positions.	Tes	X	NO	Exempled	Аррисавие	The Company has adopted an employment policy ensuring equal opportunities. Under the Company's organizational structure and current practice, the subordinate working under each managerial position is trained for the relevant managerial position and is considered a management trainee; the Board of Directors is authorized to make the appointments to key management positions.
3.3.2 - Recruitment criteria are documented.	Χ					
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				Employees are notified of decisions made about them or developments that might impact them. The Company develops mechanisms to involve employees in decision-making processes, and ensures the same through periodic questionnaires administered.
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			There are no internal regulations on this topic.
3.3.9 - A safe working environment for employees is maintained.	Χ					
3.4. RELATIONS WITH CUSTOMERS AND	SUPP	LIERS				
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					

MANAGEMENT

		Co	ompli	ance Status		
	Yes	Partial	No	Exempted	Not Applicable	Explanation
4.2.8 - The company has subscribed to a Directors and Officers liability insurance covering more than 25% of the capital.		X	110	Exemples	Аррисовс	A "Directors and Officers Liability Insurance" has been obtained for indemnification of potential losses that the Company's Board of Directors members and executives might cause to the Company and/or third parties. The sum insured is not more than 25% of the capital.
4.3. STRUCTURE OF THE BOARD OF DIR	ECTO	RS				One were member correct on
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				One woman member serves on the Board of Directors. While the Company does not have a specific policy about the matter, the structure of the Board of Directors is reviewed annually and this point is taken into consideration when identifying nominees.
4.3.10 - At least one member of the audit committee has 5 years of experience in	X					
audit/accounting and finance.						
4.4. BOARD MEETING PROCEDURES 4.4.1-Each board member attended the						
majority of the board meetings in person.	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.		×				Information, documents and presentations relevant to the Board meeting agenda are made available for review by Board of Directors members 3 to 5 days in advance of the meeting date, by ensuring equal information flow.
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	No such situation occurred to date. In the event that a member who is unable to attend the meeting but provides his/her opinions in writing, the same will naturally be presented for the information of other members.
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.		×				While no restrictions are imposed on external commitments of the members of the Board of Directors, the duties assumed by the Board members are shared with the shareholders in General Shareholders' Meetings.

		C	ompli	ance Status		
	Yes	Partial	No	Exempted	Not Applicable	Explanation
4.5. BOARD COMMITTEES	163	raitiat	110	Lxempted	Applicable	
4.5.5 - Board members serve in only one of the Board's committees.			X			Three independent members serve on the Company's Board of Directors. Since the Corporate Governance Communiqué mandates the presence of independent members on each committee, Board members necessarily serve on more than one committee.
4.5.6 - Committees have invited persons to the meetings as deemed necessary to	X					
obtain their views.						
4.5.7 - If external consultancy services are used, the independence of the provider is stated in the annual report.					Χ	During 2022, the committees did not receive any consultancy services.
4.5.8 - Minutes of all committee meetings are kept and reported to board members.		X				The committee members informed the Board members about the matters discussed and the decisions passed in committee meetings. The Internal Audit Department and Internal Control, Risk Management, Compliance and Regulations Department presented 21 reports to the Audit Committee and 12 to the Early Detection of Risk Committee.
4.6. FINANCIAL RIGHTS						
4.6.1-The board of directors has conducted a board performance evaluation to review whether it has discharged all its responsibilities effectively.			X			Although the Company's annual and medium-term targets are not publicly disclosed, The Board of Directors conducts financial performance evaluations at certain intervals. The Board of Directors members are not individually assessed.
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					
4.6.5 - The individual remuneration of board members and executives is disclosed in the annual report.			X			Remunerations, benefits and allowances provided to the Board of Directors members and the Company's executives are disclosed collectively.

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	The Company neither organized nor attended an investor conference.
1.2. Right to Obtain and Examine Information	
The number of special audit request(s)	0
The number of special audit requests that were accepted at the General Shareholders' Meeting	0
1.3. General Assembly	
Link to the PDP announcement that demonstrates the information requested by Principle 1.3.1. (a-d)	https://www.kap.org.tr/tr/Bildirim/1117708
Whether the company provides materials for the General Shareholders' Meeting in English and Turkish at the same time	Not provided.
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	There are no transactions that are not approved by the majority of independent Board members or by unanimous votes of present Board members in the context of Principle 1.3.9.
The links to the PDP announcements associated with related party transactions in the context of Article 9 of the Communique on Corporate Governance (II-17.1)	There are no related party transactions in the context of Article 9 of the Communiqué on Corporate Governance.
The links to the PDP announcements associated with common and continuous transactions in the context of Article 10 of the Communique on Corporate Governance (II-17.1)	There are no common and continuous transactions requiring public disclosure in the context of Article 10 of the Communiqué on Corporate Governance.
The name of the section on the corporate website that demonstrates the donation policy of the company	https://www.isleasing.com.tr/investor-relations/corporate- governance/donation-policy/
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/269935
The number of the provisions of the articles of association that discuss the participation of stakeholders to the General Shareholders' Meeting	Stakeholder participation in the General Assembly are set out in Article 20 of the Articles of Association and Article 5 of the General Assembly Internal Directive.
Identified stakeholder groups that participated in the General Shareholders' Meeting, if any	Besides shareholders and their proxies, Board of Directors members and the representative of the independent audit firm participated in the 2021 General Assembly meeting. Some stakeholders such as the Company employees attended the meeting as observers within our Company's knowledge.
1.4. Voting Rights	
Whether the shares of the company have differential voting rights	Yes
In case that there are voting privileges, indicate the owner and percentage of the voting majority of shares.	Class (A) shareholders have the privilege to nominate candidates for seats on the Board of Directors and pursuance of their consent for amendments to the Articles of Association. Class (A) shareholders have 600,000,000 votes.
The percentage of ownership of the largest shareholder	29.46%

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	https://www.isleasing.com.tr/investor-relations/corporate- governance/profit-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.	It was decided not to distribute, but to set it aside as extraordinary reserves, the distributable net profit for the period in the amount of TL 310,063 thousand, which is the net distributable profit for the period which is calculated as TL 207,289 thousand that is the net profit for the period arising according to the CMB legislation and TL 10,364 thousand first legal reserves set aside as first legal reserves and calculated according to the TL 299,699 thousand profit that descends in the Company's legal records, be retained and set aside as extraordinary reserves. It has also been decided that deferred tax income in the amount of TL 40,416 thousand included in the net profit for the period according to the Company's legal records, which were retained, and be transferred to extraordinary reserves.
PDP link to the related general shareholder meeting minutes in case the board of directors proposed to the general assembly not to distribute dividends	-

General Assembly Meetings

General Meeting Date	The number of information requests received by the company regarding the clarification of the agenda of the General Shareholders' Meeting	Shareholder participation rate to the General Shareholders' Meeting	Percentage of shares directly present at the GSM	Percentage of shares represented by proxy	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	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	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	The link to the related PDP general shareholder meeting notification
25.03.2022	0	62.74%	0.6%	62.15%	https://www. isleasing.com.tr/ yatirimci-iliskileri/ genel-kurul/genel- kurul-tutanaklari- ye-hazirun-cetyeli/	https://www. isleasing.com. tr/yatirimci- iliskileri/genel- kurul	None	0	https://www. kap.org.tr/tr/ Bildirim/1013102

2. DISCLOSURE AND TRANSPARENCY

2. DISCLOSORE ARD TRANSPARENCE	
2.1. Corporate Website	
Specify the name of the sections of the website providing the information requested by the Principle 2.1.1.	https://www.isleasing.com.tr/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.	The Shareholding Structure is posted at https://www.isleasing.com.tr/investor-relations/company-information/partnership-structure/Information about Real or Legal Persons Directly or Indirectly Holding 5% or More Shares in the Capital as disclosed by the Central Registry Agency (MKK) is posted at https://www.kap.org.tr/tr/sirket-bilgileri/genel/988-is-finansal-kiralama-a-s
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	Corporate Governance Practices/ Board of Directors
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	Corporate Governance Practices/ Number, Structure and Independence of the Board of Directors 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	Corporate Governance Practices/ Board of Directors / Operating Principles of the Board of Directors
ç) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on amendments in the legislation which may significantly affect the activities of the corporation	Corporate Governance Practices/ Brief Annual Report of the Board of Directors
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	Corporate Governance Practices/ Brief Annual Report of the Board of Directors
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	Corporate Governance Practices/ Brief Annual Report of the Board of Directors
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%	There are no cross ownership relationships.
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	General Assessment/ Human Resources and Training

MANAGEMENT

3.1. Corporation's Policy on Stakeholders	
The name of the section on the corporate website that demonstrates the employee remedy or severance policy	https://www.isleasing.com.tr/investor-relations/ corporate-governance/compensation-policy-for- employees/
The number of definitive convictions the company was subject to in relation to breach of employee rights	None.
The position of the person responsible for the alert mechanism (i.e. whistleblowing mechanism)	Audit Committee- Corporate Governance Committee
The contact detail of the company alert mechanism	Any conduct subject to reporting can be directly communicated by the related stakeholder to the respondents, Internal Audit, Investor Relations Department or the Company's Executive Management. Any such reports are forwarded to the Corporate Governance Committee and the Audit Committee. Established within is Leasing, the Ethics Line aims for stakeholders and other third parties to convey their observations and opinions to the Ethics Line representatives about the issues they think do not comply with the principles, and accordingly, to implement the relevant review procedures. https://www.isleasing.com.tr/Surdurulebilirlik/etik/
3.2. Supporting the Participation of the Stakeholders in the Cor	poration's Management
Name of the section on the corporate website that demonstrates the internal regulation addressing the participation of employees on management bodies	https://www.isleasing.com.tr/investor-relations/corporate-governance/stakeholders-policy/
Corporate bodies where employees are actually represented	Employee participation in management is provided through annual performance assessment meetings, the internal suggestion system, CEO messaging line, and the internal annual meetings.
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	developing a succession plan for key managerial positions consists of the Company's organizational structure and existing practices; training the subordinate working under each managerial position for that relevant managerial position and considering each such individual as a management trainee; the Board of Directors is authorized to make the appointments to key management positions.
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. Whether the company provides an employee stock ownership program	https://www.isleasing.com.tr/investor-relations/corporate-governance/ethical-principles/https://www.isleasing.com.tr/investor-relations/corporate-governance/stakeholders-policy/None
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.	https://www.isleasing.com.tr/investor-relations/corporate-governance/ethical-principles/https://www.isleasing.com.tr/insan-kaynaklari/insan-kaynaklaripolitikamiz/
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	https://www.isleasing.com.tr/investor-relations/corporate-governance/ethical-principles/
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.	"Sustainability" on our Company's corporate website environmental, social and corporate governance issues. is included. https://www.isleasing.com.tr/Sites/1/content/ Surdurulebilirlik/2021/tr/index.html
Any measures combating any kind of corruption including embezzlement and bribery	Within the framework of international norms and national regulatory framework, the Company espouses it as an important principle to combat the laundering of proceeds of crime, corruption and similar crimes, and takes care to cooperate with other Association-member companies, other related organizations, institutions and authorities. To this end, the Company has internally published an "Anti-Bribery and Anti-Corruption Policy". The Company also takes necessary measures related to this matter and organizes training programs for employees. https://www.isleasing.com.tr/Sites/1/upload/files/RU%CC%88S%CC%A7VET_VE_YOLSUZLUKLA_MU%CC%88CADELE-968.pdf
4. BOARD OF DIRECTORS -I	
4.2. Activity of the Board of Directors	
Date of the last board evaluation conducted	20.12.2022
Whether the board evaluation was externally facilitated	No
Whether all board members released from their duties at the GSM	Yes
Name(s) of the board member(s) with specific delegated duties and authorities, and descriptions of such duties	On March 25, 2022, our Company's Ordinary New members elected to office at the General Assembly Our Board of Directors has distributed duties among themselves; Mr. Nevzat Burak Seyrek as Chairman and Mr. Nevzat Burak Seyrek as Vice Chairman. Mr. Necati Çağlar for the Audit Committee. In addition, for the Audit Committee, Mr. A. Botan Berker was elected as the committee chairman, Mr. Selim Yazıcı and Mr. Coşkun Cangöz were elected as committee members, for the Corporate Governance Committee, Mr. Selim Yazıcı was elected as the committee chairman, Mr. Coşkun Cangöz and Mr. Serdar Yücel were elected as committee members, for the Early Detection of Risk Committee Mr. Coşkun Cangöz is the chairman of the committee and A. Botan Berker and Serdar Yücel as a committee member have taken on a mission.
Number of reports presented by internal auditors to the audit committee or any relevant committee to the board	Internal Audit, Internal Control, Risk Management, Compliance and Regulations Department presented 21 reports to the Audit Committee, and 12 to the Committee of Early Detection of Risk.
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	Corporate Governance Practices/ Brief Annual Report of the Board of Directors

Name of the Chairman	Nevzat Burak Seyrek
Name of the CEO	U. Şafak Öğün
If the CEO and Chair functions are combined: provide the link to the relevant PDP announcement providing the rationale for such combined roles	The functions of the Chairman of the Board and the General Manager who is the Chief Executive Officer are fulfilled by different individuals.
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	This information is provided in the section titled "Operating Principles of the Board of Directors" of the Corporate Governance Compliance Report which is incorporated in the annual report.
The name of the section on the corporate website that demonstrates current diversity policy targeting women directors	None.
The number and ratio of female directors within the Board of Directors	1 person, 9.09%

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
NEVZAT BURAK SEYREK	Non-executive	Not independent director	25.03.2022				Yes
NECATİ ÇAĞLAR	Non-executive	Not independent director	18.08.2020				Yes
ÖMER KARAKUŞ	Non-executive	Not independent director	25.03.2022				Yes
MEHMET ŞENCAN	Non-executive	Not independent director	31.03.2023				Yes
UYGAR ŞAFAK ÖĞÜN	Executive	Not independent director	10.05.2021				Yes
AYŞE BOTAN BERKER	Non-executive	Independent director	23.03.2018	Provided in the Annual Report	Considered	No	Yes
SELİM YAZICI	Non-executive	Independent director	23.03.2018	Provided in the Annual Report	Considered	No	Yes
MEHMET COŞKUN CANGÖZ	Non-executive	Independent director	21.10.2021	Provided in the Annual Report	Considered	No	Yes
HÜSEYİN SERDAR YÜCEL	Non-executive	Not independent director	25.02.2022				Yes

4. BOARD OF DIRECTORS-II

Dorning of Directions	
4.4. Meeting Procedures of the Board of Directors	
Number of physical board meetings in the reporting period (meetings in person)	4
Director average attendance rate at board meetings	100.00%
Whether the board uses an electronic portal to support its work or not	No
Number of minimum days ahead of the board meeting to provide information to directors, as per the board charter	Care is taken to provide the information and documents relevant to the Board of Directors meeting to all Board members at least 3 days in advance of the meeting date, as a rule.
The name of the section on the corporate website that demonstrates information about the board charter	The related information is provided in Article 11 of the Company's Articles of Association which is available on the corporate website, under the tab Investor Relations / Company Information.
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	Corporate Governance Compliance Report / Number, Structure and Independence of the Board of Directors Committees
Link(s) to the PDP announcement(s) with the board committee charters	https://www.kap.org.tr/tr/Bildirim/363138

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
Audit Committee		A. Botan BERKER	Yes	Board member
Audit Committee		Selim YAZICI	No	Board member
Audit Committee		M. Coşkun CANGÖZ	No	Board member
Corporate Governance Committee		Selim YAZICI	Yes	Board member
Corporate Governance Committee		M. Coşkun CANGÖZ	No	Board member
Corporate Governance Committee		H. Serdar YÜCEL	No	Board member
Corporate Governance Committee		Neslihan ORUÇ	No	Not a board member
Committee of Early Detection of Risk		M. Coşkun CANGÖZ	Yes	Board member
Committee of Early Detection of Risk		A. Botan BERKER	No	Board member
Committee of Early Detection of Risk		H. Serdar YÜCEL	No	Board member

MANAGEMENT

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)	Corporate Governance Practices/Corporate Governance Compliance Report/Audit Committee
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)	Corporate Governance Practices/Corporate Governance Compliance Report/Corporate Governance Committee
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)	The functions of the Nomination Committee are fulfilled by the Corporate Governance Committee. Corporate Governance Practices/Corporate Governance Compliance Report/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)	Corporate Governance Practices/Corporate Governance Compliance Report/Committee of Early Detection of Risk
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)	The functions of the Remuneration Committee are fulfilled by the Corporate Governance Committee. Corporate Governance Practices/Corporate Governance Compliance Report/Corporate Governance Committee
4.6. Financial Rights	
Specify where the operational and financial targets and their achievement are presented in your annual report (Page number or section name in the annual report)	Corporate Governance Practices/Brief Annual Report of the Board of Directors
Specify the section of website where remuneration policy for executive and non-executive directors are presented.	https://www.isleasing.com.tr/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)	Corporate Governance Practices/Corporate Governance Compliance Report / Financial Rights

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
Audit Committee		100%	100%	4	Decisions passed by the committee are communicated, and information is provided verbally in BoD meetings.
Corporate Governance Committee		75%	50%	4	Decisions passed by the committee are communicated, and information is provided verbally in BoD meetings.
Committee of Early Detection of Risk		100%	50%	4	Decisions passed by the committee are communicated, and information is provided verbally in BoD meetings.

STATEMENT OF COMPLIANCE WITH SUSTAINABILITY PRINCIPLES

İstanbul, 27 February 2023

To the Board of Directors of İş Finansal Kiralama A.Ş.

MANAGEMENT

is Leasing acts with the target of surpassing the regulatory requirements, particularly the matters specified in the Sustainability Principles Compliance Framework of the Capital Markets Board of Türkiye (CMB).

Many of the activities is Leasing undertakes in relation to sustainability coincide with the principles set forth in the "Sustainability Principles Compliance Framework" enforced by the CMB in 2020. In this scope, is Leasing achieved compliance with part of the principles covered in the optional "Sustainability Principles Compliance Framework" developed by the CMB approach. Full compliance could not be achieved with some of the principles yet due to various reasons such as the difficulties in practice, uncertainties in overall national and international arena, incompatibility of certain principles with the Company's existing structure, and the fact the compliance principles will be determined according to findings from studies that are currently in progress.

To contribute to our Company's goal to generate sustainable value, maximum compliance is targeted to be attained in the future with the principles with which full compliance has not yet been achieved. To this end, sustainability activities are carried on under the supervision of our Committee.

Accordingly, the Statement of Compliance with Sustainability Principles for 2022 operating period is presented in the Appendix, which incorporates the implemented and unimplemented aspects of the said principles and which has been prepared in line with our Company's priorities in this respect.

We have reviewed the Sustainability Principles Compliance Report that has been prepared for inclusion within the Company's annual report as per the Sustainability Principles. As a result of our assessment, the said Report has been found to be in conformity with our statement above, and presented for your information.

Sincerely,

İş Finansal Kiralama A.Ş.

Corporate Governance Committee

Neslihan Oruc Member

H. Serdar YÜCEL Member

M. Coşkun Cangöz Member

Prof. Dr. Selim Yazıcı Chairman

SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

	DDINCIDI E	STATUS OF COMPLIANCE					
	PRINCIPLE	YES	NO	PARTIALLY	IRRELEVANT	EXPLANATION	LINK
	A. General Principles						
	A1. Strategy, Policy and Goals						
	ESG priority issues, risks and opportunities have been determined by the Corporation's Board of Directors.	X				It is available in the Sustainability section of the Company website.	https://www.isleasing. com.tr/sustainability/
A1.1	ESG policies (e.g., Environmental Policy, Energy Policy, Human Rights and Employee Policy etc.) have been prepared and disclosed to the public by the Corporation's Board of Directors.	X				It is available in the Sustainability section of the Company website.	https://www.isleasing. com.tr/sustainability/
A1.2	Corporation Strategy in compliance with ESG policies has been determined and publicly disclosed.	X				It is included in the 2021 Sustainability Report. It is also included in the 2022 Sustainability Report, which is planned to be published in 2023.	https://www.isleasing. com.tr/Sites/1/content/ Sustainability/2021/en/ Page: 24,29-30
	A2. Implementation/Monitoring						
A2.1	Committees/units in charge of implementation of ESG policies and the highest-level officials in the corporation related to ESG issues and their duties have been identified and disclosed to the public.	X				It is available in the Sustainability section of the Company website.	https://www.isleasing. com.tr/sustainability/
	Activities carried out under the policies by the responsible committee and/or unit have been reported to the Board of Directors at least once a year.	X				It is included in the 2021 Sustainability Report. It is also included in the 2022 Sustainability Report, which is planned to be published in 2023.	https://www.isleasing. com.tr/Sites/1/content/ Sustainability/2021/en/ Page: 28
A2.2	In line with the ESG goals; implementation and action plans have been prepared and disclosed to the public.			X		It is included in the 2021 Sustainability Report. It is also included in the 2022 Sustainability Report, which is planned to be published in 2023.	https://www.isleasing. com.tr/Sites/1/content/ Sustainability/2021/en/ Page: 23-24

	PRINCIPLE		STA	TUS OF COMI	PLIANCE		
			NO	PARTIALLY	IRRELEVANT	EXPLANATION	LINK
A2.3	The ESG Key Performance Indicators (KPI) and the level of achieving these indicators on a yearly basis have been disclosed to the public.			X		Performance indicators are presented comparatively on a yearly basis in the sustainability report. However, there are no comparable and verifiable local or international sector benchmarks for the indicators shared with the public. It is included in the 2021 Sustainability Report. It is also included in the 2022 Sustainability Report, which is planned to be published in 2023.	https://www.isleasing. com.tr/Sites/1/content/ Sustainability/2021/en/ Page: 38-39, 51-52
A2.4	Activities aimed to improve the sustainability performance in relation with business processes or products and services have been disclosed to the public	X				It is included in the 2021 Sustainability Report. It is also included in the 2022 Sustainability Report, which is planned to be published in 2023.	https://www.isleasing. com.tr/Sites/1/content/ Sustainability/2021/en/ Page: 24
	A3. Reporting						
A3.1	In the annual reports, information regarding the sustainability performance, targets and actions of the Corporation has provided in an understandable, accurate and sufficient manner.	X				It is included in the 2021 Sustainability Report. It is also included in the 2022 Sustainability Report, which is planned to be published in 2023.	https://www.isleasing. com.tr/Sites/1/content/ Sustainability/2021/en/ Page: 25
A3.2	The Corporation has provided information as to with which of the United Nations (UN) 2030 Sustainability Development Goals, its activities are related.	Х				It is included in the 2021 Sustainability Report. It is also included in the 2022 Sustainability Report, which is planned to be published in 2023.	https://www.isleasing. com.tr/Sites/1/content/ Sustainability/2021/en/ Page: 26
A3.3	Lawsuits filed and/or completed against ESG issues and cases that are significant in terms of ESG policies and/or that will significantly affect activities have been disclosed to the public.	X				There are no lawsuits filed and/or finalized against our Company on environmental, social and corporate governance issues.	https://www.isleasing. com.tr/sustainability/ https://www.isleasing. com.tr/Sites/1/content/ Sustainability/2021/en/
	A4. Verification						
A4.1	The Corporation's ESG Key Performance metrics have been verified and publicly disclosed by an independent third party.		X			Environmental and Social performance indicators have not yet been verified by an independent third party organization.	
	B. Environmental Principles						
B1	The Corporation has declared its policies and practices, action plans, and environmental management systems (known as ISO 14001 standard) and programs.			X		It is included in the 2021 Sustainability Report. It is also included in the 2022 Sustainability Report, which is planned to be published in 2023.	https://www.isleasing. com.tr/Sites/1/content/ Sustainability/2021/en/ Page: 29-30

SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

	DDINCIPLE		STAT	TUS OF COM	PLIANCE		
	PRINCIPLE	YES	NO	PARTIALLY	IRRELEVANT	EXPLANATION	LINK
B2	The scope of the report, the reporting period, the reporting date, and the limitations regarding the reporting conditions have been disclosed to the public regarding the environmental reports prepared to provide information on environmental management.	X				It is included in the 2021 Sustainability Report. It is also included in the 2022 Sustainability Report, which is planned to be published in 2023.	https://www.isleasing. com.tr/Sites/1/content/ Sustainability/2021/en/ Page: 38-40
В3	The information is provided in A2.1.						
В4	Environmental goals included in the rewarding criteria within the scope of performance incentive systems on the basis of stakeholders (such as members of the Board of Directors, managers and employees) have been disclosed to the public.	X				It is included in the 2021 Sustainability Report. It is also included in the 2022 Sustainability Report, which is planned to be published in 2023.	https://www.isleasing. com.tr/Sites/1/content/ Sustainability/2021/en/ Page: 49-50
B5	The Corporation has disclosed to the public how the priority environmental issues are integrated into business objectives and strategies.	Х				It is included in the 2021 Sustainability Report. It is also included in the 2022 Sustainability Report, which is planned to be published in 2023.	https://www.isleasing. com.tr/Sites/1/content/ Sustainability/2021/en/ Page: 29-40
В6	The information is provided in A2.4.						
В7	The Corporation has publicly disclosed how environmental issues are managed and integrated into business objectives and strategies throughout the corporation value chain, including the operational process, including suppliers and customers.	X				It is included in the 2021 Sustainability Report. It is also included in the 2022 Sustainability Report, which is planned to be published in 2023.	https://www.isleasing. com.tr/Sites/1/content/ Sustainability/2021/en/ Page: 49
B8	The Corporation has disclosed to the public whether the corporate is involved in the policy-making processes of organizations on the environment and nongovernmental organizations and collaborations with these institutions and organizations.	X				It is included in the 2021 Sustainability Report. It is also included in the 2022 Sustainability Report, which is planned to be published in 2023.	https://www.isleasing. com.tr/Sites/1/content/ Sustainability/2021/en/ Page: 21
В9	In the light of environmental indicators [Greenhouse gas emissions {Scope-1 (Direct), Scope-2 (Energy indirect), Scope-3 (Other indirect)11}, air quality, energy management, water and waste water management, waste management, biodiversity effects]., information on environmental impacts has periodically disclosed to the public in a comparable manner.			X		It is included in the 2021 Sustainability Report. It is also included in the 2022 Sustainability Report, which is planned to be published in 2023.	https://www.isleasing. com.tr/Sites/1/content/ Sustainability/2021/en/ Page: 38

	DDINCIDI E		STAT	TUS OF COMI	PLIANCE		
	PRINCIPLE	YES	NO	PARTIALLY	IRRELEVANT	EXPLANATION	LINK
B10	Details of the standards, protocols, methodologies, and base year employed for collection and calculation of its data have been disclosed to the public.			X		It is included in the 2021 Sustainability Report. It is also included in the 2022 Sustainability Report, which is planned to be published in 2023.	https://www.isleasing. com.tr/Sites/1/content/ Sustainability/2021/en/ Page: 38-39
B11	The Corporation has disclosed to the public the increase or decrease in environmental indicators for the report year comparison with past years.	X				It is included in the 2021 Sustainability Report. It is also included in the 2022 Sustainability Report, which is planned to be published in 2023.	https://www.isleasing. com.tr/Sites/1/content/ Sustainability/2021/en/ Page: 38-39
B12	Short and long-term targets have been determined to reduce the corporate's environmental impacts, and the improvement of these targets and the targets determined in previous years has been disclosed to the public.		X			It will be assessed in the following period.	
B13	The Corporation has prepared its strategy and actions for fight against climate crisis and the planned actions have been disclosed to the public.			X		It is included in the 2021 Sustainability Report. It is also included in the 2022 Sustainability Report, which is planned to be published in 2023.	https://www.isleasing. com.tr/Sites/1/content/ Sustainability/2021/en/ Page: 35-37
B14	Programs or procedures have been established and disclosed to the public aiming to prevent or minimize the potential negative effects of its products and/or services on the environment.			X		A list of "Non- Financed Activities" has been published by our Company and investments for the activities included in this list are not financed.	https://www.isleasing. com.tr/sustainability/
	The Corporation has taken actions to reduce greenhouse gas emissions of third parties (e.g., suppliers, subcontractors, dealers, etc.) and these actions have been disclosed to the public.		X			It will be assessed in the following period.	
B15	The Corporation has disclosed to the public the projects implemented and the initiatives entered for reduction of its environmental impact, as well as their environmental benefits and cost savings.			X		It is included in the 2021 Sustainability Report. It is also included in the 2022 Sustainability Report, which is planned to be published in 2023. Environmental benefits/gains and cost savings will be measured and disclosed in the following period.	https://www.isleasing. com.tr/Sites/1/content/ Sustainability/2021/en/ Page: 29-40

SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

DDINCIDI E			STA	TUS OF COMI	PLIANCE		
	PRINCIPLE	YES	NO	PARTIALLY	IRRELEVANT	EXPLANATION	LINK
B16	The Corporation's energy consumption (natural gas, diesel, gasoline, LPG, coal, electricity, heating, cooling, etc.) data have been disclosed to the public as Scope-1 and Scope-2.	Х				It is included in the 2021 Sustainability Report. It is also included in the 2022 Sustainability Report, which is planned to be published in 2023.	https://www.isleasing. com.tr/Sites/1/content/ Sustainability/2021/en/ Page: 38-39
B17	Public disclosure has been made about the electricity, heat, steam, and cooling produced in the reporting year.	X				It is included in the 2021 Sustainability Report. It is also included in the 2022 Sustainability Report, which is planned to be published in 2023.	https://www.isleasing. com.tr/Sites/1/content/ Sustainability/2021/en/ Page: 39
B18	Energy projects has been carried out and works on increasing the use of renewable energy sources, and transition to zero or low carbon electricity have been disclosed to public.	X				It is included in the 2021 Sustainability Report. It is also included in the 2022 Sustainability Report, which is planned to be published in 2023.	https://www.isleasing. com.tr/Sites/1/content/ Sustainability/2021/en/ Page: 23-25
B19	Renewable energy generation and consumption data have been disclosed to public.	X				It is included in the 2021 Sustainability Report. It is also included in the 2022 Sustainability Report, which is planned to be published in 2023.	https://www.isleasing. com.tr/Sites/1/content/ Sustainability/2021/en/ Page: 35
B20	The Corporation has conducted energy efficiency projects, and has disclosed the resulting reduction in energy consumption and emission due to its projects.			X		It is included in the 2021 Sustainability Report. It is also included in the 2022 Sustainability Report, which is planned to be published in 2023. The Company became carbon neutral by zeroing its 2021 and 2022 carbon emissions from operational activities with its contribution to sustainable energy sources. The calculation of emission reduction from leasing activities will be evaluated in the following period.	https://www.isleasing. com.tr/sustainability/ https://www.isleasing. com.tr/Sites/1/content/ Sustainability/2021/en/ Page: 23-25
B21	Water consumption, if any, amounts of water drawn, recycled, and discharged from underground or above ground, its sources and procedures have been disclosed to the public.		X			It will be assessed in the following period.	

	DDINCIDI E		STA	TUS OF COME	PLIANCE		
	PRINCIPLE	YES	NO	PARTIALLY	IRRELEVANT	EXPLANATION	LINK
B22	The Corporation has disclosed whether its operations or activities are included in any carbon pricing system or not (Emission Trade System, Cap & Trade or Carbon Tax).		X			It will be assessed in the following period.	
B23	Carbon credit data accumulated or bought in the reporting period has been disclosed.			X		iş Leasing's emissions for 2021-2022 were zeroed by purchasing 907 tons of carbon credits.	https://www.isleasing. com.tr/sustainability/
B24	If carbon pricing is applied in the corporation, the details regarding carbon pricing has been disclosed to the public.		X			It will be assessed in the following period.	
B25	The platforms where environmental information are shared, have been disclosed to the public.			X		It is included in the 2021 Sustainability Report. It is also included in the 2022 Sustainability Report, which is planned to be published in 2023.	https://www.isleasing. com.tr/Sites/1/content/ Sustainability/2021/en/ Page: 38-40
	C. Social Principles						
	C1. Human Rights and Employee Rights						
C1.1	The Corporate Human Rights and Employee Rights Policy has been established covering the Universal Declaration of Human Rights, ILO Conventions ratified by Türkiye and other relevant legislation, those responsible for the implementation of the aforesaid policy have been determined and the policy and those responsible have been disclosed to the public.			X		It is available on our Company's website. The roles and responsibilities regarding the implementation of the policy will be evaluated in the following period.	https://www.isleasing. com.tr/human-resources/ human-resources-policy/ https://www.isleasing. com.tr/investor-relations/ corporate-governance/ stakeholders-policy/
C1.2	Considering the supply and value chain effects, fair labor, improvement of working standards, employment of women and social inclusion issues (such as non-discrimination towards gender, race, religion, language, marital status, ethnic identity, sexual orientation, gender identity, family responsibilities, union activities, political opinion, disability, social and cultural differences, etc.) has included in corporation's policy on employee rights.	X				It is available on the Company's website.	https://www.isleasing. com.tr/investor-relations/ corporate-governance/ ethical-principles/

SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

	STATUS OF COMPLIANCE									
	PRINCIPLE	YES	NO	PARTIALLY	IRRELEVANT	EXPLANATION	LINK			
C1.3	The corporation has disclosed measures taken along the value chain for the sake of supervision and protection of rights/equal opportunities for minorities or certain population segments vulnerable to economic, environmental and social factors (low-income segments, women, etc.).			X		iş Leasing became one of the signatories of the Women's Empowerment Principles (WEPs) in 2022. It also became a member of the 30% Club (%30Club). İş Leasing aims to carry its egalitarian and inclusive approach forward, to be more involved in projects and initiatives that will contribute to social development and welfare, and to increase its social impact.	https://www.isleasing. com.tr/membership/			
C1.4	Developments relating to applications aiming to prevent and correct discrimination, inequality, breaches of human rights, forced and child labor have been disclosed to the public.			X		Regulations on child labor are included in the 2021 Sustainability Report. It is included in the 2021 Sustainability Report. It is also included in the 2022 Sustainability Report, which is planned to be published in 2023. Reporting of developments regarding preventive and corrective actions will be evaluated in the following period.	https://www.isleasing. com.tr/Sites/1/content/ Sustainability/2021/en/ Page: 48			
	The corporate has disclosed its policies regarding investments in employees (training and development policies), compensations, fringe benefits, unionization rights, work/life balance solutions and talent management in the employee rights policy.	X				It is included in the 2021 Sustainability Report. It is also included in the 2022 Sustainability Report, which is planned to be published in 2023.	https://www.isleasing. com.tr/Sites/1/content/ Sustainability/2021/en/ Page: 48-52			
C1.5	The corporate has determined dispute resolution processes through the establishment of mechanisms for resolution of employee complaints and disputes.	X				It is available on the Company's website.	https://www.isleasing. com.tr/investor-relations/ corporate-governance/ stakeholders-policy/ https://www.isleasing. com.tr/investor-relations/ corporate-governance/ remuneration-policy/			
	The corporation has disclosed to the public the activities aimed at employee satisfaction within the reporting period.	X				It is available on the Company's website.	https://www.isleasing. com.tr/investor-relations/ corporate-governance/ compensation-policy-for- employees/ https://www.isleasing. com.tr/investor-relations/ corporate-governance/ ethical-principles/			

	PRINCIPLE		STA	TUS OF COME	PLIANCE			
	PRINCIPLE	YES	NO	PARTIALLY	IRRELEVANT	EXPLANATION	LINK	
C1.6	Occupational health and safety policies have been established and disclosed to the public.	X				It is included in the 2021 Sustainability Report. It is also included in the 2022 Sustainability Report, which is planned to be published in 2023.	https://www.isleasing. com.tr/Sites/1/content/ Sustainability/2021/en/ Page: 49	
C1.0	The corporation has disclosed actions and measures taken for protection of health and against occupational accidents, and occupational accident statistics.	X				It is included in the 2021 Sustainability Report. It is also included in the 2022 Sustainability Report, which is planned to be published in 2023.	https://www.isleasing. com.tr/Sites/1/content/ Sustainability/2021/en/ Page: 49	
C1.7	Personal data protection and data security policies are established and disclosed to the public.	X				It is available on the Company's website.	https://www.isleasing. com.tr/kisisel-verilerin- korunmasi/	
C1.8	Ethics policy is formulated and disclosed to the public.	X				It is available on the Company's website.	https://www.isleasing. com.tr/investor-relations/ corporate-governance/ ethical-principles/	
C1.9								
C1.10	Information meetings and training programs have been organized for employees on ESG policies and practices.	×				Informative e-mails were sent to employees on sustainability and relevant posts were made on social media accounts. On June 23, 2022, "New Vision of Sustainability Management and Corporate Greenhouse Gas (GHG) Calculation Training" was given to the members of the sustainability committee. The related issue is included in the 2022 Sustainability Report, which is planned to be published in 2023.		
	C2. Stakeholders, International S	tanda	rds a	nd Initiatives				
C2.1	A customer satisfaction policy regarding the management and resolution of customer complaints has been prepared and disclosed to the public.	X				It is included in the 2021 Sustainability Report. It is also included in the 2022 Sustainability Report, which is planned to be published in 2023.	https://www.isleasing. com.tr/Sites/1/content/ Sustainability/2021/en/ Page: 19	
C2.2	Information about the communication with the Stakeholders (which stakeholder, subject and frequency) has been disclosed to the public.	X				It is included in the 2021 Sustainability Report. It is also included in the 2022 Sustainability Report, which is planned to be published in 2023.	https://www.isleasing. com.tr/Sites/1/content/ Sustainability/2021/en/ Page: 29	

	PRINCIPLE		STA	TUS OF COM	PLIANCE		
	PRINCIPLE	YES	NO	PARTIALLY	IRRELEVANT	EXPLANATION	LINK
C2.3	The corporation has disclosed the international reporting standards it has adopted.	X				It is included in the 2021 Sustainability Report. It is also included in the 2022 Sustainability Report, which is planned to be published in 2023.	https://www.isleasing. com.tr/Sites/1/content/ Sustainability/2021/en/ Page: 53-58
C2.4	The corporation has disclosed to the public the principles adopted, international organizations it has signed or enrolled in, committees and principles regarding sustainability.	X				It is included in the 2021 Sustainability Report. It is also included in the 2022 Sustainability Report, which is planned to be published in 2023.	https://www.isleasing. com.tr/Sites/1/content/ Sustainability/2021/en/ Page: 26
C2.5	The corporation has made improvements and conducted studies to be included in the sustainability indexes of Borsa Istanbul and/or international index providers.			X		In 2022, it took steps to be included in the BIST Sustainability index and completed its system entries by fulfilling all its acquisitions by applying for Refinitiv. In 2023, it is aimed to be included in the index.	https://www.refinitiv. com/en/sustainable- finance/esg-scores
	D. Corporate Governance Princip	les					
D1	The corporation has consulted with the stakeholders in the determination of measures and strategies in the sustainability field.	X				It is included in the 2021 Sustainability Report. It is also included in the 2022 Sustainability Report, which is planned to be published in 2023.	https://www.isleasing. com.tr/Sites/1/content/ Sustainability/2021/en/ Page: 45-47
D2	Social responsibility projects, awareness activities, and training to raise awareness about sustainability and its importance have been carried out.	X				It is included in the 2021 Sustainability Report. It is also included in the 2022 Sustainability Report, which is planned to be published in 2023.	https://www.isleasing. com.tr/Sites/1/content/ Sustainability/2021/en/ Page: 50

DECLARATION OF AUDIT COMMITTEE ON INTERNAL CONTROL ENVIRONMENT

İş Finansal Kiralama A.Ş.

Declaration of Audit Committee on Internal Control Environment

is Leasing has regulated the fundamental duties, authorities and responsibilities regarding its risk management and internal control activities via the "Internal Controland Risk Management Activities Procedure" and "Internal Audit Activities Procedure", approved and released by the Board of Directors. The Board of Directors has appointed the Audit Committee to monitor, evaluate and manage the activities carried out under internal control and internal audit procedures.

The internal control system of the company targets to establish and maintain a company-wide internal control culture internalized by all employees, as a contributing approach covering all operations. The internal audit system on the other hand, comprises the identification and application of precautions designed to eliminate factors threatening, endangering or having the probability to endanger assets, data, information and personnel safety; and to ensure the compliance of company operations to legal and internal regulations. Through its risk based audit approach, the Internal Control and Risk Management Department and Internal Audit Department, which are reporting to the Board of Directors via the Audit Committee, assures the implementation of above referred actions by contributing to the formation, development and improvement of a company-wide risk culture.

The procedures regarding company operations, work flows, segregation of duties, authorizations and limits are continually reviewed and updated in parallel with changing conditions, risks and needs. Activity work flows incorporate complete and adequate controls addressing identified risks, hereby allowing a controlled execution of operations. Functional segregation of duties, transaction approval authorizations and limits, system controls, post transaction controls and other transaction specific controls ensure the execution of activities continuously in an efficient, correct and safe manner.

The facts, arguments and suggestions determined through the auditing activity of the Internal Control and Risk Management Department and Internal Audit Department are first communicated and evaluated with the related executing parties. By this token, preemptive and complementary measures are implemented swiftly while accommodating and applicable solutions are introduced. All this activity is monitored closely and evaluated by the Internal Control and Risk Management Department and Internal Audit Department as well as the executing parties.

The Audit Committee periodically evaluates the effectiveness of the internal control system and the results of internal control activities through internal audit reports prepared by the Internal Audit and Risk Management Department and Internal Audit Department; and shares its suggestions regarding the measures to be taken in relation to the reported findings with the Board of Directors. In the light of all these considerations, the Committee has not detected any downside effect regarding the efficiency of company's internal control system and results of internal control operations, and has concluded that it is duly acted.

İstanbul, 03 February 2023

President of Audit Committee and **Board Member**

A. Botan BERKER

Audit Committee and Board Member

Selim YAZICI

Audit Committee and Board Member

M. Coskun CANGÖZ

GENERAL MEETING AGENDA

CONCERNING THE ORDINARY ASSEMBLY MEETTING OF IŞ FİNANSAL KİRALAMA ANONİM ŞİRKETİ TO BE HELD ON 28 MARCH 2023 AGENDA

- 1. Opening and forming of the meeting's Presidential Board;
- 2. Reading and discussing the Board of Directors' Annual Report, Declaration of Compliance on Corporate Governance Principles and Independent Auditor Report relating to 2022 activities and operations;
- 3. Reading, discussing and approval of Financial Statements of 2022;
- 4. Approval of Directors elected as per article 363 of the Turkish Commercial Code and article 9 of the Articles of Association for the seats vacated in the Board of Directors during the period;
- 5. Release of the Directors;
- 6. Discussing and deciding the Profit Distribution Proposal of the Board of Directors, determining the Profit Distribution Date:
- 7. Election of Directors and determination of their term of office, and information of the shareholders about the outside duties and jobs of the Directors and their justification, according to the existing registered Articles of Association;
- 8. Determination of remunerations payable to the Directors;
- 9. Giving permission to persons named by the relevant applicable laws for performance of the transactions referred to in articles 395 and 396 of the Turkish Commercial Code:
- 10. Giving information about the transactions mentioned in article 1.3.6 of the Corporate Governance Principles;
- 11. Election of Independent Audit Firm.
- 12. Informing the General Assembly about the donations made in 2022;
- 13. Determination of the upper limit for donations to be made within the year 2023 pursuant to 5th paragraph of article 19 of the Capital Markets Law;

Venue of Meeting : İş Kuleleri, 34330, İş Bankası Oditoryum Binası, 4.Levent – İstanbul

Date of Meeting: : 28 March 2023, 10:00 hours

PROFIT DISTRIBUTION PROPOSAL

MANAGEMENT

	İŞ FİNANSAL KİRALAMA A.Ş. 2022 Profit	Distribution Table (Thousar	nd TL)
1.	Paid in/Issued Share Capital		695,303
2.	General Legal Reserves (According to Statutory Records)		64,278
Info	rmation on profit distribution privileges according to Article	es of Association	
		As per SPK	As per Statutory Books
3.	Profit for the Period	1,121,971	634,897
4.	Taxes (-) (**)	295,205	154,607
5.	Net Profit for he Period (=)	826,766	480,290
6.	Previous Years' Losses (-)	-	-
7.	General Legal Reserve (-)	24,015	24,015
8.	NET DISTRIBUTABLE PROFIT (=)	802,751	456,275
9.	Donation Made During the Year (+)	-	
10.	Net Distributable Profit determined with the addition of donations made during the year	802,751	
	First Dividend to Shareholders		
11.	-Cash -Stocks - Total		-
12.	Dividends to Holders of Preferred Shares	-	-
13	Other Dividend -To Board of Directors, -To Employees, -To Persons other than Shareholders	-	-
14.	Dividend to Holders of Usufruct Shares	-	-
15.	Second Dividend to Shareholders	-	-
16.	General Legal Reserves	-	-
17.		-	-
18.	Other Reserves	-	-
19.	EXTRAORDINARY RESERVES	802,751	456,275
20.	Other Sources Planned to be Distributed (*)	-	-

^(*) It has been considered by the Banking Regulation and Supervision Agency that the income amounts related to deferred tax assets cannot be qualified as cash or internal resources, and therefore, the part of the period profit arising from the afore-mentioned assets should not be subject to profit distribution and capital increase. Therefore the deferred tax income amounting TL 75.641 thousand, which is included to the net profit for the period is booked within the extraordinary reserves amounting TL 802.751 thousand.

İŞ FİNANSAL KİRALAMA A.Ş. 2022 DIVIDEND RATE TABLE

	CDOUD	TOTAL D	IVIDEND	TOTAL DIVIDEND / NET DISTRIBUTABLE PROFIT FOR THE PERIOD	DIVIDEND FO	
	GROUP	CASH (THOUSAND TL)	BONUS (THOUSAND TL)	RATE (%)	AMOUNT (THOUSAND TL)	RATE (%)
	Α	-	-	-	-	-
GROSS	В	-	-	-	-	-
	TOTAL	-	-	-	-	-

BOARD DECISION REGARDING FINANCIAL STATEMENTS

İstanbul, 30 January 2023

To the Board of Directors of İş Finansal Kiralama A.Ş.

submit the subjects regarding the approval and disclosure of the audited consolidated financial statements and notes for the period 01.01.2022 - 31.12.2022 for your approval.

U. Şafak ÖĞÜN General Manager

It is decided to admit the Head Office's proposal above.

Decision Number: 3039 Decision Date: 30.01.2023

N. Burak SEYREK Chairman

U. Şafak ÖĞÜN Member

M. Coşkun CANGÖZ Member Necati ÇAĞLAR Vice Chairman

A. Botan BERKER

Chairman of Committee

Mehmet CELAYİR Member Ömer KARAKUŞ Member

> Selim YAZICI Member

H. Serdar YÜCEL Member GENERAL ASSESSMENT

AUDIT COMMITTEE DECISION

İŞ FİNANSAL KİRALAMA A.Ş. AUDIT COMMITTEE

Decision No :221

Decision Date : 30.01.2023

Decision No : 2023.221

Meeting Hour : 11:00

Agenda Item No: 2.

SUBJECT: Regarding consolidated financial statements of the period 01.01.2022 - 31.12.2022

We confirm that the consolidated financial statements and footnotes of the Company pertaining to the period 01.01.2022 – 31.12.2022 which have been subject to an independent audit are accurate and that they have been prepared in accordance with the relevant legislation as well as with generally accepted accounting principles and standards. We have also consulted with the executives in charge of the company during our audit. We deem it appropriate to submit the said financial statements and their footnotes to the Board of Directors for approval and public disclosure.

A. Botan BERKER Chairman of Committee Selim YAZICI Member

M. Coskun CANGÖZ Member

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MANAGEMENT

(Convenience Translation of Consolidated Financial Statements and Related Disclosures and Footnotes Originally Issued in Turkish)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of İş Finansal Kiralama A.Ş. Report on the audit of the Financial Statements

Opinion

We have audited the accompanying consolidated statement of financial position of İş Finansal Kiralama A.Ş. ("the Company"), and its subsidiary (all together referred to as "the Group"), which comprise the consolidated statement of balance sheet as at December 31, 2022 and the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2022 and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with the Communique on Financial Leasing, Factoring and Uniform chart of Accounts which shall be applied by Finance Companies published in Official Gazette dated December 24, 2013 and numbered 28861 and Regulation, Communique and Circular on Accounting Policies of Financial Leasing, Factoring, Financing and Saving Finance Companies and their Financial Statements and announcements published by the Banking Regulation and Supervision Authority ("BRSA") together referred as "BRSA Accounting and Financial Reporting Legislation" which includes provisions of Turkish Financial Reporting Standards ("TFRS") for the matters which are not regulated by the aforementioned regulations.

Basis for opinion

We conducted our audit in accordance with Independent Auditing Standards (InAS) which are part of the Turkish Auditing Standards as issued by the Public Oversight Accounting and Auditing Standards Authority of Turkey (POA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics for Independent Auditors (Code of Ethics) as issued by the POA, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, we do not provide a separate opinion on these matters.

MANAGEMENT

INDEPENDENT AUDITOR'S REPORT

Responsibilities of management and those charged with governance for the consolidated financial statements

Group Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with "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 is responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with InASs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with InASs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

GENERAL ASSESSMENT

MANAGEMENT CORPORATE GOVERNANCE PRACTICES

FINANCIAL STATEMENTS

- 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's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtian sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible or the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITOR'S REPORT

Reports on independent auditor's responsibilities arising from other regulatory requirements

- 1) Auditos' report on Risk Management System and Committee prepared in accordance with paragraph 4 of Article 398 of Turkish Commercial Code ("TCC") 6102 is submitted to the Board of Directors of the Company of January 28, 2022.
- 2) In accordance with Article 402 paragraph 4 of the Turkish Commercial Code ("TCC"); no significant matter has come to our attention that causes us to believe that the Company's bookkeeping activities for the period January 1 December 31, 2022 are not in compliance with the TCC and provisions of the Company's articles of association in relation to financial reporting.
- 3) In accordance with Article 402 paragraph 4 of the TCC; the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

The partner in charge of the audit resulting in this independent auditor's report is Fatma Ebru Yücel.

paşsusız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi ber firm of Ernst & Young Global Limited

Fatma Ebru Yücel, SMMM Partner

January 30, 2023 İstanbul, Turkey MANAGEMENT

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION (BALANCE SHEET) AS AT 31 DECEMBER 2022

(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

				Audited Current Period 31 December 2022			Audited Prior Period 31 December 2021			
	ASSETS	Notes	TL	FC	TOTAL	TL	FC	TOTAL		
I.	CASH, CASH EQUIVALENTS and		470 226	104 470	262.745	44.640	420.052	474 502		
	CENTRAL BANK	4	178.236	184.479	362.715	41.649	429.853	471.502		
II.	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR									
	LOSS (Net)	5	_	_	_	_	_	_		
III.	DERIVATIVE FINANCIAL ASSETS	6	_	4.207	4.207	_	_	_		
IV.	FINANCIAL ASSETS AT FAIR VALUE									
	THROUGH OTHER COMPREHENSIVE	_								
	INCOME (Net)	7	1.088.210	-	1.088.210	404.862	-	404.862		
V.	FINANCIAL ASSETS MEASURED AT		17.043.360	14.734.655	32.677.923	8.267.951	0 777 376	10.045.227		
5.1	AMORTISED COST (Net) Factoring Receivables	8	17.943.268 13.497.715	2.134.009		4.874.483	9.777.376 1.797.516	18.045.327 6.671.999		
	Discounted Factoring Receivables (Net)	0	5.202.741	58.068	5.260.809	1.657.216	657.468	2.314.684		
	Other Factoring Receivables		8.294.974	2.075.941		3.217.267	1.140.048	4.357.315		
5.1. 2	Savings Financing Receivables		0.234.374	2.073.541	10.570.515	5.217.207	1.140.046	4.557.515		
5.2.1	From the Savings Fund Pool		_	_	_	_	_	_		
	From equity		_	_	_	_	_	_		
5.3	Financing loans		_	_	_	-	-	_		
5.3.1	Consumer Loans		_	_	_	-	-	-		
5.3.2	Credit Cards		-	-	-	-	-	-		
5.3.3	Installment Commercial Loans		-	-	-	-	-	-		
5.4	Lease Receivables (Net)	9	4.591.587	12.670.758	17.262.345	3.309.893	8.063.052	11.372.945		
5.4.1	Finance Lease Receivables		6.369.797	13.912.460	20.282.257	4.308.928	8.799.222	13.108.150		
5.4.2	Opeerational Lease Receivables		-	-	-	-	-	-		
	Unearned Income (-)		(1.778.210)	(1.241.702)	(3.019.912)	(999.035)	(736.170)	(1.735.205)		
5.5	Other Financial Assets Measured at									
	Amortised Cost		-	-	-	-	-	-		
5.6	Non-Performing Loans	8,9	498.517	461.641	960.158	522.228	283.277	805.505		
5.7	Expected Credit Loss (-)/Specific		(644 554)	(524 752)	(4.476.204)	(420 (52)	(255.450)	(005 400)		
	Provisions (-)		(644.551)	(531./53)	(1.176.304)	(438.653)	(366.469)	(805.122)		
VI.	EQUITY INVESTMENTS		_	-	-	-	-			
6.1 6.2	Investments in Associates (Net) Subsidiaries (Net)					-	-	_		
6.3	Joint Ventures (Net)									
VII.	TANGIBLE ASSETS (Net)	11	46.547	_	46.547	23,277	_	23.277		
VIII.	INTANGIBLE ASSETS (Net)	12	13.208	_	13.208	7.032	_	7.032		
IX.	INVESTMENT PROPERTY (Net)		15.200	_	-	7.052	_	7.032		
X.	CURRENT TAX ASSET	21,2.3	292	_	292	686	_	686		
XI.	DEFERRED TAX ASSET	13	165.380	_	165.380	89.070	_	89.070		
XII.	OTHER ASSETS	15,2.3	301.165	1.669.672		271.095	1.063.226	1.334.321		
	SUB TOTAL		19.736.306	16.593.013		9.105.622	11.270.455	20.376.077		
XIII.	ASSETS HELD FOR SALE AND									
	DISCONTINUED									
	OPERATIONS (Net)	14	760	-	760	838	-	838		
13.1	Held for Sale		760	-	760	838	-	838		
13.2	Discontinued Operations		-	44 800 015	-	-				
	TOTAL ASSETS		19.737.066	16.593.013	36.330.079	9.106.460	11.270.455	20.376.915		

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (BALANCE SHEET) AS AT 31 DECEMBER 2022

(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

			Audited Current Period 31 December 2022			Audited Prior Period 31 December 2021		
	LIABILITIES	Notes	TL	FC FC	TOTAL	TL	FC FC	TOTAL
I.	FUNDS BORROWED	16	14.025.496	13.704.727	27.730.223	5.578.976	9.790.324	15.369.300
II.	FACTORING PAYABLES		-	-	-	-	-	-
III.	LIABILITIES FROM THE SAVING							
	FUND POOL		-	-	-	-	-	-
IV.	LEASE PAYABLES	18	4.569	-	4.569	2.907	-	2.907
V.	SECURITIES ISSUED (Net)	19	3.410.633	-	3.410.633	1.658.151	-	1.658.151
VI.	FİNANCIAL LIABILITIES AT FAIR							
	VALUE THROUGH PROFIT OR LOSS		-	-	-	-	-	-
VII. VIII.	DERIVATIVE FINANCIAL LIABILITY	6 20	36.564	67.840 13.940	67.840	- 18.518	84.615	84.615 28.979
8.1	PROVISIONS Deskey skyring Deskrisings	20	36.564	13.940	50.504	18.518	10.461	28.979
8.2	Restructuring Provisions Reserves For Employee Benefits		34.273	-	34.273	17.567	-	17.567
8.3	General Provisions		34.273	-	34.273	17.307	_	17.307
8.4	Other Provisions		2.291	13.940	16.231	951	10.461	11.412
IX.	CURRENT PERIOD TAX LIABILITY	21	116.648	13.540	116.648	84.352	10.401	84.352
X.	DEFERRED TAX LIABILITY		-	_	-	-	-	-
XI.	SUBORDINATED LOANS		_	_	_	_	_	_
XII	OTHER LIABILITY	17	229.207	976.410	1.205.617	136.602	872.566	1.009.168
	SUB TOTAL		17.823.117	14.762.917	32.586.034	7.479.506	10.757.966	18.237.472
XII.	PAYABLES RELATED TO ASSETS							
	FOR SALE AND DISCONTINUED							
	OPERATIONS (Net)		-	-	-	-	-	-
12.1	Held For Sale		-	-	-	-	-	-
12.2	Discontinued Operations		-	-	-	-	-	-
XIII.	SHAREHOLDER'S EQUITY		3.744.045	-	3.744.045	2.139.443	-	2.139.443
13.1	Paid-in Capital	23	695.303	-	695.303	695.303	-	695.303
13.2	Capital Reserves	23	1.763	-	1.763	1.763	-	1.763
13.2.1			-	-	-	-	-	-
	Share Cancellation Profits		4.762	-	- 4 762	- 4 762	-	-
	Other Capital Reserves		1.763	-	1.763	1.763	-	1.763
13.3	Accumulated Other Comprehensive Income or Loss Not Reclassified							
	Through Profit or Loss	23,2.3	946.809	_	946.809	(187)	_	(187)
13.4	Accumulated Other Comprehensive	23,2.3	540.005		740.007	(107)		(107)
13.4	Income or Loss Reclassified Through							
	Profit or Loss	2.3	-	-	_	339.948	-	339.948
13.5	Profit Reserves	24	954.367	-	954.367	652.128	-	652.128
13.5.1	Legal Reserves		80.210	-	80.210	65.098	-	65.098
	Statutory Reserves		-	-	-	-	-	-
	Extraordinary Reserves		874.157	-	874.157	587.030	-	587.030
13.5.4	Other Profit Reserves		-	-	-	-	-	-
13.6	Profit or Loss		834.590	-	834.590	310.063	-	310.063
13.6.1	Prior Periods Profit/Loss	25	7.824	-	7.824	-	-	-
13.6.2	Current Period Profit/Loss		826.766	-	826.766	310.063	-	310.063
	Non-Controlling Interests	22	311.213	-	311.213	140.425	-	140.425
	TOTAL LIABILITIES		21.567.162	14.762.917	36.330.079	9.618.949	10.757.966	20.376.915

CONSOLIDATED STATEMENT OF OFF BALANCE SHEET ITEMS AS AT 31 DECEMBER 2022

(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

				Audited Current Period December 20		Audited Prior Period 31 December 2021		
	OFF-BALANCE SHEET ITEMS	Notes	TL	FC	TOTAL	TL	FC	TOTAL
ı.	IRREVOCABLE FACTORING							
	TRANSACTIONS		622.420	1.411.446	2.033.866	24.850	758.099	782.949
II.	REVOCABLE FACTORING							
	TRANSACTIONS		784.054	213.148	997.202	549.788	146.412	696.200
III.	SAVING FINANCE							
	AGREEMENTS TRANSACTIONS		-	-	-	-	-	-
IV.	COLLATERALS RECEIVED	38	90.909.662	203.106.186	294.015.848	64.004.709	136.089.099	200.093.808
V.	COLLATERALS GIVEN	26	3.609.938	-	3.609.938	1.398.072	1.853	1.399.925
VI.	COMMITMENTS		522.286	2.448.896	2.971.182	596.435	3.052.604	3.649.039
6.1	Irrevocable Commitments		-	451.059	451.059	-	860.394	860.394
6.2	Revocable Commitments		522.286	1.997.837	2.520.123	596.435	2.192.210	2.788.645
6.2.1	Lease Commitments		522.286	1.997.837	2.520.123	596.435	2.192.210	2.788.645
6.2.1.1	Finance Lease Commitments		522.286	1.997.837	2.520.123	596.435	2.192.210	2.788.645
6.2.1.2	Operational Lease Commitments		-	-	-	-	-	-
6.2.2	Other Revocable Commitments		-	-	-	-	-	-
VII.	DERIVATIVE FINANCIAL							
	INSTRUMENTS	26	1.396.339	1.397.234	2.793.573	227.459	284.923	512.382
7.1	Derivative Financial Instruments							
	for Risk Management		-	-	-	-	-	-
7.1.1	Fair Value Hedges		-	-	-	-	-	-
7.1.2	Cash Flow Hedges		-	-	-	-	-	-
7.1.3	Net Foreign Investment Hedges		-	-	-	-	-	-
7.2	Derivative Financial Instruments							
	Held For Trading		1.396.339	1.397.234	2.793.573	227.459	284.923	512.382
7.2.1	Forward Foreign Currency							
	Purchases/Sales		-	-	-	-	-	-
7.2.2	Swap Purchases/Sales		1.396.339	1.397.234	2.793.573	227.459	284.923	512.382
7.2.3	Put/call options		-	-	-	-	-	-
7.2.4	Futures purchases/sales		-	-	-	-	-	-
7.2.5	Others		-	-	-	-	-	-
VIII.	ITEMS HELD IN CUSTODY		2.940.026	338.037	3.278.063	1.606.281	316.735	1.923.016
	TOTAL OFF-BALANCE SHEET							
	ITEMS		100.784.725	208.914.947	309.699.672	68.407.594	140.649.725	209.057.319

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2022

(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

	PROFIT OR LOSS STATEMENT	Nobe	Audited Prior Period	Audited Prior Period
<u>. </u>	PROFIT OR LOSS STATEMENT OPERATING INCOME	Note 29	01.01-31.12.2022 3.435.604	01.01-31.12.2021 1.528.644
1.	FAKTORING INCOME	29	1.796.140	649.043
1.1	Factoring Interest Income		1.691.251	627.973
1.1.1	Discounted		900.535	304.224
1.1.2	Other		790.716	323.749
1.1.2	Factoring Commission Income		104.889	21.070
1.2.1	Discounted		48.154	8.582
1.2.2	Other		56.735	12.488
1.2.2	INCOME FROM FINANCING LOANS		30.733	12.400
1.3	Interest income from Financing Loans		_	_
1.4	Fees and Commission Income from Financing Loans		_	_
	LEASE INCOME		1.639.464	879.601
1.5	Finance Lease Income		1.636.765	878.101
1.6	Operational Lease Income		2.699	1.500
1.7	Fees and Commission Income from Lease Operations		-	-
	SAVING FINANCE INCOME		_	_
1.8	Dividends Received from Savings Financing Receivables		_	_
1.9	Fees and Commissions Received from Savings Financing Activities		_	_
II.	FINANCING EXPENSES (-)	32	(2.245.431)	(1.005.175)
2.1	Interest Expense on Funds Borrowed		(1.581.087)	(717.409)
2.2	Interest Expense on Factoring Payables		-	-
2.3	Interest Expense of Finance Leasing Expenses		(1.020)	(692)
2.4	Interest Expense on Securities Issued		(547.053)	(251.125)
2.5	Other Interest Expenses		-	-
2.6	Fees and Commissions Paid		(116.271)	(35.949)
III.	GROSS PROFIT/LOSS (I+II)		1.190.173	523.469
IV.	OPERATING EXPENSES (-)	30	(205.030)	(105.963)
4.1	Personal Expenses		(132.579)	(66.999)
4.2	Employee Severance Indemnity Expense		(9.099)	(2.789)
4.3	Research and Development Expenses		-	-
4.4	General Administration Expenses		(62.177)	(35.465)
4.5	Other		(1.175)	(710)
V.	GROSS OPERATING PROFIT/LOSS (III+IV)		985.143	417.506
VI.	OTHER OPERATING INCOME	31	936.567	508.728
6.1	Interest Income on Bank Deposits		2.322	3.819
6.2	Interest Income on Marketable Securities Portfolio		-	-
6.3	Dividend Income		19.463	17.274
6.4	Gains on Securities Trading		139	165
6.5	Income From Derivative Financial Instruments		156.240	13.942
6.6	Foreign Exchange Gains		597.785	300.883
6.7	Other		160.618	172.645
VII.	PROVISION EXPENSES (-)	33	(445.414)	(322.857)
7.1	Specific Provisions		-	-
7.2	Expected Credit Losses		(445.414)	(322.857)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2022

(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

	PROFIT OR LOSS STATEMENT	Note	Audited Prior Period 01.01-31.12.2022	Audited Prior Period 01.01-31.12.2021
7.3	General Provisions		-	-
7.4	Other		-	-
VIII.	OTHER OPERATING EXPENSES (-)	34	(257.915)	(118.659)
8.1	Impairment Losses on Securities Portfolio		-	-
8.2	Impairment Losses on Tangible and Intangible Assets		-	-
8.3	Losses on Securities Trading		-	-
8.4	Losses From Derivative Financial Instruments		(241.906)	(106.288)
8.5	Foreign Exchange Losses		-	-
8.6	Other		(16.009)	(12.371)
IX.	NET OPERATING PROFIT (V++VIII)		1.218.381	484.718
Х.	AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER		-	-
XI.	PROFIT/LOSS FROM ASSOCIATES ACCOUNTED FOR USING THE EQUITY METHOD		-	-
XII.	NET MONETARY POSITION GAIN/LOSS		-	-
XIII.	PROFIT/LOSS ON CONTINUING OPERATIONS BEFORE TAX			
	(IX+X+XI+XII)		1.218.381	484.718
XIV.	TAX PROVISION FOR CONTINUING OPERATIONS (±)	35	(295.205)	(146.057)
14.1	Current Tax Provision		(370.845)	(186.473)
14.2	Deferred Tax Income Effect (+)		-	-
14.3	Deferred Tax Expense Effect (-)		75.640	40.416
XV.	NET PERIOD PROFIT/LOSS FROM CONTUNUING OPERATIONS (XIII±XIV)		923.176	338.661
XVI.	INCOME ON DISCONTINUED OPERATIONS		-	-
16.1	Income on Assets Held for Sale		-	-
16.2	Gain on Sale of Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures)		-	-
16.3	Other Income on Discontinued Operations		-	-
XVII.	EXPENSE ON DISCONTINUED OPERATIONS (-)		-	-
17.1	Expense on Assets Held for Sale		-	-
17.2	Loss on Sale of Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures)		-	-
17.3	Other Expense on Discontinued Operations		-	-
XVIII.	PROFIT/LOSS ON DISCONTINUED OPERATIONS BEFORE TAX (XVI-XVII)		-	-
XIX.	TAX PROVISION FOR DISCONTINUED OPERATIONS (±)		-	-
19.1	Current Tax Provision		-	-
19.2	Deferred Tax Expense Effect (+)		-	-
19.3	Deferred Tax Income Effect (-)		-	-
XX.	NET PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XVIII±XIX)		-	
	NON-CONTROLLING INTEREST		(96.410)	(28.598)
XXI.	NET PROFIT FOR THE PERIOD (XV+XX)		826.766	310.063
	EARNINGS PER SHARE (**)	36	0,0119	0,0045
	Earnings Per Share from Continued Operations		0,0119	0,0045
	Earnings Per Share from Discontinued Operations		-	-
	DILUTED EARNINGS PER SHARE	36	0,0119	0,0045
	Earnings Per Share from Continued Operations		0,0119	0,0045
	Earnings Per Share from Discontinued Operations		-	-

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

		Audited	Audited
	PROFIT/LOSS AND OTHER COMPREHENSIVE INCOME STATEMENT	Current Period 01.01-31.12.2022	Prior Period 01.01-31.12.2021
	PROPTI/E033 AND OTHER COMPREHENSIVE INCOME STATEMENT	01.01-31.12.2022	01.01-31.12.2021
I.	CURRENT PERIOD PROFIT/LOSS	923.176	338.661
II.	OTHER COMPREHENSIVE INCOME	681.426	84.963
2.1	Items that will not be Reclassified to Profit or Loss	681.426	84.963
2.1.1	Tangible Assets Revaluation Increases/Decreases	-	-
2.1.2	Intangible Assets Revaluation Increases/Decreases	-	-
2.1.3	Employee Benefits Re-Measuring Loss/Income	(2.590)	99
	Other Comprehensive Income that will not be Reclassified to Profit or		
2.1.4	Loss (Note 2.3)	683.346	84.887
	Taxes related with Comprehensive Income that will not be Reclassified to		
2.1.5	Profit or Loss	670	(23)
2.2	Items that may be Reclassified subsequently to Profit or Loss	-	-
2.2.1	Foreign Exchange Differences for Foreign Currency Transactions	-	-
2.2.2	Value Increases or Decreases on Assets Held for Sales (Note 2.3)	-	-
2.2.3	Cash Flow Hedge Income/Losses	-	-
2.2.4	Net Investment Hedge Income/Losses	-	-
	Other Comprehensive Income that may be Reclassified subsequently to		
2.2.5	Profit or Loss	-	-
	Taxes related with Comprehensive Income that may be Reclassified		
2.2.6	subsequently to Profit or Loss	-	-
III.	Current Tax Income/Expense	1.604.602	423.624

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

Other Accumulated Comprehensive Income that will be not reclassified to Profit/Loss

	_							i Oi it/ LU33	'	
					Share	Other				
	ICEC IN FOURTY	N	Paid-in		Cancellation	Capital				
CHAN	IGES IN EQUITY Prior Period (01.01 - 31.12.2021) (Audited)	Note	Capital	Premium	Profits	Reserves	1	2	3	
			COE 202			4.020		(262)	262.450	
l.	Balance at the Beginning of the Period		695.303	-	-	1.938	-	(263)	263.459	
II.	Correction Made According to TAS 8		-	-	-	-	-	-	-	
2.1	Effect of Correction of Errors		-	-	-	-	-	-	-	
2.2	Effect of Changes in Accounting Policies		-	-	-	-	-	-	-	
III.	New Balance (I+II)	23	695.303	-	-	1.938	-	(263)	263.459	
IV.	Total Comprehensive İncome		-	-	-	-	-	76	76.489	
V.	Cash Capital Increase		-	-	-	-	-	-	-	
VI.	Capital Increase from internal reserves		-	-	-	-	-	-	-	
VII.	Paid-in-Capital Inflation Adjustment		-	-	-	-	-	-	-	
VIII.	Convertible Bonds		-	-	-	-	-	-	-	
IX.	Subordinated Loans		-	-	-	-	-	-	-	
X.	Increases/Decreases due to other changes		-	-	-	(175)	-	-	-	
XI.	Profit Distribution		-	-	-	-	-	-	-	
11.1	Dividend Paid		-	-	-	-	-	-	-	
11.2	Transfer to Reserves		-	-	-	-	-	-	-	
11.3	Other			-	-	-	-	-	-	
	Balance at the End of the Period (III+IV++XI)		695.303	-	-	1.763	-	(187)	339.948	
	Current Period (01.01 - 31.12.2022) (Audited)		695.303	-	-	1.763	-	(187)	339.948	
I.	Balance at the Beginning of the Period		-	-	-	-	-	-	-	
II.	Correction Made According to TAS 8		-	-	-	-	-	-	-	
2.1	Effect of Correction of Errors		-	-	-	-	-	-	-	
2.2	Effect of Changes in Accounting Policies		695.303	-	-	1.763	-	(187)	339.948	
III.	New Balance (I+II)	23	-	-	-	-	-	(1.920)	608.968	
IV.	Total Comprehensive Income		-	-	-	-	-	-	-	
V.	Cash Capital Increase		-	-	-	-	-	-	-	
VI.	Capital Increase from internal reserves		-	-	-	-	-	-	-	
VII.	Paid-in-Capital Inflation Adjustment		-	-	-	-	-	-	-	
VIII.	Convertible Bonds		-	-	-	-	-	-	-	
IX.	Subordinated Loans		-	-	-	-	-	-	-	
X.	Increases/Decreases due to other changes		-	-	-	-	_	-		
XI.	Profit Distribution		-	-	-	-	_	-		
11.1	Dividend Paid		-	-	-	-	-	-	-	
11.2	Transfer to Reserves		-	-	-	-	-	-	-	
11.3	Other		-	-	-	-	-	-	-	
	Balance at the End of the Period (III+IV++XI+XII)		695,303	-	_	1.763	-	(2.107)	948.916	
	The state of the s					05		,,		

^{1.} Revaluation increase/decrease of property and equipment,

^{2.} Employee benefits re-measuring income/loss,

^{3.} Other (Other comprehensive income related with equity pick up investment portions and accumulated other comprehensive income components that will not be re-classified to profit/loss) (Note 2.3)

^{4.} Foreign currency translation differences for foreign operations,

^{5.} Net change in fair value of available-for-sale financial assets,

^{6.} Other (Cash flow hedge income/(losses), accumulated other comprehensive income components that may re-classified subsequently to profit/loss)

					Loss	sequently to Profit/I	be reclassified subse	
Total		Net Current Period	Prior Period Profit/	Profit				
Equity	Interest	Profit/Loss	(Loss)	Reserves	6	5	4	
1.717.698	103.839	197.586	(18.264)	474.100	-	-	-	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	
1.717.698	103.839	197.586	(18.264)	474.100	-	-	-	
423.624	36.996	310.063	-	-	-	-	-	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	
(1.879)	(410)	-	-	(1.294)	-	-	-	
-	-	(197.586)	18.264	179.322	-	-	-	
-	-	-	-	-	-	-	-	
-	-	(197.586)	18.264	179.322	-	-	-	
_		_		-	-	-		
2.139.443	140.425	310.063	-	652.128	-	-	-	
2.139.443	140.425	310.063	-	652.128	-	-	-	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	
2.139.443	140.425	310.063	-	652.128	-	-	-	
1.604.602	170.788	826.766	-	-	-	-	-	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	
-	-	(310.063)	7.824	302.239	-	-	-	
-	-	-	-	-	-	-	-	
-	-	(310.063)	7.824	302.239	-	-	-	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	
3.744.045	311.213	826.766	7.824	954.367	-	-	-	

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 DECEMBER 2022

(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

		_	Audited Current Period	Audited Prior Period
Α.	CASH FLOWS FROM OPERATING ACTIVITIES	Notes	01.01-31.12.2022	01.01-31.12.2021
1.1	Operating Profit Before Changes in Operating Assets And Liabilities		1.079.748	877.894
1.1.1	Interests Received/Lease Income		3.108.969	1.474.305
1.1.2	Interest Paid/Lease Expenses		(1.839.613)	(908.563)
1.1.3	Dividends Received		19.463	17.274
1.1.3	Fees and Commissions Received		104.889	21.070
1.1.5	Other Income	31	72.305	91.630
1.1.6	Collections from Non-performing Receivables	31	88.313	81.015
1.1.7	Payments to Personnel and Service Suppliers	21	(119.447)	(58.741)
1.1.8	Taxes Paid	21	(342.580)	(122.092)
1.1.9	Others		(12.551)	281.996
1.2	Changes in Operating Assets and Liabilities		(2.830.646)	(1.283.237)
1.2.1	Net (Increase) Decrease in Factoring Receivables		(8.290.565)	(1.603.129)
1.2.2	Net (Increase) Decrease in Financing Loans		(0.250.505)	(1.003.125)
1.2.3	Net (Increase) Decrease in Lease Receivables		(2.482.424)	(1.246.763)
1.2.4	Net (Increase) Decrease in Lease Receivables		(2.402.424)	(1.240.703)
1.2.5	Net (Increase) Decrease in Other Assets		(640.920)	(930.651)
1.2.6	Net Increase (Decrease) in Factoring Payables		(010.520)	(>50.051)
1.2.7	Net (Increase) Decrease in Savings Financing Payables		1.662	(727)
1.2.8	Net Increase (Decrease) in Lease Payables		8.380.507	2.049.113
1.2.9	Net Increase (Decrease) in Funds Borrowed		-	-
1.2.10	Net Increase (Decrease) in Due Payables		201.094	448.920
1.2.11	Net Increase (Decrease) in Other Liabilities		2011031	1.01320
I.	Net Cash Provided from/(Used in) Operating Activities		(1.750.898)	(405.343)
В.	CASH FLOWS FROM INVESTING ACTIVITIES			
2.1	Cash Paid for Purchase Of Associates, Subsidiaries and Joint-ventures		_	(3.429)
2.2	Cash Obtained From Sale of Associates, Subsidiaries and Joint-Ventures		_	10.472
2.3	Purchases of Tangible and Intangible Assets	11,12	(46.701)	(17.072)
2.4	Proceeds From Sale of Tangible and Intangible Assets	11,12	2.006	570
2.5	Cash Paid for Purchase of Financial Assets Available for Sale			-
2.6	Proceeds From Sale of Financial Assets Available for Sale		_	-
2.7	Cash Paid for Purchase of Held-to-Maturity Investment Securities		_	-
2.8	Proceeds from Sale of Held-to-Maturity Investment Securities		-	-
2.9	Other		667	872
n.	Net cash used in investing activities		(44.028)	(8.587)
C.	CASH FLOWS FROM FINANCING ACTIVITIES			
3.1	Cash obtained from funds borrowed and securities issued		10.208.808	4.317.899
3.2	Cash used for repayment of funds borrowed and securities issued		(8.522.876)	(3.820.574)
3.3	Equity instruments issued		(0.322.070)	(3.020.37.1)
3.4	Dividends paid		_	_
3.5	Payments for finance leases		_	_
3.6	Other		-	-
III.	Net Cash Used in Financing Activities		1.685.932	497.325
IV.	Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents		204	5.780
V.	Net Increase/(Decrease) in Cash and Cash Equivalents		(108.790)	89.175
VI.	Cash and Cash Equivalents at the Beginning of the Period	4	471.500	382.325
VII.	Operating Profit Before Changes in Operating Assets And Liabilities	4	362.710	471.500

MANAGEMENT

CONSOLIDATED STATEMENT OF PROFIT DISTRIBUTION TABLE FOR THE YEAR ENDED 31 DECEMBER 2022

(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

iş Fin	NANSAL KİRALAMA A.Ş. PROFIT DISTRIBUTION TABLE (**)	Current Period 31 December 2022 ^(*)	Prior Period 31 December 2021 (****)
I.	DISTRIBUTION OF CURRENT YEAR INCOME		
1.1	Current Year Income	1.121.971	456.120
1.2	Taxes And Duties Payable(-)	(295.205)	(146.057)
1.2.1		(370.845)	(186.473)
1.2.2		- 75 640	40.416
		75.640	
A.	NET INCOME FOR THE YEAR (1.1-1.2)	826.766	310.063
1.3	Prior Year Losses(-)	-	-
1.4	First Legal Reserves (-)	(24.015)	(10.364)
1.5	Other Statutory Reserves(-) ^(**)	-	-
В	NET INCOME AVAILABLE FOR DISTRIBUTION [(a-(1.3+1.4+1.5)]	802.751	299.699
1.6	First Dividend To Shareholders (-)	-	-
1.6.1	To Owners Of Ordinary Shares To Owners Of Preferred Shares		
	To Owners Of Preferred Shares (pre-emptive rights)	-	_
	To Profit Sharing Bonds	-	-
1.6.5	To Holders Of Profit And loss sharing certificates	-	-
1.7	Dividends To Personnel (-)	-	-
1.8	Dividends To Board Of Directors (-)	-	-
1.9	Second Dividend To Shareholders (-) To Owners Of Ordinary Shares		
	To Owners Of Preferred Shares		
1.9.3		-	-
	To Profit Sharing Bonds	-	-
	To Holders Of Profit And Loss Sharing Certificates	-	-
1.10	- 3	-	-
1.11 1.12			
1.13		-	_
1.14	Special Funds	-	-
II.	DISTRIBUTION OF RESERVES	-	-
2.1	DISTRIBUTED RESERVES	-	-
2.2	Second Legal Reserves(-)	-	-
2.3	Dividends To Shareholders (-)	-	-
2.3.1		-	=
2.3.2	To Owners Of Preferred Shares To Owners Of Preferred Shares (pre-emptive rights)		-
	To Profit Sharing Bonds	-	_
2.3.5		-	-
2.4	Dividends To Personnel (-)	-	-
2.5	Dividends To Board Of Directors (-)	-	-
III.	EARNINGS PER SHARE	1,19	0,45
3.1	To Owners Of Ordinary Shares	1,19	0,45
3.2	To Owners Of Ordinary Shares (%)	1,19%	45%
3.3	To Owners Of Preferred Shares	-	-
3.4	To Owners Of Preferred Shares (%)	-	-
IV.	DIVIDEND PER SHARE	-	-
4.1	To Owners Of Ordinary Shares	-	-
4.2	To Owners Of Ordinary Shares (%)	-	=
4.3	To Owners Of Preferred Shares	-	÷
4.4	To Owners Of Preferred Shares (%)	<u>-</u>	<u> </u>

^(*) As the Company's Ordinary General Meeting has not yet been held as of the date of these financial statements, only the distributable net income for the period is shown in the 2022 profit distribution table of 2022.

^(**) It has been considered by the Banking Regulation and Supervision Agency considers that the amounts of income related to deferred tax assets cannot be considered as cash or internal resources and, therefore, the part of the profit for the period resulting from the mentioned assets should not be subject to profit distributions and capital increases. The Company has TL 75,641 thousand deferred tax income which will not be subject to distribution for the accounting period ending December 31, 2022. (December 31, 2021: TL 40,416 thousand).

^(***) This is the consists of the donations made during the year.

 $^{^{(****)}}$ This is the table presented to the General Assembly.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022

(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

1. ORGANIZATION AND OPERATIONS OF THE COMPANY

İş Finansal Kiralama A.Ş. ("the Company") was incorporated on 9 March 1988 to operate in Turkey in accordance with Finance Lease, Factoring, Financing and Savings Financing Companies Law No: 6361. The core business of the Company is leasing operations, both domestic and abroad, and it started its leasing operations in July 1988. The head office of the Company is located at İş Kuleleri Kule:1 Kat:6 34330 Levent-İstanbul/Turkey.

The Company has purchased nominal shares of İş Faktoring A.Ş. ("İş Faktoring") amounting to TL 12.517 in consideration of USD 10.952.375 on 11 August 2004. The Company owns 78,23% of the İş Faktoring A.Ş. and it has been consolidated in the accompanying financial statements. The Company and its subsidiary run their operations in accordance with "Finance Lease, Factoring and Financing Companies Law" published on the Official Gazette no. 28496 dated 13 December 2012 and "Regulation on Principles for Establishment and Operations of Finance Lease, Factoring and Financing Companies" of Banking Regulation and Supervision Agency ("BRSA").

The ultimate parent of the Company is Türkiye İş Bankası A.Ş. The main shareholders of the Company are Türkiye İş Bankası A.Ş. ("TSKB") with 27,79% and Türkiye Sınai Kalkınma Bankası A.Ş. ("TSKB") with 29,46% participation. The Company's 41,82% of shares are publicly traded and listed on the Borsa İstanbul.

As at 31 December 2022, the Company and its subsidiary ("the Group") have 262 employees (31 December 2021: 255 employees).

Dividend Payable

As at 31 December 2022, the Company does not have any dividend payable.

Approval of the Financial Statements

The consolidated financial statements and consolidated profit and loss table of the Group as at 31 December 2022 have been approved by the Board of Directors of the Group and authorized for issue as at 30.01.2023. The General Assembly and/or legal authorities have power to amend the consolidated financial statements after its issue.

2. BASIS OF THE FINANCIAL STATEMENTS

2.1 Basis of the Presentation

Accounting Standards Applied

The Group prepared accompanying consolidated financial statements accordingly to the "Communiqué on Uniform Chart of Accounts and Prospectus to be implemented by Financial Leasing, Factoring and Financing Companies" and "Regulation on Accounting Practices and Financial Statements of Financial Leasing, Factoring, Financing and Savings Financing Companies" the published in the Official Gazette dated 29 June 2021 and numbered 31526 published by "Banking Regulation and Supervision Agency" (BRSA) and Turkish Accounting Standards ("TAS"), Turkish Financial Reporting Standards ("TFRS") and their additions and comments issued by Public Oversight Accounting and Auditing Standards' Authority ("POA") and other regulations, communiqués, and circulars announced by the Banking Regulation and Supervision Agency (all together refer to as "BRSA Accounting and Reporting Legislation") in respect of accounting and financial reporting.

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(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

2. BASIS OF THE FINANCIAL STATEMENTS (Continued)

2.1 Basis of the Presentation (Continued)

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. Therefore, it is expected that TAS 29 will start to be applied simultaneously by all entities with the announcement of Public Oversight Accounting and Auditing Standards Authority to ensure consistency of the application required by TAS 29 throughout the country. However, the Authority has not published any announcement that determines entities would restate their financial statements for the accounting period ending on 31 December 2022 in accordance with TAS 29. In this context, TMS 29 is not applied and inflation adjustment has not been reflected in the financial statements as of December 21, 2022.

The COVID-19 pandemic, which spread globally in the first half of 2020 in China, had effects on both economic and social lives. Since the beginning of 2022, it has started to disappear from our lives by reducing the measures in many countries, following a decreasing course. The Company, together with the company included in the consolidation, continues the segments to this period, with the deferment of the customer's debts that are due for sale, a grace period and the allocation of existing/additional limits. The Russia - Ukraine crisis which broke out in March 2022, started to push the world towards a new economic and regional crisis. The continuation of the war brings with it new economic contractions, food shortages and concerns that the inflationary environment will gradually increase. Considering the geographies in which the Group operates, the crisis is not expected to have a direct impact on group operations.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. In particular, information about significant accounting estimates used are described in the following notes:

Note 5 - Financial assets and liabilities at fair value through profit or loss

Note 8 - Factoring receivables

Note 9 - Lease receivables

Note 20 - Provisions

Note 26 - Provisions, contingent assets and liabilities

Basis of Consolidation

The details of the Group's subsidiary as at 31 December 2022 and 31 December 2021 are as follows:

Subsidiary	Establishment and operation location	Shareholding rate %	Voting right rate %	Core business
i- F-lti A C	lata a haal	70.22	70.22	Factoring
lş Faktoring A.Ş.	Istanbul	78,23	78,23	operations

The accompanying consolidated financial statements include the accounts of the Company and its subsidiary on the basis set out in "Subsidiaries" section below. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022

(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

2. BASIS OF THE FINANCIAL STATEMENTS (Continued)

2.1 Basis of the Presentation (Continued)

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

In determining control power, existing and convertible voting rights are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

As at 31 December 2022 and 31 December 2021, the Company owns 78,23% of İş Faktoring A.Ş.. As the Company has the power to control the operations of the İş Faktoring A.Ş., the financial statements of İş Faktoring A.Ş. have been fully consolidated in the accompanying consolidated financial statements.

(ii) Transactions eliminated on consolidation

Financial statements of İş Faktoring A.Ş. have been fully consolidated in the accompanying financial statements and profit or loss table and the investment balance in the Company's statement of financial position have been eliminated against the paid-in capital of İş Faktoring A.Ş.. Intra-group balances, transactions and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. The accounting policies of the subsidiary have been adjusted when necessary to align them with the policies adopted by the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

(iii) Non-controlling interests

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling interest in equity since the date of the combination

Offsetting

Financial assets and liabilities are offset and the net amount is reported in the consolidated statement of financial position when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

2.2 Changes in Accounting Policies

Accounting policies taken as the basis in preparing the financial statements of the accounting periods ended on December 31, 2022 are applied consistently with the financial statements prepared as of December 31, 2021.

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2. BASIS OF THE FINANCIAL STATEMENTS (Continued)

2.3 Changes in Accounting Estimates and Errors

If the changes in accounting estimates relate to a specific period, they are applied in the period they relate to whereas if the changes are related to future periods, they are applied both in the period the change is made and prospectively in the future periods. There has not been any significant change in the accounting estimates of the Group in the current period. Material accounting errors are adjusted retrospectively and prior periods' consolidated financial statements are restated.

Transferred VAT, which was classified under the current tax asset amounting to TL 11.704 in the financial statements of the Group as of 31 December 2021, was also classified in Other Assets in the financial statements as of 31 December 2022.

As of 31 December 2021, in the accompanying consolidated statement of financial position and consolidated statement of changes in shareholders' equity, in the statement of profit or loss and other comprehensive income respectively; Changes in the fair value of equity instrument investments amounting to TL 339.948 and TL 84.887, are classified as other comprehensive income/expenses that will not be reclassified to profit or loss.

2.4 Changes in Standards and Interpretations

The accounting policies adopted in preparation of the consolidated financial statements as at December 31, 2022 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRIC interpretations effective as of January 1, 2022 The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

i) The new standards, amendments and interpretations which are effective as at January 1, 2022 are as follows:

Amendments to TFRS 3 - Reference to the Conceptual Framework

In July 2020, the POA issued amendments to TFRS 3 Business combinations. The amendments are intended to replace to a reference to a previous version of the Conceptual Framework (the 1989 Framework) with a reference to the current version issued in March 2018 (the Conceptual Framework) without significantly changing requirements of TFRS 3. At the same time, the amendments add a new paragraph to TFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date. The amendments must be applied prospectively.

Amendments to TAS 16 - Proceeds before intended use

In July 2020, the POA issued amendments to TAS 16 Property, plant and equipment. The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment (PP&E), any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and costs of producing those items, in profit or loss. The amendments must be applied retrospectively only to items of PP&E made available for use on or after beginning of the earliest period presented when the entity first applies the amendment.

There is no transition relief for the first time adopters.

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(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

2. BASIS OF THE FINANCIAL STATEMENTS (Continued)

2.4 Changes in Standards and Interpretations (Continued)

i) The new standards, amendments and interpretations which are effective as at January 1, 2022 are as follows (Continued)

Amendments to TAS 37 - Onerous contracts - Costs of Fulfilling a Contract

In July 2020, the POA issued amendments to TAS 37 Provisions, Contingent Liabilities and Contingent assets. The amendments specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making and also apply a "directly related cost approach". Amendments must be applied prospectively to contracts for which an entity has not fulfilled all of its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

Annual Improvements - 2018-2020 Cycle

In July 2020, the POA issued Annual Improvements to TFRS Standards 2018-2020 Cycle, amending the followings:

- TFRS 1 First-time Adoption of International Financial Reporting Standards Subsidiary as a first-time adopter: The amendment permits a subsidiary tto measure cumulative translation differences using the amounts reported by the parent. The amendment is also applied to an associate or joint venture.
- TFRS 9 Financial Instruments Fees in the "10 per cent test" for derecognition of financial liabilities: The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either borrower or lender on the other's behalf.
- TAS 41 Agriculture Taxation in fair value measurements: The amendment removes the requirement in paragraph 22 of TAS 41 that entities exclude cash flows for taxation when measuring fair value of assets within the scope of TAS 41.

The Group is in the process of assessing the impact of the improvements on financial position or performance of the Group.

ii) Standards issued but not yet effective and not early adopted

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the consolidated financial statements are as follows. The Group will make the necessary changes if not indicated otherwise, which will be affecting the consolidated financial statements and disclosures, when the new standards and interpretations become effective.

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2. BASIS OF THE FINANCIAL STATEMENTS (Continued)

2.4 Changes in Standards and Interpretations (Continued)

ii) Amendments to TFRS 10 and TAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

In December 2017, POA postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. Early application of the amendments is still permitted.

TFRS 17 - The new Standard for insurance contracts

The POA issued TFRS 17 in February 2019, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. TFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. Certain changes in the estimates of future cash flows and the risk adjustment are also recognised over the period that services are provided. Entities will have an option to present the effect of changes in discount rates either in profit and loss or in OCI. The standard includes specific guidance on measurement and presentation for insurance contracts with participation features. TFRS 17 will become effective for annual reporting periods beginning on or after 1 January 2023; early application is permitted. The Group is in the process of assessing the impact of the standard on financial position or performance of the the Group.

Amendments to TAS 1- Classification of Liabilities as Current and Non-Current Liabilities

In January 2020 and January 2023, POA issued amendments to TAS 1 to specify the requirements for classifying liabilities as current or non-current. According to the amendments made in January 2023 if an entity's right to defer settlement of a liability is subject to the entity complying with the required covenants at a date subsequent to the reporting period ("future covenants"), the entity has a right to defer settlement of the liability even if it does not comply with those covenants at the end of the reporting period. In addition, January 2023 amendments require an entity to provide disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. This disclosure must include information about the covenants and the related liabilities. The amendments clarified that the classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least twelve months after the reporting period. The amendments are effective for periods beginning on or after 1 January 2024. The amendments must be applied retrospectively in accordance with TAS 8. Early application is permitted. However, an entity that applies the 2020 amendments early is also required to apply the 2023 amendments, and vice versa.

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(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

2. BASIS OF THE FINANCIAL STATEMENTS (Continued)

2.4 Changes in Standards and Interpretations (Continued)

ii) Amendments to TAS 8 - Definition of Accounting Estimates

In August 2021, the POA issued amendments to TAS 8, in which it introduces a new definition of 'accounting estimates'. The amendments issued to TAS 8 are effective for annual periods beginning on or after 1 January 2023. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates. The amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors. The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors. This aspect of the definition was retained by the POA. The amendments apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of the effective date. Earlier application is permitted.

Amendments to TAS 1 - Disclosure of Accounting Policies

In August 2021, the POA issued amendments to TAS 1, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments issued to TAS 1 are effective for annual periods beginning on or after 1 January 2023. In the absence of a definition of the term 'significant' in TFRS, the POA decided to replace it with 'material' in the context of disclosing accounting policy information. 'Material' is a defined term in TFRS and is widely understood by the users of financial statements, according to the POA. In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and the nature of them. Examples of circumstances in which an entity is likely to consider accounting policy information to be material have been added.

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2. BASIS OF THE FINANCIAL STATEMENTS (Continued)

2.4 Changes in Standards and Interpretations (Continued)

ii) Amendments to TAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

In August 2021, the POA issued amendments to TAS 12, which narrow the scope of the initial recognition exception under TAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments issued to TAS 12 are effective for annual periods beginning on or after 1 January 2023. The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability. The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning obligations should be recognized.

Amendments to TFRS 16 - Lease Liability in a Sale and Leaseback

In January 2023, POA issued amendments to TFRS 16. The amendments specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. In applying requirements of TFRS 16 under "Subsequent measurement of the lease liability" heading after the commencement date in a sale and leaseback transaction, the seller lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee. The amendments do not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining 'lease payments' that are different from the general definition of lease payments in TFRS 16. The seller-lessee will need to develop and apply an accounting policy that results in information that is relevant and reliable in accordance with TAS 8. A seller-lessee applies the amendments to annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted. A seller-lessee applies the amendments retrospectively in accordance with TAS 8 to sale and leaseback transactions entered into after the date of initial application of TFRS 16.

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3. SIGNIFICANT ACCOUNTING POLICIES

a. Revenue

Finance lease income: Initial value of leased assets at the beginning of the leasing period under the Finance Lease, factoring and Financing Companies Law No: 6361 is recognized as finance lease receivables in the consolidated statement of financial position. Interest income resulting from the difference between the total finance lease receivables and the investment value of the leased assets are recognized in the period in which the relevant receivable portion for each accounting period is distributed over the related period using the fixed interest rate through the leasing period. The interest income not accrued yet is followed up under the account of unearned interest income.

Factoring revenue: Consists of factoring interest and commission income collected or accrued on advances given to the customers. Factoring commission income is a certain percentage of the total amount of invoices subject to factoring transactions.

Other interest income: The outstanding amount of the principal and cash inflows to be calculated over the expected life of the asset is reduced to the related period at the effective interest rate. Dividend income from equity share investments is recognized when the shareholders have the right to receive the dividend. Fee and commissions collected or paid on any transactions are recorded on accrual basis.

b. Tangible Assets

Tangible assets, acquired before 1 January 2005 are carried at restated cost for the effects of inflation in TL units current at the 31 December 2004 less accumulated depreciation and impairment losses, and tangible assets acquired after 31 December 2004 are carried at acquisition cost less accumulated depreciation and impairment losses.

Tangible assets are depreciated over the estimated useful lives of the related assets on a straight-line basis over the cost. The estimated useful life, residual values and amortization method of tangible assets are reviewed at each reporting period and corrected if necessary.

Leasehold improvements are depreciated on a straight-line basis at the lower of over their lease periods or over the useful life of the leasehold improvements.

Expenses incurred to replace any part of tangible fixed assets are capitalized. Subsequent expenditures may be capitalized if they increase the future economic benefits of the asset. All other expense items are accounted on an accrual basis in the consolidated statement of income.

The estimated useful lives for the current and comparative periods are as follows:

Definition	Years
Furniture and fixtures	5 years
Other tangible assets	5 years
Leasehold improvements	5 years
Operational Leasing Assets	3 years

Gains and losses on disposal of an item of tangible assets are determined by comparing the proceeds from disposal with the carrying amount of tangible assets, and are recognized net within other operating income/expense in the consolidated statement of income.

The estimated useful life, residual values and amortization method of intangible assets are reviewed at each reporting period and corrected if necessary.

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Intangible Assets

Intangible assets include computer software, licenses and goodwill. Computer software and licenses acquired before 1 January 2005 are carried at restated cost for the effects of inflation in TL units current at the 31 December 2004 less accumulated amortisation and impairment losses and intangible assets acquired after 31 December 2004 are carried at acquisition cost less accumulated amortisation and impairment losses. The estimated useful lives, residual values and amortization method of intangible assets other than goodwill are reviewed at each reporting date. Amortization is charged on a straight-line basis over their estimated useful lives. The useful lives of computer software and licenses are 5 years.

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their useful lives. Costs associated with developing or maintaining computer software programs are recognized in the statement of income as incurred. Costs that are directly associated with the development of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognized as intangible assets. Computer software development costs recognized as assets are amortized over their estimated useful lives, not exceeding five years.

The estimated useful life, residual value and amortization method of intangible assets are reviewed at each reporting period and corrected if necessary.

d. Impairment of Non-Financial Assets

Assets that have an indefinite useful life, like goodwill, are not subject to amortization, but tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell or value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Impaired non-financial assets other than goodwill are reviewed for possible reversal of the impairment at each reporting date.

e. Borrowing Costs

All borrowing costs are recorded in the income statement on accrual basis.

f. Financial Assets Held For Sale

Assets that are expected to be disposed by sale rather than usage (or disposal asset group) are classified as held for sale. Immediately before classification as held for sale, the assets (or disposal asset group) are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets (or disposal asset group) are measured at the lower of their carrying amount and fair value less cost to sell. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognized in the consolidated profit or loss table. Gains are not recognized in excess of any cumulative impairment loss.

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Financial Instruments

Financial Assets

As of 1 January 2018, the Group 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 Amortised Cost" by taking into account their business model and contractual cash flow characteristics. Financial assets are recognized or derecognized according to TFRS 9 "Recognition and Derecognition in the financial statements" requirements. The Company 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.

Financial Assets at Fair Value Through Profit or Loss

Financial assets other than financial assets that are 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. 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 or loss. At initial recognition, the Group may irrevocably choose to present subsequent changes in the fair value of an investment in an equity instrument that is not held for trading in other comprehensive income. If this preference is made, dividends from the investment in question are recognized as profit or loss.

Financial Assets Measured at Amortised Cost

Financial assets measured at amortized cost are those financial assets where the group has the intention and ability to held to the maturity, fixed or determinable payment plan, fixed-term debt instruments. Financial assets measured at amortized cost by using the effective interest rate method, net of any provision for impairment.

Financial Assets at Fair Value Through Other Comprehensive Income

The Group has equity investments and debt securities quoted on an active market and investments in fair values are classified as financial assets carried at fair value through other comprehensive income. The Group has equity instruments that are not traded and not quoted in an active market whose fair value differences are reflected in other comprehensive income and are measured at cost, since their fair value cannot be measured reliably.

Gains and losses arising from changes in the fair value impairment loss recognized in the income statement, interest and monetary assets and interest and monetary assets calculated using the effective interest method are recognized in other comprehensive income and the financial assets are accumulated in the fund of revaluation. In the event that the investment is disposed of or is impaired, the total profit/loss accumulated in the revaluation fund of financial assets is classified in the income statement. Dividends on equity instruments recognized at fair value through other comprehensive income are recognized in income statement when the Company's right to receive payment is established.

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Financial Instruments (Continued)

Financial Lease Receivables, Factoring Receivables and Expected Credit Loss

In accordance with the "IFRS 9-Financial Instruments, the Group recognizes expected credit loss allowance on financial assets at fair value through other comprehensive income or financial assets measured at amortized cost.

Under IFRS 9, the expected credit loss and specific provision 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 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 first stage. Impairment for credit risk for the 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 second stage, the following criteria is considered:

- Overdue between 30-90 days
- Restructuring of the loan
- Significant deterioration in the probability

In the event of a significant deterioration in the probability of default, the credit risk is considered to be increased significantly and the financial asset is reclassified as stage 2.

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 can not be collected or there is a certain opinion on this matter

Specific provision is provided for factoring receivables in Stage 3.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments with maturities of three months or less than three months from date of acquisition and that are readily convertible to cash and are subject to an insignificant risk of changes in value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022

(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Financial Instruments (Continued)

Financial liabilities

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Financial liabilities at fair value through profit or loss

Financial liabilities 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. The change in fair value is accounted under the statement of profit or loss. The net gain or loss recognized in profit or loss includes any interest paid on the financial liability.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method plus the interest expense recognized on effective interest method.

The effective interest method that calculates the amortized cost of a financial liability and allocates interest expense over the relevant period. The effective interest rate discounts the estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period to net present value of financial liabilities

Derivative financial instruments and hedge accounting

The Group's activities exposes primarily to the financial risks of changes in foreign exchange rates and interest rates. The Group uses derivative financial instruments (primarily foreign currency forward and currency swap contracts) to hedge its risks associated with foreign currency and interest rate fluctuations. Derivative financial instruments are initially measured at fair value on the contract date, and are remeasured at fair value at subsequent reporting dates.

MANAGEMENT

is Finansal Kiralama Anonim Sirketi and Its Subsidiary

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS **AS AT 31 DECEMBER 2022**

(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Business Combinations

The acquisitions of subsidiaries are accounted for by using the purchase method. The cost of the acquisition is measured at the aggregate of fair value, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for the control of the acquiree. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under TFRS 3 "Business Combinations" are recognized at fair value at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations", which are recognized and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognized as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognized. Goodwill is measured at cost less accumulated impairment. When the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, excess amount is recognized immediately as profit.

The interest of non-controlling shareholders in the acquiree is initially measured at the non-controlling party's proportion of the net fair value of the identifiable assets, liabilities and contingent liabilities recognized.

i. Effects of Changes in Exchange Rates

The individual financial statements of each entity within the group are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in TL, which is the functional currency of the Group, and the presentation currency for the consolidated financial statements.

The foreign currency exchange rates used by the Group as at 31 December 2022 and 31 December 2021 are as follows:

	31 December 2022	31 December 2021
USD	18,6983	12,9775
EUR	19,9349	14,6823
GBP	22,4892	17,4530
CHF	20,2019	14,1207
100 JPY	14,1301	11,2434
AUD	12,6670	9,3950

In preparation of the financial statements of the individual entities, transactions in currencies other than TL (foreign currencies) are recorded at the prevailing exchange rates at the transaction date. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when fair value is determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022

(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Earnings Per Share

Earnings per share presented in the accompanying consolidated income statement is determined by dividing net income by the weighted average number of shares in issue during the year. In case the number of shares increases through rights issue as a result of capital increases from internal sources, earnings per share calculations are made by restating the weighted average number of shares in comparison periods. The correction refers to the consideration of the number of shares used in the calculation as if the unpaid issue was performed at the beginning of the comparison period.

In Turkey, companies can increase their share capitals by issue of "Bonus Shares" to their shareholders from their retained earnings. In computing earnings per share, such issues of "Bonus Shares" are treated as issued shares. Accordingly, the retrospective effect for those share issues is taken into consideration in determining the weighted-average number of shares outstanding used in this computation.

k. Events After the Reporting Period

Subsequent events means the events occurred between the reporting date and the authorization date for the announcement of the financial statements. In accordance with IAS 10 "Events After Reporting Period Date"; subsequent balance sheet events that provide additional information about the Group's position at the balance sheet dates (adjusting events) are reflected in the consolidated financial statements. Events that does not require adjustment of financial statements are disclosed in the notes when material.

l. Provisions, Contingent Liabilities and Contingent Assets:

In accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets", a provision is recognized when the Group has a legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the specified criteria are not met, the Group discloses the related issues in the accompanying notes. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability if the time value of the money is significant to the provision.

Contingent assets are disclosed in the notes and not recognized unless they are realized.

m. Segment Reporting

The Group has two different operating segments, leasing and factoring, that is used by management to make decisions about resources to be allocated to the segments and assess their performance, and for which discrete financial information is available (Note 27).

GENERAL ASSESSMENT MANAGEMENT CORPORATE GOVERNANCE PRACTICES FINANCIAL STATEMENTS

İş Finansal Kiralama Anonim Şirketi and Its Subsidiary

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022

(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

n. Taxes on Income

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.

Income tax expense or credit comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, investment incentives, tax credits and deductable temporary differences, to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred taxes related to fair value measurement of available for sale assets are charged or credited to Other Comprehensive Income and subsequently recognized in profit or loss together with the deferred gains that are realized.

With the "Law Amending the Tax Procedure Law and the Corporate Tax Law", which was accepted on the agenda of the Turkish Grand National Assembly on January 20, 2022, the application of inflation accounting was postponed starting from the balance sheet dated on December 31, 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022

(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

o. Employee Benefits/Reserve for Employee Termination Benefits

In accordance with the existing social legislation in Turkey, the Group is required to make certain lump-sum payments to employees whose employment is terminated due to retirement or for reasons other than resignation or misconduct. Such payments are recognized in the accompanying consolidated financial statements as accrued. The computation of the liability is based upon the retirement pay ceiling announced by the government.

In accordance with IAS 19 "Employee Benefits", the Group calculated the employee severance indemnities incurred due to retirement of its employees by discounting the future liabilities to their present values, by using actuarial method and reflected to the consolidated financial statements. The main estimates used are as follows:

	31 December 2022	31 December 2021
Discount rate	2,21%	3,50%
Expected rate of salary/limit increase	19,80%	15,07%
Probability of retirement	100%	100%

p. Statement of Cash Flows

The Group presents statement of cash flows as an integral part of its financial statements to inform the users of financial statements about its ability to manage changes in its net assets, its financial structure and the amount and timing of its cash flows under changing conditions.

In the statement of cash flows, the cash flows for the period are reported with a classification of operating, investment and financing activities. Cash flows related with operating activities compose of the cash flows arising from core operations of the Company. Cash flows related with investment activities compose of cash flows that the Group generates from or uses in investment activities (tangible and financial investments). Cash flows related with financing activities represent resources that the Group uses for financing activities and the reimbursements of such resources.

r. Share Capital and Dividends

Common shares are classified as equity. Dividends on common shares are reclassified as dividend payables by netting off from the retained earnings in the period in which they are approved and disclosed.

s. Related Parties

In accordance with IAS 24 "Related Party Disclosures" shareholders, key management and board members, in each case together with companies controlled by or affiliated with them, and associated companies are considered and referred to as related parties. Related party transactions consist of the transfer of the assets and liabilities between related parties by a price or free of charge. For the purpose of the accompanying consolidated financial statements, shareholders of the Company, the companies controlled by/associated with them, key management and the Board members of the Company are referred to as related parties (Note 10).

İş Finansal Kiralama Anonim Şirketi and Its Subsidiary

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS **AS AT 31 DECEMBER 2022**

(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

4. CASH AND CASH EQUIVALENTS

As at 31 December 2022 and 31 December 2021, the details of the banks are as follows:

	31 December 2022		31 December 2021	
	TL	FC	TL	FC
Demand Deposits	173.634	45.200	40.149	216.970
Time Deposits	4.600	139.276	1.499	212.882
Interest accrual	2	3	1	1
	178.236	184.479	41.649	429.853
The details of the time deposits as at 31 December 2022 are as follows:				

Currency	Interest Rate (%)	Maturity	31 December 2022
TL	8,00%	02.01.2023	4.602
USD	0,40%	02.01.2023	56.096
EUR	0,20%	16.01.2023	83.183
			143.881

The details of the time deposits as at 31 December 2021 are as follows:

Currency	Interest Rate (%)	Maturity	31 December 2021
TL	15,00%	03.01.2022	1.500
USD	0,05%-1,00%	03.01.2022	181.645
EUR	0,05%-0,25%	03.01.2022-17.01.2022	31.238
			214.383

As at 31 December 2022, TL 179.820 portion of total foreign currency deposits (31 December 2021: TL 393.789) and TL 24.026 portion of total TL deposits (31 December 2021: TL 5.564) consist of accounts at the Group's main shareholder, Türkiye İş Bankası A.Ş.

The reconciliation of carrying value of cash and cash equivalents in the accompanying consolidated statement of financial position and the statement of cash flow is as follows:

	31 December 2022	31 December 2021
Demand deposits	218.834	257.119
Time deposits (1-3 months) (excluding accrual)	143.876	214.381
Cash and cash equivalents	362.710	471.500

As at 31 December 2022 and 31 December 2021, there is no blockage on cash and cash equivalents.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022

(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

5. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial Assets at fair value through profit or loss/Expected Credit Loss

As at 31 December 2022 and 31 December 2021, details of financial assets at fair value through profit or loss and expected loss provision are as follows:

	31 December 2022		
	TL	FC	
Debt securities issued by private sector(*)	400	-	
Specific provisions/Expected Credit Loss(-)	(400)	-	
Mutual funds	-	-	
	31 December 2021		
	TL	FC	
Debt securities issued by private sector ^(*)	400	-	
Specific provisions/Expected Credit Loss(-)	(400)	-	
Mutual funds	-	-	

^(*) In its meeting held on 11 February 2016, Borsa İstanbul A.Ş. (Istanbul Stock Exchange) Board of Directors has decided to delist the debt instruments coded TRSAYNS51619, TRSAYNSK1619 and TRSAYNS21711 ISIN of Aynes Gida Sanayi ve Ticaret A.Ş., the debt instruments of which are listed in BIST Debt Instruments Market Definite Trading Market, due to failure of the named Company in its coupon payment of 2 February 2016 relating to its debt instrument coded TRSAYNS51619 ISIN. The coupon payments and the principal payment of the debt instrument coded TRSAYNSK1619 ISIN included in the assets of the Group have not been made by Aynes Gida Sanayi ve Ticaret A.Ş., the Group has recognized allowance for impairment losses on the debt instrument amounting to its total carrying amount.

The Group has not investments in Türkiye İş Bankası A.Ş. (31 December 2021: None).

6. DERIVATIVE FINANCIAL ASSETS AND LIABILITIES

Derivative financial assets are measured at fair value and if the valuation difference is positive they are classified as "Derivative Financial Assets available for sale", if it is negative they are classified as "Derivative Financial Liabilities available for sale".

Derivative Financial Assets

31 Decemb	31 December 2022		ег 2021
TL	FC	TL	FC
-	4.207	-	-
_	4.207	-	_
31 Decemb	ег 2022	31 December	ег 2021
TL	FC	TL	FC
-	67.840	-	84.615
	67.840	-	84.615
	31 December TL	TL FC - 4.207 - 4.207 31 December 2022 TL FC - 67.840	TL FC TL - 4.207 - - 4.207 - 31 December 2022 TL FC TL - 67.840

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS **AS AT 31 DECEMBER 2022**

(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

As at 31 December 2022 and 31 December 2021, details of financial assets at fair value through other comprehensive income are as follows:

				Ownership Rate (%)		Carrying	Amount
Name of the investment	Core business	Incorporation and location	Voting right (%)	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Quoted Investments: İş Yatırım Menkul Değerler A.Ş. (İş Yatırım)	Investment and Securities Services	İstanbul	4,86	4,86	4,86	1.080.752	397.404
Unquoted investments: Yatırım Finansman Menkul Değerler A.Ş.	Investment and Securities Services	İstanbul	0,06	0,06	0,06	29	29
Efes Varlık Yönetimi A.Ş. TOTAL	Asset Management	İstanbul	5,72	5,72	5,72	7.429 1.088.210	7.429 404.862

8. FACTORING RECEIVABLES

As at 31 December 2022 and 31 December 2021 details of factoring receivables are as follows:

	31 December 2022	31 December 2021
Factoring receivables	15.890.481	6.754.249
Factoring interest income accrual (-)	(258.757)	(82.250)
Total factoring receivables	15.631.724	6.671.999
Stage 1 (Expected Credit Loss)	(126.491)	(44.126)
Stage 2 (Expected Credit Loss)	(45.871)	(3.453)
Total factoring receivables	15.459.362	6.624.420
Non-performing factoring receivables	276.933	223.358
Specific provisions- Stage 3	(205.337)	(195.254)
Factoring receivables, net	15.530.958	6.652.524

As at 31 December 2022, the rating of factoring receivables are as follows:

Ratings 31 December 2022	Stage 1	Stage 2	Stage 3	Total
Total portfolio	15.374.734	256.990	276.933	15.908.657
Very good	5.658.359			5.658.359
Standard	9.716.375			9.716.375
Substandard		256.990	276.933	533.923
Expected credit losses	(126.491)	(45.871)	(205.337)	(377.699)
Factoring receivables, net	15.248.243	211.119	71.596	15.530.958

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(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

8. FACTORING RECEIVABLES (Continued)

As at 31 December 2021, the rating of factoring receivables are as follows:

Ratings - 31 December 2021	Stage 1	Stage 2	Stage 3	Total
Total portfolio	6.616.539	55.460	223.358	6.895.357
Very good	3.372.409	-	-	3.372.409
Standard	3.244.130	-	-	3.244.130
Substandard	-	55.460	223.358	278.818
Expected credit losses	(44.126)	(3.453)	(195.254)	(242.833)
Factoring receivables, net	6.572.413	52.007	28.104	6.652.524

The movement of expected credit loss and specific provisions are as follows:

	1 January- 31 December 2022	1 January- 31 December 2021
Provision at the beginning of the period	(242.833)	(224.332)
Additions	(177.725)	(39.834)
Collections	50.767	26.575
Exchange difference income/expense	(7.940)	(5.427)
Write-off (*)	32	185
Provision at the end of the period	(377.699)	(242.833)

^(*) As at 31 December 2022, The Group's non-performing factoring receivables amounting to TL 32 was written-of from the assets regarding the protocol signed and the provision amounting to TL 32 allocated for the mentioned receivables. As at 31 December 2021, The Group's non-performing factoring receivables amounting to TL 189 was written-of from the assets regarding the protocol signed and the provision amounting to TL 185 allocated for the mentioned receivables.

As at 31 December 2022, the average interest rates applicable for the factoring receivables are 24,42% for TL, for 11,60% USD, 6,11% for EUR and 7,98% for GBP (31 December 2021: 26,64% for TL, for 4,15% USD, 3,25% for EUR and 4,76% for GBP).

As of 31 December 2022 TL 1.594.178 thousand, EUR 715.448 thousand, USD 292.484 thousand and GBP 55.250 thousand factoring receivables have variable interst rates, (31 December 2021: 423.598 thousand, EUR 318.143 thousand, USD 116.316 thousand and GBP 33.599 thousand), 11.754.589 thousand, EUR 370.156 thousand, USD 748.625 thousand, GBP 222 thousand and AUD 6 thousand faktoring receivable have stabil interest rates (31 December 2021: TL 4.447.791 thousand, EUR 410.446 thousand, USD 898.580 thousand and GBP 4.051 thousand).

İş Finansal Kiralama Anonim Şirketi and Its Subsidiary

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022

(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

8. FACTORING RECEIVABLES (Continued)

The details of the factoring receivables based on types of factoring transactions are as follows:

_	31 December 2022	31 December 2021
Domestic irrevocable	7.496.464	3.761.394
Foreign irrevocable	856.510	376.023
Domestic revocable	6.458.436	2.243.849
Foreign revocable	719.548	271.258
_	15.530.958	6.652.524
The Group's aging of non-performing factoring receivables is as follows:		
	31 December 2022	31 December 2021
Up to 90 days	1.278	433
Between 90 - 180 days	79.842	1.543
Between 180 - 360 days	1.089	2.017
Over 360 days	194.724	219.365
	276.933	223.358

The Group has contractual sureties as collateral for the above non-performing factoring receivables.

As at 31 December 2022, standard and close monitoring factoring receivables and the close monitoring factoring receivable amendments made related to the extension of the payment plan as follows:

	Standard Receivables	Receivables Under Close Monitoring
Number of Amendments Related to the Extension of the Payment Plan		
Extended for 1 or 2 Times	-	99
Extended for 3,4 or 5 Times	-	185.500
Extended for More than 5 Times	-	-
	Standard Receivables	Receivables Under Close Monitoring
The Time Extended via the Amendment on payment Plan		
0-6 Months	-	99
6 Months - 12 Months	-	-
1 - 2 Years	-	185.500
2 -5 Years	-	-
5 Years and More	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022

(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

8. FACTORING RECEIVABLES (Continued)

As at 31 December 2021, standard and close monitoring factoring receivables and the close monitoring factoring receivable amendments made related to the extension of the payment plan as follows:

	Standard	Receivables Under
	Receivables	Close Monitoring
Number of Amendments Related to the Extension of		
the Payment Plan		
Extended for 1 or 2 Times	-	435
Extended for 3,4 or 5 Times	-	13.126
Extended for More than 5 Times	-	-
	Standard	Receivables Under
	Receivables	Close Monitoring
The Time Extended via the Amendment on payment		
Plan		
0-6 Months	-	435
6 Months - 12 Months	-	-
1 - 2 Years	-	-
2 -5 Years	-	13.126
5 Years and More	-	-

9. LEASE RECEIVABLES

A. Financial Lease Receivables

As at 31 December 2022, details of finance lease receivables are as follows:

	Short Term	Long Term	Total
Financial Lease Receivables	8.623.159	11.659.098	20.282.257
Unearned interest income (-)	(1.625.360)	(1.394.552)	(3.019.912)
Subtotal	6.997.799	10.264.546	17.262.345
Expected Credit Loss- Stage 1	(11.998)	(99.563)	(111.561)
Expected Credit Loss - Stage 2	(113.825)	(101.220)	(215.045)
Total Financial Lease Receivables	6.871.976	10.063.763	16.935.739
Non- Performing Lease Receivables	589.913	93.312	683.225
Specific provision- Stage 3	(407.535)	(64.464)	(471.999)
Net finance lease receivables	7.054.354	10.092.611	17.146.965

	Ca	rried value		Expected credit	loss and specif	ic provision
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Financial Assets	362.715	-	-	(30)	-	-
Financial Lease						
Receivables	16.748.752	513.593	683.224	(111.561)	(215.045)	(471.999)

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(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

9. LEASE RECEIVABLES (Contunied)

A. Financial Lease Receivables (Continued)

As at 31 December 2021, details of finance lease receivables are as follows:

	Short Term	Long Term	Total
Financial Lease Receivables	5.462.937	7.645.213	13.108.150
Unearned interest income (-)	(860.286)	(874.919)	(1.735.205)
Subtotal	4.602.651	6.770.294	11.372.945
Expected Credit Loss- Stage 1	(6.655)	(78.845)	(85.500)
Expected Credit Loss - Stage 2	(89.324)	(48.321)	(137.645)
Total Financial Lease Receivables	4.506.672	6.643.128	11.149.800
Non- Performing Lease Receivables	504.941	77.206	582.147
Specific provision- Stage 3	(294.166)	(44.978)	(339.144)
Net finance lease receivables	4.717.447	6.675.356	11.392.803

	Carried value		Expe	cted credit lo	SS	
	Stage 1	Stage 2	Stage 3	Stage 2	Stage 2	Stage 3
Financial Lease Receivables	471.502	-	-	(217)	-	-
Financial Assets	10.986.201	386.744	582.147	(85.500)	(137.645)	(339.144)

As at 31 December 2022, the rating of finance lease receivables are as follows:

Ratings	Stage 1	Stage 2	Stage 3	Total
Internal ratings				
A+ (Excellent)	47.077	-	-	47.077
A (Very good))	66.845	7.199	-	74.044
A- (Good)	899.139	46.387	683	946.209
B+ (Enough)	3.319.425	2.217	211.142	3.532.784
B (Reasonable)	3.485.732	116.057	197.717	3.799.506
B- (Close Monitoring)	3.737.930	227.289	147.061	4.112.280
C+ (Insufficient)	2.030.054	76.693	40.271	2.147.018
C (Suspicious)	1.668.222	13.476	63.443	1.745.141
Scoring				
Y (High)	602.093	928	2.357	605.378
O (medium)	787.468	11.946	13.743	813.157
D (Low)	104.767	11.402	6.807	122.976
Expected Loss Provisions	(111.561)	(215.045)	(471.999)	(798.605)
Leasing receivables	16.637.191	298.549	211.225	17.146.965

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022

(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

9. LEASE RECEIVABLES (Contunied)

A. Financial Lease Receivables (Continued)

As at 31 December 2021, the rating of finance lease receivables are as follows:

Ratings	Stage 1	Stage 2	Stage 3	Total
Internal ratings				
A+ (Excellent)	159.429	-	-	159.429
A (Very good))	278.405	10.600	1	289.006
A- (Good)	618.095	326	75.813	694.234
B+ (Enough)	1.749.675	4.611	162.453	1.916.739
B (Reasonable)	2.137.989	212.911	139.230	2.490.130
B- (Close Monitoring)	2.039.438	36.749	116.465	2.192.652
C+ (Insufficient)	1.341.098	62.099	10.320	1.413.517
C (Suspicious)	1.636.902	48.902	43.650	1.729.454
Scoring				
Y (High)	282.476	3.417	5.351	291.244
O (medium)	606.368	4.395	19.375	630.138
D (Low)	136.326	2.734	9.489	148.549
Expected Loss Provisions and specific provision	(85.499)	(137.645)	(339.145)	(562.289)
Leasing receivables	10.900.702	249.099	243.002	11.392.803

As at 31 December 2022, standard and close monitoring leasing receivables and the close monitoring leasing receivable amendments made related to the extension of the payment plan as follows:

	Standard Receivables	Receivables Under Close Monitoring
Number of Amendments Related to the Extension of the		
Payment Plan		394.715
Extended for 1 or 2 Times	-	394.715
Extended for 3,4 or 5 Times	-	-
Extended for More than 5 Times	-	-
	Standard	Receivables Under
	Receivables	Close Monitoring
The Time Extended via the Amendment on payment Plan		394.715
0-6 Months	-	-
6 Months - 12 Months	-	394.715
1 - 2 Years	-	-
2 -5 Years	-	-
5 Years and More	-	-

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(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

9. LEASE RECEIVABLES (Contunied)

A. Financial Lease Receivables (Continued)

As at 31 December 2021, standard and close monitoring leasing receivables and the close monitoring leasing receivable amendments made related to the extension of the payment plan as follows:

	Standard	Receivables Under
	Receivables	Close Monitoring
Number of Amendments Related to the Extension of the		
Payment Plan		305.882
Extended for 1 or 2 Times	-	305.882
Extended for 3,4 or 5 Times	-	-
Extended for More than 5 Times	-	-
	Standard	Receivables Under
	Receivables	Close Monitoring
The Time Extended via the Amendment on payment Plan		305.882
0-6 Months	-	-
6 Months - 12 Months	-	305.882
1 - 2 Years	-	-
2 -5 Years	-	-
5 Years and More	-	-

As at 31 December 2022, analysis of finance lease receivables according to their maturities is as follows:

						2028 and	
	2023	2024	2025	2026	2027	after	Total
Finance lease							
receivables (gross)	8.414.468	5.739.663	3.440.575	1.564.598	656.729	350.844	20.166.877
Unearned interest	(1.625.360)	(838.650)	(361.663)	(116.182)	(36.791)	(41.266)	(3.019.912)
Finance lease							
receivables (net)	6.789.108	4.901.013	3.078.912	1.448.416	619.938	309.578	17.146.965

As at 31 December 2021, analysis of finance lease receivables according to their maturities is as follows:

						2027 and	
	2022	2023	2024	2025	2026	after	Total
Finance lease							
receivables (gross)	5.405.589	3.778.218	2.334.211	1.089.441	378.003	142.546	13.128.008
Unearned interest	(860.285)	(518.944)	(222.311)	(81.499)	(26.600)	(25.566)	(1.735.205)
Finance lease							
receivables (net)	4.545.304	3.259.274	2.111.900	1.007.942	351.403	116.980	11.392.803

As at 31 December 2022, the average compound interest rates applicable for the finance lease receivables are 29,71% for TL, 6,80% for USD, 4,95% for EUR (31 December 2021: 20,55% for TL, 6,48% for USD, 4,69% for EUR).

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9. LEASE RECEIVABLES (Contunied)

A. Financial Lease Receivables (Continued)

As at 31 December 2022, details of finance lease receivables in terms of currency types are as follows:

Currency	Principal in foreign currency	Principal (Net) (TL)	Unearned interest in foreign currency	Unearned interest (TL)
USD	103.882.510	1.942.426	13.131.981	245.546
EUR	532.234.355	10.610.039	49.970.445	996.156
TL	-	4.594.500	-	1.778.210
Total		17.146.965		3.019.912

As at 31 December 2021, details of finance lease receivables in terms of currency types are as follows:

Currency	Principal in foreign currency	Principal ^(*) (Net) (TL)	Unearned interest in foreign currency	Unearned interest (TL)
USD	109.944.569	1.426.806	13.178.558	171.025
EUR	447.438.994	6.569.433	38.491.583	565.145
TL	-	3.396.564	-	999.035
Total		11.392.803	_	1.735.205

The collaterals obtained by the Group, except for the leased assets, for its all finance lease receivables, except for non-performing finance lease receivables are as follows (if the amount of collaterals exceeds the amount of receivables during the calculation of collaterals, only the corresponding portion of the receivable is included in the below table):

Collateral type:	31 December 2022	31 December 2021
Mortgages	484.449	457.661
Sureties of credit guarantee fund	144.734	138.927
Pledged equity	136.348	67.746
Pledged shares	25.997	15.376
Letters of guarantee	18.039	18.762
Pledged movable	1.540	1.252
Cash blockages	375	958
Account pledge		51
	811.482	700.733

In addition to collaterals above, the Group also has sureties amounting to TL 15.685.892 pledged vehicles amounting to TL 189.398, pledged accounts receivable to TL 403.054 (31 December 2021: sureties amounting to TL 10.061.420, pledged vehicles amounting to TL 122.407, pledged accounts receivable to TL 387.007).

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9. LEASE RECEIVABLES (Contunied)

A. Financial Lease Receivables (Continued)

As at 31 December 2022 and 31 December 2021 details of overdue finance lease receivables are as follows:

	31 December 2022	31 December 2021
Up to 30 days	176.290	98.583
Between 30 - 60 days	1.426	3.488
Between 60 - 90 days	495	2.619
Between 90 - 180 days ^(*)		345
	178.211	105.035

^(*) With the regulation published in the Official Gazette dated 15 August 2018 and numbered 30510, debtors who have a credit relationship with financial leasing companies are allowed to fulfill their obligations. Firms that applied within the scope of Financial Restructuring Framework Agreements were followed in the 90-180 band and classified in the 2nd stage until the end of the process. The Group makes provisions by its risk policies.

Details of the collaterals obtained by Group for overdue lease receivables mentioned above are as follows:

Collateral type	31 December 2022	31 December 2021
Sureties of credit guarantee fund	35.216	1.731
Mortgages	84.894	89.005
Pledged equity	19.018	20.756
Letters of guarantee	4.830	2.787
Pledged movable	1.540	1.251
	145.498	115.530

In addition to above guarantees, the Group also has sureties amounting to TL 1.043.761, pledged vehicles amounting to TL 2.315, (31 December 2021: sureties amounting to TL 431.069, pledged vehicles amounting to TL 6.743).

In determining the recoverability of the finance lease receivables, the Group considers any change in the credit quality of receivables from the date that receivable was initially recognized to the reporting date. The Group does not have significant credit risk concentration. The sectoral distribution of the finance lease receivables are given in Note 38.

As at 31 December 2022 and 31 December 2021, the aging of non-performing finance lease receivables is as follows:

	31 December 2022	31 December 2021
Between 90 - 240 days	33.019	17.405
Between 240 - 360 days	2.735	2.811
Over 360 days	338.135	216.943
Uninvoiced non-performing finance lease receivables	410.049	375.436
Unearned interest of non-performing finance lease receivables	(100.713)	(30.448)
	683.225	582.147

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9. LEASE RECEIVABLES (Contunied)

A. Financial Lease Receivables (Continued)

Collaterals obtained for non-performing finance lease receivables as at 31 December 2022 and 31 December 2021 are as follows:

Guarantee type:	31 December 2022	31 December 2021
Mortgages	4.835	4.956
Letter of Guarentee	-	2
	4.835	4.958

In addition to the above collaterals, the Group also has sureties amounting to TL 471.999, pledged vehicles amounting to TL 41.736 and leased equipments amounting to TL 164.655 (31 December 2021: sureties amounting to TL 339.145, pledged vehicles amounting to TL 3.261 and leased equipments amounting to TL 234.783).

Movement of expected loss provision for financial lease receivables is as follows:

	1 January-	1 January-
Movement of expected credit losses:	31 December 2022	31 December 2021
Provision at the beginning of the period	(562.289)	(333.706)
Provision set during the period	(267.689)	(283.023)
Collections	37.546	54.440
Write-off (*)	(6.173)	
Provision at the end of the period	(798.605)	(562.289)

As at 31 December 2022 and 31 December 2021 analysis of time lease receivables occured from operating lease receivables according to their maturities is as follows:

	31 December 2022	31 December 2021
2023 Year	3.221	1.945
2024 Year	1.534	731
2025 Year	548	-
	5.303	2.676

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10. RELATED PARTIES

As at 31 December 2022 and 31 December 2021, details of related party receivables and payables are as follows:

	31 December 2022	31 December 2021
Finance lease receivables from related parties		
Radore Veri Merkezi Hizm.A.Ş	18.455	9.942
Bayek Tedavi Sağlık Hizmetleri ve İşletmeciliği A.Ş.	372	1.278
Total	18.827	11.220
Factoring receivables from related parties		
Bayek Tedavi Sağlık Hizmetleri ve İşletmeciliği A.Ş.	40.075	_
Ortopro Tibbi Aletler San ve Tic. A.Ş.	9.216	4.017
Nevotek Bilişim Ses Ve İletişim Sist.San. Ve Tic. A.Ş.	2.090	4.192
Total	51.381	8.209
	31.301	0.207
Payables to related parties Anadolu Anonim Türk Sigorta Şirketi (Sigorta Primi)	77.004	51.298
Softtech Yazılım Teknolojileri	670	51.250
iş Merkezleri Yönetim ve İşletim A.Ş.	536	128
iş Net Elekt.Bilgi Ür.Dağ.Tic.ve İlet.Hiz.A.Ş	212	13
Türkiye İş Bankası A.Ş.	67	18
Anadolu Hayat Emeklilik A.Ş.	15	-
İş Faktoring Anonim Şirketi	8	_
KKB Kredi Kayıt Bürosu A.Ş.	4	5
Erişim Müşteri Hizmetleri A.Ş.	2	-
Total	78.518	51.462
Deposits placed to related parties		
Türkiye İş Bankası A.Ş. Vadeli Mevduat	143.880	180.937
Türkiye İş Bankası A.Ş. Vadesiz Mevduat	59.966	218.416
Türkiye Sınai Kalkınma Bankası A.Ş.Vadesiz Mevduat	506	374
İşbank AG Vadesiz Mevduat	18	51
Total	204.370	399.778

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10. RELATED PARTIES (Continued)

	31 December 2022	31 December 2021
Derivative financial liabilities held for trading from related parties		
Türkiye İş Bankası A.Ş.	-	84.615
Total		84.615
Finance lease liablity to related parties		
Türkiye İş Bankası A.Ş.	2.615	220
İş Gayrimenkul Yatırım Ort.A.Ş	-	6
Total	2.615	226

As at 31 December 2022 and 31 December 2021, details of borrowings from related parties are as follows:

Borrowings from related parties

Türkiye İş Bankası A.Ş.

Currency	Interest Rate %	Maturity	31 December 2022
TL	13,45%-24,12%	02.01.2023-15.12.2023	4.410.116
USD	5,50%-9,60%	02.01.2023-29.05.2023	1.503.030
EUR	3,25%-5,64%	02.01.2023-05.01.2024	5.256.186
Currency	Interest Rate %	Maturity	31 December 2021
TL	19,19%-25,59%	14.01.2022-15.09.2022	2.705.751
USD	2,53%-4,20%	03.01.2022-15.06.2022	910.981
EUR	1,71%-2,53%	03.01.2022-24.06.2022	1.930.635
			5.547.367

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10. RELATED PARTIES (Continued)

Türkiye Sınai Kalkınma Bankası A.Ş.

Сиггепсу	Interest Rate %	Maturity	31 December 2022
ABD Doları	6 110/ 7 000/	04.08.2023-29.06.2026	429.196
	6,41%-7,80%		
EUR	2,97%-6,70%	21.04.2023-01.06.2026	1.075.513
			1.504.709
Currency	Interest Rate %	Maturity	31 December 2021
ABD Doları	2,86%-3,26%	29.06.2026-04.08.2023	366.292
	, , ,	30.09.2022-01.06.2026	
EUR	1,96%-3,79%	30.09.2022-01.06.2026	623.970
			990.262
İş Bank AG			
Сиггепсу	Interest Rate %	Maturity	31 December 2022
EUR	2,42%-3,00%	13.01.2023-26.08.2024	269.932
2011	2, .270 3,0070	.3.0 .12023 20.00.202 .	269.932
Currency	Interest Rate %	Maturity	31 December 2021
EUR	1,30%-2,77%	19.04.2022-26.08.2024	188.901
			188.901

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022

(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

10. RELATED PARTIES (Continued)

For the periods ended 31 December 2022 and 31 December 2021, finance income and expenses from related parties are as follows:

	01.01- 31.12.2022	01.01-31.12.2021
Figure 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1		
Finance lease interest income from related parties Radore Veri Merkezi Hizm.A.Ş	4.788	1.693
Bayek Tedavi Sağlık Hizmetleri ve İşletmeciliği A.Ş.	4.766	338
Toksöz Spor Malzemeleri Ticaret A.Ş.	103	18
KKB Kredi Kayıt Bürosu A.Ş.		10
Total	4.951	2.050
Operating Lease Income from related parties		
Türkiye Sınai Kalkınma Bankası A.Ş.	2.574	1.319
TSKB Gayrimenkul Değerleme A.Ş.	125	182
Total	2.699	1.501
Interest income from related parties		
Türkiye İş Bankası A.Ş.	437	140
Total	437	140
Dividend income from related parties	10.450	47.270
iş Yatırım Menkul Değerler A.Ş.	19.459	17.270
Yatırım Finansman Menkul Değerler A.Ş Total	4 19.463	17.274
locat	19,463	17.274
Finance expense		
Türkiye İş Bankası A.Ş.	602.991	180.776
Türkiye Sınai Kalkınma Bankası A.Ş.	57.602	26.630
iş Yatırım Menkul Değerler A.Ş.	15.749	7.427
işbank AG	5.929	3.405
Total	682.271	218.238
Rent expense		
Türkiye İş Bankası A.Ş.	4.057	3.389
İş Gayrimenkul Yatırım Ortaklığı A.Ş.	56	47
Total	4.113	3.436

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10. RELATED PARTIES (Continued)

	01.01.2022- 31.12.2022	01.01.2021- 31.12.2021
Factoring commission income from related		
parties Third the Same Time S	424	0.5
Ortopro Tibbi Aletler San ve Tic. A.Ş.	121	95
Bayek Tedavi Sağlık Hizm. ve İşlet. A.Ş.	51	-
Nevotek Bil.Ses ve İlet. Sist. San.ve Tic. A.Ş	37	31
Total	209	126
Factoring interest income from relatedparties		
	2.262	
Bayek Tedavi Sağlık Hizm. ve İşlet. A.Ş.	2.263	-
Ortopro Tibbi Aletler San ve Tic. A.Ş.	1.277	412
Nevotek Bil.Ses ve İlet. Sist. San.ve Tic. A.Ş	324	225
Total	3.864	637
Commission income		
Anadolu Anonim Türk Sigorta Şirketi	19.460	9.468
Total	19.460	9.468
Mutual funds income		
Türkiye İş Bankası A.Ş.	559	464
Total	559	464

As at 31 December 2022 and 31 December 2021, the amount of the Group's issued debt securities in related parties' securities portfolio are as follows:

	31 December 2022	31 December 2021
Anadolu Hayat Emeklilik A.Ş.	15.404	-
Türkiye İş Bankası A.Ş.	-	427.760
Millî Reasürans T.A.Ş.	-	67.783
Türkiye Sınai Kalkınma Bankası A.Ş.	-	9.616
	15.404	505.159

Total salaries and similar benefits paid to the (key management) (*)

For the periods ended 31 December 2022 and 31 December 2021, total salary and benefits paid to the key management during year comprised the following:

01.01.2022-	01.01.2021	
31.12.2022	31.12.2021	
21.744	12.334	
21.744	12.334	

^(*) The Group's key management consists of members of the board of directors, general manager and assistant general managers.

^(**) Consists of monetary benefits such as; salaries, bonuses and premiums along with vehicle rentals and other associated expenses.

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11. TANGIBLE ASSETS

For the periods ended 31 December 2022 and 31 December 2021, movements in tangible assets are as follows.

	Furniture and Fixtures	Leasehold Improvements	Assets Subject to Operational Lease	Vehicles	Other Tangible Assets	Right of Use	Real Estate	Total
Cost	Tixtuies	Improvements	Lease	venices	Assets		Locate	Totat
Opening balance at								
1 January 2022	15.117	5.422	3.802	183	1.456	11.577	8.750	46.307
Additions Transfer	29.312	557	1.070	-	-	6.791	-	37.730
Disposals	(2.813)	_	_	_	_	(9.345)	_	(12.158)
Closing balance at	(2.015)					(5.515)		(12:130)
31 December 2022	41.616	5.979	4.872	183	1.456	9.023	8.750	71.879
Accumulated								
depreciation								
Opening balance at								
1 January 2022	(6.521)	(4.280)	(1.204)	(53)	(1.456)	(8.961)	(555)	(23.030)
Depreciation for the period Transfer	(6.106) 17	(377)	(513)	(37) (57)	-	(5.215)	(175)	(12.423)
Disposals	812	9	-	(57)	-	9.340	-	(31) 10.152
Closing balance at								10.132
31 December 2022	(11.798)	(4.648)	(1.717)	(147)	(1.456)	(4.836)	<u>(730)</u>	(25.332)
Carrying amounts at								
31 December 2022	29.818	1.331	3.155	36		4.187	8.020	46.547
Carrying amounts at								
31 December 2022	8.596	1.142	2.598	130		2.616	8.195	23.277
Cook								
Cost Opening balance at								
1 January 2021	9.500	4.407	3.180	1.282	1.456	7.521	8.750	36.096
Additions	6.651	1.015	1.702	-	-	3.259	-	12.627
Transfer	-	-	-	(1.099)	-	1.099	-	-
Disposals	(1.034)		(1.080)			(302)		(2.416)
Closing balance at 31 December 2021	15.117	5.422	3.802	183	1.456	11.577	8.750	46.307
Accumulated								
depreciation								
Opening balance at 1 January 2021	(5.745)	(4.001)	(1.105)	(415)	(1.456)	(4.868)	(380)	(17.970)
Depreciation for the period	(1.240)	(279)	(1.179)	(9)	(1.430)	(4.024)	(175)	(6.906)
Transfer	-	-	-	371	-	(371)	-	-
Disposals	464		1.080			302		1.846
Closing balance at								
31 December 2021	(6.521)	(4.280)	(1.204)	(53)	(1.456)	(8.961)	(555)	(23.030)
Carrying amounts at								
31 December 2021	8.596	1.142	2.598	130		2.616	<u>8.195</u>	23.277
Carrying amounts at								
31 December 2021	3.755	406	2.075	867		2.653	8.370	18.126

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12. INTANGIBLE ASSETS

For the periods ended 31 December 2022 and 31 December 2021, movements in intangible assets except goodwill are as follows:

	31 December 2022	31 December 2021
Cost		
Opening balance at 1 January	16.747	12.302
Additions	8.971	4.445
Disposals	-	-
Closing balance at the end of the period	25.718	16.747
Amortization		
Opening balance at 1 January	(9.881)	(7.750)
Amortization for the period	(2.783)	(2.131)
Transfer	(12)	-
Disposals	-	-
Closing balance at the end of the period	(12.676)	(9.881)
Carrying amounts(*)	13.042	6.866

^(*) The Group's intangible assets consist of computer software.

Goodwill

The Company has purchased nominal shares of iş Faktoring A.Ş. amounting to TL 12.517 in consideration of USD 10.952.375 on 11 August 2004. The ownership rate of the Company in this subsidiary is 78,23%. Goodwill has arisen amounting to TL 166 on purchased equity of TL 16.603. As at 31 December 2022, net amount of goodwill is TL 166 (31 December 2021: TL 166). Based on TFRS 3, for the annual periods beginning on 1 January 2005, after the reporting period ended on 30 June 2004 the Group has ceased amortization of goodwill arising from the acquisitions before 31 December 2004.

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13. DEFERRED TAX ASSETS AND LIABILITIES

As at 31 December 2022 and 31 December 2021 details of deferred tax assets and deferred tax liabilities based on the temporary differences calculated by the prevailing tax rate are as follows:

temporary differences catedateed by the prevaling tax rate are as rollows.	_	
Temporary time differences subject to deferred tax	31 December 2022	31 December 2021
Expected Credit Losses for Doubtful Receivables	568.960	346.202
Unearned factoring income	258.757	82.250
Financial assets valuation difference	63.632	84.615
Reserve for employee benefits	16.796	8.340
Provision for lawsuit	15.154	10.966
Expense accruals	12.486	103
Received Credits BSMV & KKDF Reeskont Effect	6.723	-
Employee bonus accrual	5.753	3.028
Unused vacation provision	5.103	2.799
IFRS-16 Adjustment	3.392	38
Actuarial Difference for severance pay	2.238	-
Expected credit losses of financial assets	768	343
Measurement difference of monetary items in the foreign currency according		
to TAS	-	(703)
Prepaid expenses	(13.811)	2.252
Tax base differences in tangible and intangible assets	(15.198)	(6.488)
Finance lease adjustment	(67.560)	(37.383)
Finance lease income accruals	(201.675)	(109.039)
	661.518	387.323
Deferred tax assets (liabilities)	31 December 2022	31 December 2021
Expected Credit Loss for Doubtful Receivables	142.240	79.627
Expected Credit Loss for Doubtful Receivables Unearned factoring income	142.240 64.689	79.627 18.917
Expected Credit Loss for Doubtful Receivables Unearned factoring income Valuation differences on financial instruments	142.240 64.689 15.908	79.627 18.917 19.461
Expected Credit Loss for Doubtful Receivables Unearned factoring income Valuation differences on financial instruments Reserve for employee benefits	142.240 64.689 15.908 4.199	79.627 18.917 19.461 1.918
Expected Credit Loss for Doubtful Receivables Unearned factoring income Valuation differences on financial instruments Reserve for employee benefits Provision for lawsuit	142.240 64.689 15.908	79.627 18.917 19.461
Expected Credit Loss for Doubtful Receivables Unearned factoring income Valuation differences on financial instruments Reserve for employee benefits Provision for lawsuit Prepaid expenses	142.240 64.689 15.908 4.199	79.627 18.917 19.461 1.918
Expected Credit Loss for Doubtful Receivables Unearned factoring income Valuation differences on financial instruments Reserve for employee benefits Provision for lawsuit Prepaid expenses Received Credits BSMV & KKDF Reeskont Effect	142.240 64.689 15.908 4.199 3.789	79.627 18.917 19.461 1.918 2.522
Expected Credit Loss for Doubtful Receivables Unearned factoring income Valuation differences on financial instruments Reserve for employee benefits Provision for lawsuit Prepaid expenses Received Credits BSMV & KKDF Reeskont Effect Employee bonus accrual	142.240 64.689 15.908 4.199 3.789 3.121 1.681 1.438	79.627 18.917 19.461 1.918 2.522 24
Expected Credit Loss for Doubtful Receivables Unearned factoring income Valuation differences on financial instruments Reserve for employee benefits Provision for lawsuit Prepaid expenses Received Credits BSMV & KKDF Reeskont Effect Employee bonus accrual Unused vacation provision	142.240 64.689 15.908 4.199 3.789 3.121 1.681 1.438 1.276	79.627 18.917 19.461 1.918 2.522 24 - 696 644
Expected Credit Loss for Doubtful Receivables Unearned factoring income Valuation differences on financial instruments Reserve for employee benefits Provision for lawsuit Prepaid expenses Received Credits BSMV & KKDF Reeskont Effect Employee bonus accrual Unused vacation provision IFRS-16 Adjustment	142.240 64.689 15.908 4.199 3.789 3.121 1.681 1.438	79.627 18.917 19.461 1.918 2.522 24
Expected Credit Loss for Doubtful Receivables Unearned factoring income Valuation differences on financial instruments Reserve for employee benefits Provision for lawsuit Prepaid expenses Received Credits BSMV & KKDF Reeskont Effect Employee bonus accrual Unused vacation provision IFRS-16 Adjustment Actuarial Difference for severance pay	142.240 64.689 15.908 4.199 3.789 3.121 1.681 1.438 1.276	79.627 18.917 19.461 1.918 2.522 24 - 696 644
Expected Credit Loss for Doubtful Receivables Unearned factoring income Valuation differences on financial instruments Reserve for employee benefits Provision for lawsuit Prepaid expenses Received Credits BSMV & KKDF Reeskont Effect Employee bonus accrual Unused vacation provision IFRS-16 Adjustment Actuarial Difference for severance pay Provision for expected loss	142.240 64.689 15.908 4.199 3.789 3.121 1.681 1.438 1.276 848	79.627 18.917 19.461 1.918 2.522 24 - 696 644
Expected Credit Loss for Doubtful Receivables Unearned factoring income Valuation differences on financial instruments Reserve for employee benefits Provision for lawsuit Prepaid expenses Received Credits BSMV & KKDF Reeskont Effect Employee bonus accrual Unused vacation provision IFRS-16 Adjustment Actuarial Difference for severance pay	142.240 64.689 15.908 4.199 3.789 3.121 1.681 1.438 1.276 848 560	79.627 18.917 19.461 1.918 2.522 24 - 696 644 9
Expected Credit Loss for Doubtful Receivables Unearned factoring income Valuation differences on financial instruments Reserve for employee benefits Provision for lawsuit Prepaid expenses Received Credits BSMV & KKDF Reeskont Effect Employee bonus accrual Unused vacation provision IFRS-16 Adjustment Actuarial Difference for severance pay Provision for expected loss Measurement difference of monetary items in the foreign currency according to TAS	142.240 64.689 15.908 4.199 3.789 3.121 1.681 1.438 1.276 848 560 192	79.627 18.917 19.461 1.918 2.522 24 - 696 644 9
Expected Credit Loss for Doubtful Receivables Unearned factoring income Valuation differences on financial instruments Reserve for employee benefits Provision for lawsuit Prepaid expenses Received Credits BSMV & KKDF Reeskont Effect Employee bonus accrual Unused vacation provision IFRS-16 Adjustment Actuarial Difference for severance pay Provision for expected loss Measurement difference of monetary items in the foreign currency according to TAS Expense accruals	142.240 64.689 15.908 4.199 3.789 3.121 1.681 1.438 1.276 848 560 192	79.627 18.917 19.461 1.918 2.522 24 - 696 644 9 - 79
Expected Credit Loss for Doubtful Receivables Unearned factoring income Valuation differences on financial instruments Reserve for employee benefits Provision for lawsuit Prepaid expenses Received Credits BSMV & KKDF Reeskont Effect Employee bonus accrual Unused vacation provision IFRS-16 Adjustment Actuarial Difference for severance pay Provision for expected loss Measurement difference of monetary items in the foreign currency according to TAS Expense accruals Tax base differences in tangible and intangible assets	142.240 64.689 15.908 4.199 3.789 3.121 1.681 1.438 1.276 848 560 192	79.627 18.917 19.461 1.918 2.522 24 - 696 644 9 - 79 (176) 518 (1.492)
Expected Credit Loss for Doubtful Receivables Unearned factoring income Valuation differences on financial instruments Reserve for employee benefits Provision for lawsuit Prepaid expenses Received Credits BSMV & KKDF Reeskont Effect Employee bonus accrual Unused vacation provision IFRS-16 Adjustment Actuarial Difference for severance pay Provision for expected loss Measurement difference of monetary items in the foreign currency according to TAS Expense accruals Tax base differences in tangible and intangible assets Finance lease adjustment	142.240 64.689 15.908 4.199 3.789 3.121 1.681 1.438 1.276 848 560 192 (3.453) (3.799) (16.890)	79.627 18.917 19.461 1.918 2.522 24 - 696 644 9 - 79 (176) 518 (1.492) (8.598)
Expected Credit Loss for Doubtful Receivables Unearned factoring income Valuation differences on financial instruments Reserve for employee benefits Provision for lawsuit Prepaid expenses Received Credits BSMV & KKDF Reeskont Effect Employee bonus accrual Unused vacation provision IFRS-16 Adjustment Actuarial Difference for severance pay Provision for expected loss Measurement difference of monetary items in the foreign currency according to TAS Expense accruals Tax base differences in tangible and intangible assets	142.240 64.689 15.908 4.199 3.789 3.121 1.681 1.438 1.276 848 560 192	79.627 18.917 19.461 1.918 2.522 24 - 696 644 9 - 79 (176) 518 (1.492)

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13. DEFERRED TAX ASSETS AND LIABILITIES (Continued)

With the Provisional Article 13 added to the Corporate Tax Law No. 5520 with Article 11 of the Law No. 7316 on the Amendment of the Law on the Collection Procedure of Public Receivables and Certain Laws, which entered into force after being published in the Official Gazette dated April 22, 2021 and numbered 31462, the Corporate Tax rate will be applied as 25% for the corporate earnings for the taxation period of 2021 and 23% for the corporate earnings for the taxation period of 2022. (Article 25 of Law No. 7394 dated 15.04.2020 and Law No. 5520 "Corporate tax and provisional tax rate" With the amendment made to the first paragraph of Article 32, it is stipulated that the corporate tax rate shall be applied as 25% on the corporate income of banks, financial leasing, factoring, financing and savings finance companies, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies.

In addition, Article 26 of the same Law stipulates that the said 25% rate can also be applied in the calendar year 2022, starting from the declarations to be submitted as of 1.7.2022 and valid for the corporate earnings of the taxation period starting from 1.1.2022. Accordingly, the corporate tax rate will be applied as 25% for the above-mentioned institutions as of the second provisional tax period of 2022.)

Movements in deferred tax assets are as follows:

	31 December 2022	31 December 2021
Opening balance at 1 January	89.070	48.677
Deferred tax income/(expense)	75.640	40.416
Classified in Equity	670	(23)
Closing balance at at 31 December	165.380	89.070

14. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

As at 31 December 2022 and 31 December 2021, details of assets held for sale and discontinued operations are as follows:

	31 December	2022	31 December 2021	
	TL	FC	TL	FC
d for sale ^(*)	760	-	838	-
	760	-	838	-

^(*) Consist of properties which is included in Group asset acquired as a result of the legal proceedings in relation to its non-performing receivables.

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15. OTHER ASSETS

As at 31 December 2022 and 31 December 2021, details of other assets are as follows:

	31 December 2022		31 December 2021	
	TL	FC	TL	FC
Leasing Contracts in Progress	162.620	778.498	188.235	366.273
Other Finance Lease Receivables	30.095	15.834	20.041	11.418
Commissions expense on debt securities issued				
and funds borrowed	27.570	-	14.682	-
Amounts to be invoiced	19.138	34	3.286	60
Refundable VAT (*)	16.170	-	11.704	-
Advances Given for Lease Transactions	10.379	870.424	19.795	682.632
Advanced given	108	-	25	-
Deposits given	34	-	30	-
Others	35.051	4.882	13.297	2.843
	301.165	1.669.672	271.095	1.063.226

^(*) As at 31.12.2022, other assets are also classified as VAT from the circuit. The 31.12.2021 period has also been updated in the report.

16. FUNDS BORROWED

As at 31 December 2022 and 31 December 2021, details of funds borrowed are as follows:

	31 December 2022		31 December 2021	
	TL	FC	TL	FC
Short-term borrowings	13.954.672	9.725.562	5.572.802	5.895.656
Short-term portion of long-term borrowings	35.412	908.751	4.116	565.830
Total short-term borrowings	13.990.084	10.634.313	5.576.918	6.461.486
Long-term borrowings	35.412	3.070.414	2.058	3.328.838
Total long-term borrowings	35.412	3.070.414	2.058	3.328.838
Total borrowings	14.025.496	13.704.727	5.578.976	9.790.324

As at 31 December 2022 and 31 December 2021, borrowings has no collateral.

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16. FUNDS BORROWED (Continued)

As at 31 December 2022 and 31 December 2021, details of short term borrowings based on types of currency are as follows:

Currency (*)	Interest rate %	Original Currency Amount	31 December 2022
TL	10.09%-25,57%	13.723.013.276	13.723.012
USD	3,03%-9,60%	116.453.848	2.177.488
Euro	1,80%-6,70%	369.912.743	7.374.174
GBP	4,62%-5,58%	2.597.718	58.421
Interest accruals			347.139
TOTAL			23.680.234

Currency (*)	Interest rate %	Original Currency Amount	31 December 2021
TL	14,50%-26,00%	5.475.497.000	5.475.497
USD	1,65%-4,20%	120.465.074	1.584.264
Euro	0,70%-3,79%	287.943.537	4.246.512
GBP	1,26%-1,74%	2.117.415	38.043
Interest accruals			124.142
TOTAL			11.468.458

^(*) Foreign currency indexed borrowings have been presented in TL column in the accompanying consolidated statement of financial position.

As at 31 December 2022 and 31 December 2021, details of long-term borrowings and short-term portion of long-term borrowings based on types of currency are as follows:

Currency	Interest rate %	Original Currency Amount	31 December 2022
TL	15,96%	70.824.107	70.824
USD	6,41% - 7,80%	37.684.558	704.638
Euro	1,08% - 5,89%	164.261.000	3.274.527
TOTAL			4.049.989

Currency	Interest rate %	Original Currency Amount	31 December 2021
TL	17,11%	6.173.568	6.174
USD	1,65% - 3,26%	66.217.696	864.613
Euro	0,80% - 4,24%	206.374.666	3.030.055
TOTAL			3.900.842

As at 31 December 2022 and 31 December 2021, compounded interest rates have been presented.

As 31 December 2022 and 31 December 2021, details of borrowings based on types of interest rate are as follows:

	31 Decemb	рег 2022	31 December 2	021
	TL	FC	TL	FC
Fixed rate	12.803.954	9.240.731	5.411.876	6.814.921
Variable rate	1.221.542	4.463.996	167.100	2.975.403
	14.025.496	13.704.727	5.578.976	9.790.324

Fair values of the funds borrowed are presented in Note 38.

As at 31 December 2022 the Group has available credit limit of TL 24.423.263 which has fulfilled all necessary conditions but has not been used. (31 December 2021: TL 16.746.913).

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17. OTHER LIABILITIES

As at 31 December 2022 and 31 December 2021, details of miscellaneous payables are as follows:

	31 December 2022		31 December 2021	
	TL	FC	TL	FC
Advances received (**)	158.309	348.964	90.075	165.015
Banking and Insurance Transaction Tax	11.449	-	6.188	-
Social Security Premium Liability	4.676	-	1.087	-
Income Tax Liability	2.266	-	954	-
Deferred Income	974	-	247	-
Payables to suppliers for lease transactions	783	574.605	16.387	665.294
Value Added Tax	227	-	56	-
Other Tax and Liabilities	105	-	123	-
Other ^(*)	50.418	52.841	21.485	42.257
	229.207	976.410	136.602	872.566

^(*) The Group insures the equipments that are subject to the leasing transactions and pays for the relevant costs in instalments. Other payables consist of the Group's insurance premium payables and payables to suppliers resulting from intercorporate daily operations of the Group.

18. LEASE PAYABLES

	31 December 2022	31 December 2021
Lease Payables	4.569	2.907
	4.569	2.907

As of 31 December 2022 and 31 December 2021, the group's forward-looking debt arising from leasing transactions is as follows:

	31 December 2022	31 December 2021
2022	-	1.333
2023	2.257	1.272
2024	1.487	302
2025	825	-
	4.569	2.907

The Group purchases generally in cash from the suppliers. The Group has a financial risk management policy that enables the Group to pay all its payables at their maturities.

^(**) Advances received consist of advances received from lessees in accordance with the leasing agreements for machinery and equipments that are not readily in use of the customers.

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19. DEBT SECURITIES ISSUED

	31 December 2022	31 December 2022		21
	TL	FC	TL	FC
Bills bonds	3.302.854	-	1.616.922	-
Interest accruals	107.779	-	41.229	-
	3.410.633	-	1.658.151	-

As of 31 December 2022, The characteristics of financing bills issued by the group are as follows:

	Maturity	Nominal Value of Capital Market	Maturity		
ISIN CODE	Starting Date	Instrument Sold	Date	Sale Type	Coupon Period
TRFISFN12313	29.08.2022	400.000.000	10.01.2023	Qualified Investor	Payment at maturity
TRFISFN12321	1.09.2022	300.000.000	13.01.2023	Qualified Investor	Payment at maturity
TRFISFN12347	20.09.2022	170.000.000	3.01.2023	Qualified Investor	Payment at maturity
TRFISFN12354	22.09.2022	68.000.000	6.01.2023	Qualified Investor	Payment at maturity
TRFISFN12362	27.09.2022	150.000.000	6.01.2023	Qualified Investor	Payment at maturity
TRFISFN22312	27.10.2022	100.000.000	3.02.2023	Qualified Investor	Payment at maturity
TRFISFN12370	31.10.2022	85.000.000	30.01.2023	Qualified Investor	Payment at maturity
TRFISFN22320	14.11.2022	300.000.000	21.02.2023	Qualified Investor	Payment at maturity
TRFISFN32311	16.12.2022	200.000.000	16.03.2023	Qualified Investor	Payment at maturity

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20. PROVISIONS

As at 31 December 2022 and 31 December 2021, reserve for employee benefits are as follows:

	31 December 2022	31 December 2021
Reserve for employee severance indemnity	19.035	8.340
Provision for employee bonus	10.135	6.428
Vacation pay provision	5.103	2.799
	34.273	17.567

Under the Turkish Labor Law, the companies are required to pay termination benefits to each employee who has qualified for such amount at the end of its employment contract. Also, employees who are entitled to retirement are required to be paid retirement pay in accordance with the requirements of Act no. 2422 dated 6 March 1981, Act no. 4447 dated 25 August 1999 and the amended Article 60 of the existing Social Insurance Code no. 506. Some transitional provisions related to the pre-retirement service term were excluded from the scope of the Law since the related law was amended on 23 May 2002.

IAS 19 - "Employee Benefits" requires actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans. As at 31 December 2022 and 31 December 2021, the following actuarial assumptions are used in the calculation of the total liability:

	31 December 2022	31 December 2021
Discount rate	2,21%	3,50%
Inflation	19,80%	15,07%
Estimated probability of retirement	100%	100%

For the periods ended 31 December 2022 and 31 December 2021, movements in reserve for employee severance indemnity are as follows:

	31 December 2022	31 December 2021
Balance at the beginning of the year	8.340	6.633
Service cost	7.613	1.478
Actuarial difference	2.590	(99)
Interest cost	1.872	1.267
Reversed severance indemnity provision	(387)	33
Amounts paid to employee severance indemnity	(993)	(972)
Balance at the end of the year	19.035	8.340

The movement of the vacation pay liability for the periods ended 31 December 2022 and 31 December 2021 are as follows:

	31 December 2022	31 December 2021
Balance at the beginning of the year	2.799	2.051
Increase during the period	2.304	748
Balance at the end of the year	5.103	2.799

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20. PROVISIONS (Continued)

The movement of the provision for employee bonus for the periods ended 31 December 2022 and 31 December 2021 are as follows:

	31 December 2022	31 December 2021
Balance at the beginning of the year	6.428	5.533
Increase during the period	10.828	7.510
Reversals	-	-
Payment made during the period	(7.121)	(6.615)
Balance at the end of the year	10.135	6.428

As at 31 December 2022 and 31 December 2021, other provisions are as follows:

	31 December 2022	31 December 2021
Provision for lawsuits	15.154	10.966
Provision for general administrative expenses	769	343
Expected Credit Loss for Financial Assets	308	103
	16.231	11.412

Movements in other provisions for the periods ended 31 December 2022 and 31 December 2021 are as follows:

31 December 2022	General provision for financial lease receivables	Provision for lawsuits	Provision for administrative expenses	Expected Credit Loss for Financial Assets
At the beginning of the year	-	10.966	103	343
Period Expense	-	4.230	2.676	769
Payments	-	-	(2.471)	-
Cancellations	-	(42)	-	(343)
At the end of the period	-	15.154	308	769
31 December 2021	General provision for financial lease receivables	Provision for lawsuits	Provision for administrative expenses	Expected Credit Loss for Financial Assets
At the beginning of the year	-	8.816	344	182
Period Expense	-	4.109	1.733	343
Payments	-	-	(1.679)	-
Cancellations		(1.959)	(295)	(182)
At the end of the period	-	10.966	103	343

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21. CURRENT PERIOD TAX ASSET AND PAYABLE

The current years tax asset as at 31 December 2022 and 31 December 2021 are as follows:

	31 December 2022	31 December 2021
Income taxes withheld (*)	292	686
Total	292	686

(*)As at 31.12.2022, other assets are also classified as VAT from the circuit. The 31.12.2021 period has also been updated in the report.

As at 31 December 2022 and 31 December 2021, details of current year tax liability are as follows:

	31 December 2022	31 December 2021
Current period corporate tax provision (Note:35)	370.845	186.473
Taxes paid for the current period	4.031	1.311
Payments During the Term	(258.228)	(103.432)
Corporate tax payable	116.648	84.352

For the periods ended 31 December 2022 and 31 December 2021, movements of corporate tax payable are as follows:

	31 December 2022	31 December 2021
Current Period Expense	370.845	186.473
Corporate Tax Payable at the Beginning of the Term	84.352	18.660
Tax Payable	4.031	1.311
Payments During the Term	(342.580)	(122.092)
Corporate tax payable	116.648	84.352

22. NON-CONTROLLING INTERESTS

The Company owns 78,23% of iş Faktoring A.Ş. As at 31 December 2022, the non-controlling interests amounting to TL 311.758 (31 December 2021: TL 140.425) have been calculated on the total equity of the subsidiary and the non-controlling interests amounting to TL 96.955 (31 December 2021: TL 28.598) have been calculated on the net profit of the subsidiary.

The movements of non-controlling interests for the periods ended 31 December 2022 and 31 December 2021 are as follows:

	31 December 2022	31 December 2021
Balance at the beginning of the year	140.425	103.839
From the Profit.Loss of the year	96.410	28.598
Fair value changes of marketable securities	74.378	8.398
Affiliate Sales Adjustment	<u>-</u>	(410)
Balance at the end of the year	311.213	140.425

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23. PAID-IN CAPITAL AND CAPITAL RESERVES

As at 31 December 2022 nominal capital of the Company is 695.303 TL, the share capital of the Company consists 69.530.264.500 of shares Kurus 1 price.

As at 31 December 2022 and 31 December 2021, shareholders and their ownership percentages are as follows:

Shareholders	(%)	31 December 2022	(%)	31 December 2021
Türkiye Sınai Kalkınma Bankası A.Ş.	29,46	204.850	29,46	204.850
Türkiye İş Bankası A.Ş.	27,79	193.253	27,79	193.253
Trakya Yatırım Holding A.Ş.	0,93	6.483	0,93	6.483
Publicly traded	41,81	290.717	41,82	290.717
TOTAL	100	695.303	100	695.303

Group A shareholders have the privilege of nominating board of directors members and audit committee members. As a result of this privilege, board of directors members and audit committee members are selected among the candidates nominated by Group A shareholders. Allocation of Group A shares among shareholders is as follows;

Shareholders	31 December 2022	31 December 2021
Türkiye İş Bankası A.Ş.	300.000.000	300.000.000
Türkiye Sınai Kalkınma Bankası A.Ş.	255.000.000	255.000.000
Trakya Yatırım Holding A.Ş.	45.000.000	45.000.000
Total	600.000.000	600.000.000

Any change in the articles of association of the Company is subject to the consent of Group A shareholders.

Capital Reserves

_	31 December 2022	31 December 2021
Other Capital Reserves ^(*)	1.763	1.763
Accumulated Other Comprehensive Income.Expenditure Not		
Reclassified in Profit.Loss		
Accumulated Other Comprehensive Income.Expenditure Reclassified in Profit.Loss	(2.107)	(187)
Other Comprehensive Income or Expenses to be Reclassified in Profit	(- /	V - /
or Loss ^(**)	948.916	339.948
Total	946.809	339.761

^(*) Comprised of bonus shares obtained from associates, subsidiaries and jointly controlled entities

^(**)Other Comprehensive Income or Expenses to be reclassified in profit or Loss consists of the valuation differences arised from the fair value of the financial

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24. PROFIT RESERVES

As at 31 December 2022 and 31 December 2021, details of profit reserves are as follows:

	31 December 2022	31 December 2021
Legal reserves	80.210	65.098
Extraordinary reserves	874.157	587.030
Total	954.367	652.128

^(*) As per the BRSA, income associated with deferred tax assets shall not be considered as cash or internally generated source and accordingly such amounts taking part of net period profit shall not be included in profit distribution and capital increase. The Group has deferred tax amounting to TL 78.725 classified in extraordinary tax income reserves which will not be considered in profit distribution and capital increase as at 31 December 2022 (31 December 2021: TL 38.309).

The legal reserves consist of first and second legal reserves, appropriated in accordance with the Turkish Commercial Code. The first legal reserve is appropriated out of historical statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the historical paid-in share capital. The second legal reserve is appropriated after the first legal reserve and dividends, at the rate of 10% per annum of all cash dividend distributions. The first and second legal reserves cannot be distributed unless they exceed 50% of the total capital; however, in case of exhaustion of discretionary reserves, it can be used to cover damages.TL 15.112 calculated on legal profit has been transferred to legal reserves by a decision of the Company's Board of Directors.

25. PRIOR YEARS' PROFIT.LOSS

The group has profit amounting to TL 7.824 as at December 31, 2021 (31 December 2021: None).

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26. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

As at 31 December 2022, TL 3.609.938 of letters of guarantee are given to customs, authorities and banks (31 December 2021: TL 1.399.925).

As at 31 December 2022, the total risk of litigations filed and currently pending against the Group amounting to approximately TL 21.308 (31 December 2021: TL 18.519). The Group has provided a provision amounting to TL 15.154 for litigations (31 December 2021: TL 10.966) in the accompanying consolidated financial statements (Note 20). The Group management does not anticipate any further provision for the remaining litigations.

As at 31 December 2022, the Group has letter of credit commitments of USD 4.618.862, EUR 18.294.230 (451.059 TL) (31 December 2021: USD 23.776.373, EUR 36.714.723, CHF 904.999 (860.394 TL)).

As at 31 December 2022 has no factoring commitment. (31 December 2021: None)

As at 31 December 2022, the Group has lease commitments of USD 15.413.391, EUR 85.760.761 and full TL 522.286.335 (TL 2.520.123) (31 December 2021: USD 17.902.095, EUR 133.486.312 and full TL 596.434.959 (TL 2.788.645)

As at the reporting date, the Group does not have any guarantees, pledges or mortgages given for the purpose of guaranteeing any third party payables.

As at 31 December 2022 details of derivatives are as follows:

	31 December 2022	
	Amount as Original Currency	TL
Currency Swap Purchases:		-
EUR	-	
TL	1.396.339.200	1.396.339
		1.396.339
Currency Swap Sales:		
USD	5.000.000	93.492
EUR	65.400.000	1.303.742
		1.397.234

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26. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

As at 31 December 2021 details of derivatives transactions are as follows:

	31 December 2021	
	Amount as	
	Original Currency	TL
Currency Swap Purchases:		
TL	227.458.559	227.459
		227.459
Currency Swap Sales:		
USD	10.343.589	134.234
EUR	10.263.304	150.689
		284.923

Group's derivative transactions performed with related parties are presented in Note 10.

As of 31 December 2022, there is an unrealized loss amounting to TL 67.840 and there is an unrealized gain amounting to TL 4.207 (Note 6) consisting of changes in the fair value of derivative contracts and associated with profit and loss (31 December 2021: TL 84.615 unrealized loss).

As at 31 December 2022 analysis of derivative transactions according to their maturities is as follows:

	Short Term	Long Term	Total
Currency Swap Purchases	1.396.339	-	1.396.339
Currency Swap Sales	1.397.234	-	1.397.234
As at 31 December 2021, analysis of derivative	3		
	Short Term	Long Term	Total
Currency Swap Purchases	227.459	-	227.459
Currency Swap Sales	284.923	-	284.923

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27. SEGMENT REPORTING

Information regarding the Group's operating business segments is based on the Group's management and internal reporting structure.

Segment capital expenditure is the total cost incurred during the period to acquire tangible assets and intangible assets.

Business segments

The Group comprises the following main business segments:

- Leasing Includes the Group's finance lease activities
- Factoring operations Includes the Group's factoring activities

31 December 2022	Leasing	Factoring	Consolidation Adjustments	Consolidated
Total assets	19.956.517	16.427.328	(53.766)	36.330.079
Total iabilities	17.586.663	14.999.371	(33.700)	32.586.034
Net profit for the year	480.290	442.886	(96.410)	826.766
			Consolidation	
31 December 2021	Leasing	Factoring	Adjustments	Consolidated
Total assets	13.480.875	6.949.806	(53.766)	20.376.915
Total liabilities	11.932.152	6.305.320	-	18.237.472
Net profit for the year	207.289	131.372	(28.598)	310.063

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27. SEGMENT REPORTING (Continued)

			Consolidation	
31 December 2022	Leasing	Factoring	Adjustments	Total
Operating Income	1.639.465	1.796.139	-	3.435.604
Financial Expenses (-)	(1.143.650)	(1.101.781)	-	(2.245.431)
Gross Profit . Loss	495.815	694.358	-	1.190.173
Operating Expense (-)	(122.182)	(82.848)	-	(205.030)
Gross Operating Profit.Loss	373.633	611.510	-	985.143
Other Operating Income	786.083	150.484	-	936.567
Provisions (-)	(267.689)	(177.725)	-	(445.414)
Other operating Expenses (-)	(257.130)	(785)	-	(257.915)
Net Operating Profit . Loss	634.897	583.484	-	1.218.381
Profit or Loss from Continuing Operations before tax	634.897	583.484	-	1.218.381
Provision for Taxes from Continuing Operations (±)	(154.607)	(138.098)	-	(295.205)
Net Profit or Loss from Continuing Operations	480.290	442.886	-	923.176
Non-controlling Interests	-	-	(96.410)	(96.410)
Net Profit or Loss for the Period	480.290	442.886	(96.410)	826.766
Fixed Asset Additions	31.512	15.189	-	46.701
Depreciation and Amortisation	(9.115)	(6.091)	-	(15.206)
			Consolidatin	
31 December 2021	Leasing	Factoring	Adjustmets	Total
31 December 2021	Leasing	raccorning	Adjustifices	1000
Operating Income	879.601	649.043	-	1.528.644
Financial Expenses (-)	(523.158)	(482.017)	-	(1.005.175)
Gross Profit . Loss	356.443	167.026	-	523.469
Operating Expense (-)	(64.393)	(41.570)	-	(105.963)
Gross Operating Profit.Loss	292.050	125.456	-	417.506
Other Operating Income	420.511	88.217	-	508.728
Provisions (-)	(283.023)	(39.834)	-	(322.857)
Other operating Expenses (-)	(112.379)	(6.280)	-	(118.659)
Net Operating Profit . Loss	317.159	167.559	-	484.718
Profit or Loss from Continuing Operations Before Tax	317.159	167.559	-	484.718
Provision for Taxes from Continuing Operations (±)	(109.870)	(36.187)	-	(146.057)
Net Profit or Loss from Continuing Operations	207.289	131.372	-	338.661
Non-controlling Interests	-	-	(28.598)	(28.598)
Net Profit or Loss for the Period	207.289	131.372	(28.598)	310.063
Fixed Asset Additions	9.652	7.420	-	17.072
Depreciation and Amortisation	(4.933)	(4.104)	-	(9.037)

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28. EVENTS AFTER THE REPORTING PERIOD

İş Finansal Kiralama A.Ş. The financing bond with a nominal amount of 150.000.000TL issued by the Capital Markets Board has been registered by the Capital Markets Board with the decision number 45/1244 dated 25.08.2022, and the issuance of the bond was realized as a private placement on 03.01.2023 and the maturity is 06.04.2023.

İş Finansal Kiralama A.Ş. The redemption payment of the bond with the ISIN code of TRFISFN12347 and a nominal amount of TL 170.000.000 with a maturity date of 03.01.2023 was made.

İş Finansal Kiralama A.Ş. The financing bond with a nominal amount of 200.000.000TL issued by the Capital Markets Board has been registered by the Capital Markets Board with the decision number 45/1244 dated 25.08.2022, and the issuance of the bond was realized as a private placement on 06.01.2023 and the maturity is 06.04.2023.

İş Finansal Kiralama A.Ş. The redemption payment of the bond with the ISIN code of TRFISFN12362 and a nominal amount of TL 150.000.000 with a maturity date of 06.01.2023 was made.

İş Finansal Kiralama A.Ş. The redemption payment of the bond with the ISIN code of TRFISFN12354 and a nominal amount of TL 68.000.000 with a maturity date of 06.01.2023 was made.

İş Finansal Kiralama A.Ş. The financing bond with a nominal amount of 300.000.000TL issued by the Capital Markets Board has been registered by the Capital Markets Board with the decision number 45/1244 dated 25.08.2022, and the issuance of the bond was realized as a private placement on 13.01.2023 and the maturity is 24.03.2023.

İş Finansal Kiralama A.Ş. The financing bond with a nominal amount of 400.000.000TL issued by the Capital Markets Board has been registered by the Capital Markets Board with the decision number 45/1244 dated 25.08.2022, and the issuance of the bond was realized as a private placement on 10.01.2023 and the maturity is 13.04.2023.

İş Finansal Kiralama A.Ş. The redemption payment of the bond with the ISIN code of TRFISFN12321 and a nominal amount of TL 300.000.000 with a maturity date of 13.01.2023 was made.

İş Faktoring A.Ş. The redemption payment of the bond with the ISIN code of TRFISFA12310 and a nominal amount of TL 300.000.000 with a maturity date of 13.01.2023 was made.

29. OPERATING INCOME

For the periods ended 31 December 2022 and 31 December 2021, details of operating income are as follows:

	01.01.2022 -	01.01.2021 -
	31.12.2022	31.12.2021
Finance Lease income	1.636.765	878.101
Operating lease income	2.699	1.500
Factoring income	1.796.140	649.043
	3.435.604	1.528.644

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30. OPERATING EXPENSES

For the periods ended 31 December 2022 and 31 December 2021, operating expenses are as follows:

	01.01.2022 -	01.01.2021-
	31.12.2022	31.12.2021
Personel expenses	(132.579)	(66.999)
Depreciation and amortization expenses	(15.206)	(9.037)
Information technology expenses	(9.212)	(5.112)
Provision for employee severance	(9.099)	(2.789)
Office rent expenses	(8.173)	(5.253)
Taxes, duties and charges	(5.501)	(2.244)
BRSA participation fee	(5.015)	(2.287)
Board of Directors attendance fee	(4.498)	(3.157)
Consultancy expenses	(3.135)	(974)
Travel and car expenses	(2.703)	(838)
Write-off expense	(1.175)	(710)
Advertising expense	(864)	(939)
Capital increase expense	(462)	(180)
Communication expense	(454)	(476)
Insurance expense	(447)	(301)
Expenses of Keeping on the Rank	(146)	(161)
Other general administrative expenses	(6.361)	(4.506)
	(205.030)	(105.963)

31. OTHER OPERATING INCOME

For the periods ended 31 December 2022 and 31 December 2021, details of other operating income are as follows:

	01.01.2022 -	01.01.2021 -
	31.12.2022	31.12.2021
Income from derivative financial transactions	597.785	200 002
		300.883
Dividend income	156.240	13.942
Foreign exchange gains	88.313	81.015
Collections from prior period non-performing receivables and cancellation		
income	19.463	17.274
Interest income	19.460	9.468
Commission income	2.461	3.984
Other	52.845	82.162
	936.567	508.728

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32. FINANCE EXPENSES

For the periods ended 31 December 2022 and 31 December 2021, details of finance expenses are as follows:

	01.01.2022 -	01.01.2021 -	
	31.12.2022	31.12.2021	
Interest expense on funds borrowed	(1.581.087)	(717.409)	
Interest expense on debt securities issued	(547.053)	(251.125)	
Fees and commissions expense	(116.271)	(35.949)	
Interest expense related to rents	(1.020)	(692)	
	(2.245.431)	(1.005.175)	

33. PROVISIONS

For the periods ended 31 December 2022 and 31 December 2021, details of provision for non-performing receivables are as follows:

	01.01.2022	01.01.2021
	31.12.2022	31.12.2021
Specific Provisions	(445.414)	(322.857)
	(445.414)	(322.857)

34. OTHER OPERATING EXPENSES

For the periods ended 31 December 2022 and 31 December 2021, details of other operating expenses are as follows:

	01.01.2022 31.12.2022	01.01.2021 31.12.2021
Losses From Derivative Financial Instruments Foreign Exchange Losses	(241.906)	(106.288)
Other	(16.009) (257.915)	(12.371) (118.659)

Derivative financial instruments with a view to direct the Group's financial risks (forward and currency swap contracts) consist of combination of more than one sub-transaction as time or spot. Entire such transactions are not trading and are preferred due to economic worth occurred at the maturity. Although, entire such transactions do not cover all conditions for hedge accounting, buy-sell spot transactions at the transaction date are recorded at initial amounts, buy-sell transactions that held to maturity date are recorded in fair values. Measurement differences of such sub-transactions which are integrated and fixed by the initial date economic worth at the maturity date on initial measurement of buy-sell transactions and measurement at the maturity date of buy-sell transactions cause the differences on income.expense components in the inperiods.

The difference as foreign currency expenses difference between loss is at amounting TL 127.815 from measurement difference of such transactions in the Group's financial statements as at 31 December 2022 (31 December 2021: TL 10.976 foreign exchange loss). The difference is expected to be substantially expired at the maturity of transactions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022

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35. TAXATION

For the periods ended 31 December 2022 and 31 December 2021, details of tax expense are as follows:

	01.01.2022 31.12.2022	01.01.2021 31.12.2021
Current corporate tax charge	(370.845)	(186.473)
Deffered tax income. (expense)	75.640	40.416
	(295.205)	(146.057)

The reported tax expenses for the period is different than the amounts computed by applying the statutory tax rate of the Company to profit before income tax of the Group, as shown in the following reconciliation:

	%	31 December 2022 %		31 December 2021		
Net profit for the period		923.176		338.661		
Total tax expense		295.205		146.057		
Profit before tax		1.218.381		484.718		
	_		_			
Income tax using the Group's tax rate	25,00	304.595	22,00	121.180		
Non-deductible expenses	0,46	5.628	10,35	50.145		
Tax exempt income	(0,40)	(4.866)	(0,89)	(4.318)		
Other	(0,83)	(10.152)	(4,32)	(20.950)		
Total income tax expense	24,23	295.205	27,14	146.057		

Corporate Tax

The Group is subject to the Turkish corporate taxes. Provision is made in the accompanying financial statements for the estimated charge based on the Group's results for the period.

Turkish tax legislation does not allow a parent company to file a tax return on its consolidated financial statements. Therefore, the tax liabilities reflected in this consolidated financial statements are calculated separately for all companies included in the scope of consolidation.

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding non-deductible expenses, and by deducting dividends received from resident companies, other exempt income and investment incentives utilized.

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35. TAXATION (Continued)

As of December 31, 2022, the corporate tax rate is 25% (December 31, 2021: 25%). With the amendment made in the first paragraph of Article 25 of the Law No. 7394 published in the Official Gazette dated April 15, 2022 and numbered 31810, and the first paragraph of the article 32 titled "Corporate Tax and Provisional Tax Rate" of the Law No. 5520; It has been decreed that the corporate tax rate of 25% is applied over the corporate earnings of banks, financial leasing, factoring, financing and savings financing companies, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies. In addition, Article 26 of the same Law regulates that the aforementioned 25% rate can be applied in the 2022 calendar year, starting from the declarations that must be submitted as of 1.7.2022 and being valid for the corporate earnings for the taxation period starting from 1.1.2022.

Accordingly, as of the second provisional tax period of 2022 for the above-mentioned corporations, the corporate tax rate will be applied as 25%.

Temporary tax in Turkey is calculated and accrued on a quarterly basis. the temporary tax rate, which should be calculated on corporate earnings at the stage of taxation of corporate earnings for 2022 as of the interim tax periods, is 25% for 31.12.2022 (December 31, 2021: 25%). According to the Turkish tax legislation, the financial losses shown on the declaration can be deducted from the corporate income for the period, provided that they do not exceed 5 years. However, the losses incurred cannot be retrospectively deducted from the profits incurred in previous years.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns between 1 April and 30 April of the following year (between 1st and 30th of the following fourth month of the tax year for the tax responsible who have special tax years). Tax authorities may, however, examine such returns and the underlying accounting records and may revise assessments within five years.

Transfer Pricing

In Turkey, the transfer pricing provisions have been stated under the Article 13 of Corporate Tax Law with the heading of "disguised profit distribution via transfer pricing". The General Communiqué on disguised profit distribution via Transfer Pricing dated 18 November 2007 sets details about implementation.

If a taxpayer enters into transactions regarding sale or purchase of goods and services with related parties, where the prices are not set in accordance with arm's length principle, then related profits are considered to be distributed in a disguised manner through transfer pricing. Such disguised profit distributions through transfer pricing are not accepted as tax deductible for corporate income tax purposes. Purchase, sale, manufacturing and construction operations, leasing and leasing transactions, borrowing and issuing money, bonuses, fees and similar transactions that require payments are considered as purchase or sale of goods or services in every condition. Companies are required to fill in the transfer pricing form which will be included in the annex of the annual corporate tax return. In this form, the amounts of all transactions with related companies and the methods of transfer pricing related to these transactions are specified in the related accounting period.

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36. EARNINGS PER SHARE

Earnings per share are calculated by dividing profit or loss by the weighted average number of ordinary shares outstanding during the period. In Turkey, companies can raise their share capital by distributing "bonus shares" to shareholders from retained earnings. In computing earnings per share, such "bonus share" distributions are assessed as issued shares. Accordingly, the retrospective effect for those share distributions is taken into consideration in determining the weighted-average number of shares outstanding used in this computation.

Earnings per share is calculated by dividing net income distributable to shareholders by the weighted average number of shares issued.

The weighted average number of shares of the Group and earnings per share for the periods ended 31 December 2022 and 31 December 2021 are as follows:

1 January- 31 December 2022	1 January- 31 December 2021
69.530.264.500	69.530.264.500
826.766	310.063
1,19	0,45
res having Kurus 1 nominal price.	
31 December 2022	31 December 2021
69.530.264.500	69.530.264.500
<u> </u>	-
69.530.264.500	69.530.264.500
	31 December 2022 69.530.264.500 826.766 1,19 res having Kurus 1 nominal price. 31 December 2022 69.530.264.500

37. Other Issues that Significantly Affect the Financial Statements or Other Issues Required for Understanding of the Financial Statements

None.

GENERAL ASSESSMENT MANAGEMENT CORPORATE GOVERNANCE PRACTICES FINANCIAL STATEMENTS

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38. ADDITIONAL INFORMATION ON FINANCIAL INSTRUMENTS

(a) Capital risk management

The Group manages its capital by sustaining its status as a going concern while maximizing the return to stakeholders through the optimization of the debt and the equity balance.

Although there is no change in the capital risk management strategy in 2021, the debt.equity ratio is 15% (31 December 2021: 16%). As at 31 December 2022 and 31 December 2021, the leverage ratios are as follows:

	31 December 2022	31 December 2021
Funds borrowed	27.730.223	15.369.300
Debt securities issued	3.410.633	1.658.151
Other liabilities	1.205.617	1.009.168
Total liabilities	32.346.473	18.036.619
Cash and Cash Equivalents (-)	(362.715)	(471.502)
Net liabilities	31.983.758	17.565.117
Total shareholders' equity	3.744.045	2.139.443
Shareholders' equity . liabilities	12%	12%

According to the credit rating reports of Fitch issued at 26.07.2022 credit ratings of the Company are as follows:

Foreign Currency

Long term	B-
Short term	В
Outlook	Negative

TL

Long term	В
Short term	В
Outlook	Negative

National

Long term	A+(CUF)
Outlook	Negative
Sharehold Support	B-

(b) Significant accounting policies

The Group's accounting policies on financial instruments are disclosed in Note 3 "Significant accounting policies".

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38. ADDITIONAL INFORMATION ON FINANCIAL INSTRUMENTS (Continued)

(c) Categories of financial instruments

	31 December 2022	31 December 2021
Financial Assets:		
Cash and Cash Equivalents	362.715	471.502
Derivative Financial Assets	4.207	-
Finance lease receivables and non-performing receivables, net	17.146.965	11.392.803
Leasing Contracts in Progress	941.118	554.508
Advances Given for Lease Transactions	880.803	702.427
Other Finance Lease Receivables	45.929	31.459
Factoring receivables and non-performing factoring receivables, Net	15.530.958	6.652.524
Financial Assets at Fair Value Through Other Comprehensive Income	1.088.210	404.862
Financial Liabilities:		
Derivative financial liabilities at fair value	(67.840)	(84.615)
Finance Lease Obligations	(4.569)	(2.907)
Other liabilities	(1.205.617)	(1.009.168)
Funds borrowed	(27.730.223)	(15.369.300)
Debt securities issued	(3.410.633)	(1.658.151)
(*) Included in other receivables.		

⁽d) Financial risk management objectives

The Group's corporate treasury function provides services to the business, coordinates access to domestic and international markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyses exposures by degree and magnitude of risk. Such risks include market risk (including currency risk, interest rate risk and price risk), liquidity risk and credit risk.

The Group uses derivative instruments to minimize the effects of such risks and it also uses such instruments for hedging. The Group does not enter into or trade any financial instruments (including derivative financial instruments) for speculative purposes.

In order to minimize potential risks, the Group reports monthly to the risk management committee which is in charge of monitoring risks and the policies applied.

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38. ADDITIONAL INFORMATION ON FINANCIAL INSTRUMENTS (Continued)

(e) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates (refer to section f), interest rates (refer to section g) and equity prices will affect the Group's income or the value of its holdings of financial instruments. To manage risks relating to exchange rates and interest rates, the Group uses various derivative financial instruments including the following:

- "Forward foreign exchange contracts" to hedge the exchange rate risk arising from operations.
- "Currency swaps" to control the exchange rate risk of foreign currency denominated liabilities.

At the Group level, market risk exposures are measured by sensitivity analysis.

There has been no change in the Group's exposure to market risks or the method it uses to manage and measure such risks.

(f) Currency risk management

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Group has exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its consolidated financial position and cash flows. The Group manages this currency risk by using the foreign exchange derivative contracts.

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38. ADDITIONAL INFORMATION ON FINANCIAL INSTRUMENTS (Continued)

(f) Currency risk management (Continued)

As 31 December 2022 and 31 December 2021, details of foreign currency denominated assets and liabilities are as follows:

	USD	Аνго	CHF	GBP	JPY	AUD	CNY	TL
31 December 2022 (*)	(000)	(000)	(000)	(000)	(000)	(000)	(000)	Equivalent
Banks	3.287	5.947	2	195	28	2	5	184.479
Finance lease receivables	103.883	532.234	-	-	-	-	-	12.552.465
Factoring receivables(*)	55.679	54.457	-	2.467	-	-	-	2.182.190
Advances given for lease transactions	18.081	23.732	-	2.592	3.900	-	-	870.424
Leasing contracts in progress	7.287	32.217	-	-	-	-	-	778.498
Other receivables from leasing								
transactions	172	633	-	-	-	-	-	15.834
Other assets	4	243	-	-	-	-	-	4.916
Total assets (**)	188.393	649.463	2	5.254	3.928	2	5	16.588.806
Funds borrowed ^(*)	(155.286)	(538.883)	-	(2.604)	-	-	-	(13.704.727)
Lease Obligations	-	-	-	-	-	-	-	-
Other provisions	(1)	(698)	-	-	-	-	-	(13.940)
Other Liabilities	(12.999)	(36.700)	-	(77)	-	-	-	(976.410)
Total liabilities (**)	(168.286)	(576.281)	-	(2.681)	-	-	-	(14.695.077)
Balance sheet position	20.107	73.182	2	2.573	-	2	5	1.893.729
Off balance sheet position	(5.000)	(65.400)	-	-	-	-	-	(1.397.234)
Net foreign currency position	15.107	7.782	2	2.573	-	2	5	496.495

^(*) As at 31 December 2022, has no foreign currency indexed borrowings.

^(**) As at 31 December 2022, derivative financial assets amounting to TL 67.840 are not included.

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38. ADDITIONAL INFORMATION ON FINANCIAL INSTRUMENTS (Continued)

(f) Currency risk management (Continued)

31 December 2021 (*)	USD (000)	Аvго (000)	CHF (000)	GBP (000)	JPY (000)	AUD (000)	TL Equivalent
Banks	15.645	15.014	4	180	27.004	5	429.853
Finance lease receivables	109.945	447.439	-	-	-	-	7.996.240
Factoring receivables(*)	76.142	48.294	-	2.096	-	-	1.781.136
Advances given for lease transactions	12.581	34.202	-	867	18.400	-	682.632
Leasing contracts in progress	10.502	15.664	-	-	-	-	366.273
Other receivables from leasing							
transactions	174	624	-	-	-	-	11.418
Other assets	34	127	-	30	-	-	2.903
Total assets (**)	225.023	561.364	4	3.173	45.404	5	11.270.455
Funds borrowed ^(*)	(187.525)	(496.208)	-	(2.119)	-	-	(9.802.337)
Lease Obligations							-
Other provisions	(10)	(704)	-	-	-	-	(10.461)
Other Liabilities	(13.275)	(47.618)	-	(51)	-	-	(872.566)
Total liabilities (**)	(200.810)	(544.530)	-	(2.170)	-	-	(10.685.364)
Balance sheet position	24.213	16.834	4	1.003	45.404	-	585.091
Off balance sheet position	(10.344)	(10.263)	-	-	-	-	(284.923)
Net foreign currency position	13.869	6.571	4	1.003	45.404	5	300.168

^(*) As at 31 December 2021, foreign currency indexed borrowings amounting to EUR 818 (Total: TL 12.013) are presented in TL column in the accompanying consolidated statement of financial position.

Foreign currency sensitivity

The Group is mainly exposed to USD and EUR exchange rate risks.

The table below indicates the sensitivity of the Group to USD and Euro when there is a 15% of change in such exchange rates. The Group uses 15% of rate change when it reports its foreign currency risk to the top management and this rate represents the top management's expectation on the exchange rate fluctuations. Sensitivity analysis made in relation to the Group's exposure to foreign currency at the reporting period is determined based on the fluctuations at the beginning of the fiscal year and the analysis are fixed during the reporting period. Positive amount refers to an increase in the net profit.

 $^{^{(**)}}$ As at 31 December 2021, derivative liabilities amounting to TL 84.615 are not included.

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38. ADDITIONAL INFORMATION ON FINANCIAL INSTRUMENTS (Continued)

(f) Currency risk management (Continued)

Foreign currency sensitivity (Continued)

	Profit.	(Loss)	Equity ^(*)			
	Appreciation of foreign	Depreciation of foreign	Appreciation of foreign	Depreciation of foreign		
31 December 2022	currency	currency	currency	currency		
15% change of the USD against TL						
1- Net USD asset.liability	56.395	(56.395)	56.395	(56.395)		
2- Hedged portion of TL against USD risk (-)	(14.024)	14.024	(14.024)	14.024		
3- Net effect of USD (1+ 2)	42.371	(42.371)	42.371	(42.371)		
15% change of the Euro against TL						
4- Net Euro asset.liability	218.831	(218.831)	218.831	(218.831)		
5- Hedged portion of TL against Euro risk (-)	(195.561)	195.561	(195.561)	195.561		
6- Net effect of Euro (4+5)	23.270	(23.270)	23.270	(23.270)		
15% change of other foreign currencies against TL 7- Net other foreign currencies asset.liability	8.769	(8.769)	8.769	(8.769)		
8- Hedged portion of TL against other currencies risk (-)9- Net effect of other foreign currencies (7+8)	8.769	- (0.760)		- (9.760)		
- Net effect of other foreign currencies (7+6)	6.769	(8.769)	6.769	(8.769)		
TOTAL (3+6+9)	74.410	(74.410)	74.410	(74.410)		

^(*) Includes profit.loss effect.

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38. ADDITIONAL INFORMATION ON FINANCIAL INSTRUMENTS (Continued)

(f) Currency risk management (Continued)

Foreign currency sensitivity (Continued)

Profit.	(Loss)	Equil	y ^(*)	
Appreciation of foreign	Depreciation of foreign	Appreciation of foreign	Depreciation of foreign	
currency	Currency	Currency	currency	
47.134	(47.134)	47.134	(47.134)	
(20.136)	20.136	(20.136)	20.136	
26.998	(26.998)	26.998	(26.998)	
37.074	(37.074)	37.074	(37.074)	
(22.603)	22.603	(22.603)	22.603	
14.471	(14.471)	14.471	(14.471)	
3.400	(3.400)	3.400	(3.400)	
-	-	-	-	
3.400	(3.400)	3.400	(3.400)	
44.869	(44.869)	44.869	(44.869)	
	47.134 (20.136) 26.998 37.074 (22.603) 14.471 3.400	of foreign currency of foreign currency 47.134 (47.134) (20.136) 26.998 (26.998) (26.998) 37.074 (37.074) (22.603) 14.471 (14.471) (3.400) 3.400 (3.400)	Appreciation of foreign currency Depreciation of foreign currency Appreciation of foreign currency 47.134 (47.134) (20.136) 20.136 (20.136) 47.134 (20.136) 26.998 (26.998) 26.998 37.074 (37.074) (22.603) 22.603 (22.603) 14.471 (14.471) 3.400 (3.400) 3.400 3.400	

^(*) Includes profit.loss effect.

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38. ADDITIONAL INFORMATION ON FINANCIAL INSTRUMENTS (Continued)

(f) Currency risk management (Continued)

Forward foreign exchange contracts and currency swaps

The Group uses forward foreign exchange contracts and currency swaps to cover the risks of receipts and payments, expected sales and purchases in a certain foreign currency.

(g) Interest rate risk management

The Group is exposed to interest rate risk as the Group borrows funds at both fixed and variable rates. Such risk is managed by making a proper classification between fixed and variable rate liabilities.

Interest rate sensitivity

The interest rate sensitivity analysis below is based on the Group's exposure to interest rate risk at the reporting date and estimated interest rate fluctuations at the beginning of the fiscal year, and is fixed during the reporting period. The Group management makes its sensitivity analysis based on a 100 base point interest rate fluctuation scenario. This rate is also used in reporting to the top management.

As at 31 December 2021 and 31 December 2021, the interest rate profile of the Group's interest-bearing financial instruments is as follows:

	31 December 2022	31 December 2021
Fixed rate instruments		
Financial assets:		
Cash and Cash Equivalents	143.881	214.383
Finance lease receivables	17.103.164	11.341.481
Factoring receivables	12.873.598	5.760.867
Financial liabilities:		
Funds borrowed	22.044.685	12.226.797
Debt securities issued	3.410.633	1.658.151
Variable rate instruments		
Financial assets:		
Finance lease receivables	43.801	51.322
Factoring receivables	2.657.360	891.657
Financial liabilities:		
Borrowings	5.685.538	3.142.503

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38. ADDITIONAL INFORMATION ON FINANCIAL INSTRUMENTS (Continued)

(g) Interest rate risk management (Continued)

Interest rate sensitivity (Continued)

If interest rates were 100 base points higher at the reporting date and all other variables were fixed:

Interest income from finance leases with variable interest rates would be higher at an amount of TL 606 (31 December 2021: TL 749).

Interest income from factoring transactions with variable interest rates would be higher at an amount of TL 26.210 (31 December 2021: TL 8.794).

Interest expense on funds borrowed with variable interest rates would be higher at an amount of

TL 56.171 (31 December 2021: TL 29.959).

(h) Other price risks

The Group is exposed to equity securities price risks because of equity investments. Equity securities are held especially for strategic purposes rather than trading purposes. These investments are not traded by the Group.

Equity price sensitivity

Sensitivity analysis below is determined based on the equity share price risks exposed as at the reporting date.

Equity price risk is the risk that the fair values of equities decrease as a result of the changes in the levels of equity indices and the value of individual stocks.

If data used in the valuation method were 15% higher. lower and all other variables were fixed:

The effect on equity (without tax effects) as a result of change in the fair value of equity instruments quoted to Borsa İstanbul (Istanbul Stock Exchange) held as financial assets available for sale in the accompanying consolidated financial statements, due to a reasonably possible change in equity indices, with all other variables held constant, would be TL 137.260 (31 December 2021: TL 27.908).

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(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

38. ADDITIONAL INFORMATION ON FINANCIAL INSTRUMENTS (Continued)

(i) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group's exposure to credit risks and credit ratings of its counterparties are monitored periodically. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee.

Finance lease receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

Sectoral allocation of finance lease receivables is as follows:

	31 December 2022 (%)	31 December 2021 (%)	
Textile	19,02	19,61	
Construction	15,82	20,69	
Metal industry	11,95	10,89	
Transportation	9,57	7,41	
Mining	7,20	7,79	
Real Estate	4,40	3,99	
Forestry products and paper	4,35	2,48	
Energy	3,31	4,15	
Rubber, Plastic	2,80	3,63	
Food and beverage	2,76	3,52	
Agriculture and forestry	2,41	3,58	
Machinery and Equipment	2,20	1,86	
Healthcare	1,65	2,00	
Wholesale-Per.Tic.	1,28	1,56	
Finance	0,96	1,54	
Tourism	0,25	0,42	
Other	10,07	4,88	
	100,00	100,00	

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38. ADDITIONAL INFORMATION ON FINANCIAL INSTRUMENTS (Continued)

(i) Credit risk management (Continued)

As at 31 December 2022, exposure to credit risk based on categories of financial instruments is as follows:

		Receiva	ables					
		e Lease vables		oring vables				
31 December 2022	Related party	Third party	Related party	Third party	Cash and Cash Equivalents	Financial Assets atFair value through profit.loss	Financial Assets at Fair Value Through Other Comprehensive Income (***)	Derivative Financial Assets
Exposure to maximum credit risk as at reporting date (*)	18.827	17.128.138	51.381	15.479.577	-	10.375.122	-	15.631.724
 The portion of maximum risk covered by guarantee A. Net carrying value of financial assets which are neither impaired 	-	816.317	-	2.464.245	-	-	-	-
nor overdue - The portion covered by	18.827	15.992.832	51.381	15.191.866	-	10.375.122	-	15.631.724
guarantee	-	606.872	-	2.453.748	-	-	-	-
B. Net carrying value of financial assets that are restricted, otherwise which will be regarded as overdue or impaired	-	-	-	281	-	-	-	-
Net carrying value of financial assets which are overdue but not impaired	-	1.250.686	-	10.497	-	-	-	-
- The portion covered by guarantee	-	204.610	-	10.497	-	-	-	-
D. Net carrying value of impaired assets	-	(115.380)	-	276.933	-	-	-	-
- Overdue (gross book value)	-	491.526	-	276.933	-	-	-	-
 Impairment (-) Covered portion of net book value (with letter of guarantee etc) (**) 	-	(783.451)	-	-	-	-	-	-
- Not past due (gross book	-		-	-	-	-	-	-
value)	=	191.699	-	=	-	-	-	=
 Impairment (-) Covered portion of net book value (with letter of guarantee etc.) (**) 	-	(15.154)	-	-	-	-	-	-
E. Off balance sheet items with credit risks	-	-	-	-	-	-	-	-

^(*) Guarantees received are not taken into account in the calculation

^(**) Includes collaterals for the assets impaired but not overdue.

 $^{^{(***)}}$ Equity securities are not included in the table as they don't have market risk.

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(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

38. ADDITIONAL INFORMATION ON FINANCIAL INSTRUMENTS (Continued)

(i) Credit risk management (Continued)

As at 31 December 2021 exposure to credit risk based on categories of financial instruments is as follows:

		Receiv	ables					
		e Lease vables	Facto Receiv	oring vables				
31 December 2021	Related party	Third party	Related party	Third party	Cash and Cash Equivalents	Financial Assets atFair value through profit.loss	Financial Assets at Fair Value Through Other Comprehensive Income (***)	Derivative Financial Assets
Exposure to maximum credit risk as at reporting date (*)	11.220	11.381.583	8.209	6.644.315	-	4.357.315	-	6.671.999
The portion of maximum risk covered by guarantee A. Net carrying value of financial assets which are neither impaired	-	705.691	-	1.338.117	-	-	-	-
nor overdue	11.220	10.808.384	8.209	6.420.449	-	4.357.315	-	6.671.999
- The portion covered by guarantee	-	585.203	-	1.337.950	-	-	-	-
B. Net carrying value of financial assets that are restricted, otherwise which will be regarded as overdue or impaired	-	-	-	341	-	-	-	-
C. Net carrying value of financial assets which are overdue but not impaired	-	553.341	-	167	-	-	-	-
- The portion covered by guarantee	-	115.530	-	167	-	-	-	-
D. Net carrying value of impaired assets	-	19.858	-	223.358	-	-	-	-
- Overdue (gross book value)	-	392.738	-	223.358	-	-	-	-
- Impairment (-)	-	(482.274)	-	-	-	-	-	-
 Covered portion of net book value (with letter of guarantee etc) (**) 	-	4.958	-	-	-	-	-	-
 Not past due (gross book value) 	-	189.409	-	-	-	-	-	-
- Impairment (-)	-	(80.015)	-	-	-	-	-	-
 Covered portion of net book value (with letter of guarantee etc.) (**) 	-	-	-	-	-	-	-	-
E. Off balance sheet items with credit risks	-	-	-	-	-	-	-	-

^(*) Guarantees received are not taken into account in the calculation.

^(**) Includes collaterals for the assets impaired but not overdue.

 $^{^{(***)}}$ Equity securities are not included in the table as they don't have market risk.

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38. ADDITIONAL INFORMATION ON FINANCIAL INSTRUMENTS (Continued)

(i) Credit risk management (Continued)

Collaterals obtained for finance lease receivables and factoring receivables including past dues and non-performing receivables are as follows:

	31 Decemb	ег 2022	31 December 2021			
	Nominal	Authentic	Nominal	Authentic		
	Value	Value (*)	Value	Value (*)		
Sureties	238.636.353	29.224.604	165.842.699	15.714.973		
Collaterals of factoring transaction	32.189.144	2.425.876	20.771.589	1.188.433		
Mortgage	9.339.895	527.653	7.299.100	541.801		
Pledged shares	8.490.374	-	1.615.035	-		
Guaranties of factoring transaction	1.994.271	25.997	1.532.042	15.376		
Share certificates	1.700.755	403.054	1.651.177	387.007		
Pledged commercial	730.436	136.348	526.345	67.746		
Pledged vehicles	391.386	231.134	259.620	125.669		
Sureties of credit guarantee fund	248.351	144.734	341.753	138.927		
Guarantors	132.827	-	88.419	-		
Securities Received For Collateral Purposes	60.950	-	-	-		
Collaterals given by vendors	46.746	-	32.444	-		
Cash blockages	25.075	18.039	24.278	19.262		
Ship mortgage	12.933	-	19.398	-		
Funds bonds as collateral	7.806	375	8.728	958		
Collaterals of leasing transaction	5.439	-	4.399	-		
Letters of guarantee	2.475	1.540	1.900	1.252		
Pledged machines	502	-	502	-		
Pledged account	130	-	130	51		
Commercial receivable insurance			74.250	70.000		
	294.015.848	33.139.354	200.093.808	18.271.455		

^(*) In determination of the fair value, lower of collateral amount or fair value up to the credit exposure amount has been taken into account.

The Group management formed liquidity risk management policy for the Group's short, medium and long term funding and liquidity management requirements. The Group manages its liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by constantly monitoring forecasts and actual cash flows and matching the maturity profile of financial assets and liabilities.

⁽j) Liquidity risk management

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38. ADDITIONAL INFORMATION ON FINANCIAL INSTRUMENTS (Continued)

Liquidity risk table (Continued)

The following table details the maturities of non-derivative financial assets and liabilities. The tables below have been drawn up based on the undiscounted contractual amounts of the financial assets and liabilities based on their maturities. Interest amounts to be collected and to be disbursed regarding the Group's assets and liabilities have also been included in the table below.

		Contractual				
31 December 2022	Carrying	Cash Flows	Less than 3	3-12	1-5	More than
Sözleşme Uyarınca Vadeler	Amount	(I+II+III+IV)	Months (I)	Months (II)	Years (III)	5 Years (IV)
Non-derivative Financial Assets:						
Banks	362.715	362.719	339.343	23.376	-	-
Financial Assets at Fair value through						
profit and Loss	-	-	-	-	-	-
Lease Receivables (*)	17.146.965	19.965.202	2.136.766	6.076.026	11.401.565	350.845
Factoring Receivables	15.530.958	16.312.827	9.847.487	6.438.657	26.683	-
Other Lease Receivables	45.929	45.929	45.929	-	-	
Total Assets	33.086.567	36.686.677	12.369.525	12.538.059	11.428.248	350.845
Non-derivative Financial Liabilities:						
Funds Borrowed	27.730.223	28.625.370	16.431.024	9.037.527	3.119.432	37.387
Debt Securities Issued	3.410.633	3.522.190	2.401.500	1.120.690	-	-
Lease Obligations	4.569	5.698	871	1.935	2.892	-
Other Liabilities	1.205.617	1.205.617	1.032.114	173.402	101	
Total Liabilities	32.351.042	33.358.875	19.865.509	10.333.554	3.122.425	37.387

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38. ADDITIONAL INFORMATION ON FINANCIAL INSTRUMENTS (Continued)

Liquidity risk table (Continued)

31 December 2021

		Contractual				
	Carrying	Cash Flows	Less than 3	3-12	1-5	More than
Contractual Maturities	Amount	(I+II+III+IV)	Months (I)	Months (II)	Years (III)	5 Years (IV)
Non-derivative Financial Assets:						
Banks	471.502	471.506	454.289	17.217	-	-
Financial Assets at Fair value through						
profit and Loss	-	-	-	-	-	-
Lease Receivables (*)	11.392.803	13.018.969	1.268.867	4.027.684	7.579.872	142.546
Factoring Receivables	6.652.524	6.931.989	5.135.858	1.780.638	15.493	-
Other Lease Receivables	31.459	31.459	31.459	-	-	-
Total Assets	18.548.288	20.453.923	6.890.473	5.825.539	7.595.365	142.546
Non-derivative Financial Liabilities:						
Funds Borrowed	15.369.300	15.809.389	8.050.717	4.378.613	3.380.059	-
Debt Securities Issued	1.658.151	1.697.020	1.647.020	50.000	-	-
Lease Obligations	2.907	3.313	674	1.580	1.059	-
Other Liabilities	1.009.168	1.009.168	965.218	43.901	49	-
Total Liabilities	18.039.526	18.518.890	10.663.629	4.474.094	3.381.167	

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38. ADDITIONAL INFORMATION ON FINANCIAL INSTRUMENTS (Continued)

Liquidity risk table (Continued)

The following table details the maturities of derivative financial assets and liabilities as at 31 December 2022 and 31 December 2021.

		Contractual				
31 December 2022	Carrying	Cash Flows	Less than 3	3-12	1-5	More than
Contractual Maturities	Amount	(I+II+III+IV)	Months (I)	Months (II)	Years (III)	5 Years (IV)
Cash inflows from derivatives	_	1.396.339	743.151	653,188	_	_
Cash outflows from derivatives	(895)	1.397.234	743.369	653.865	-	-
		Contractual				
31 December 2021	Carrying	Cash Flows	Less than 3	3-12	1-5	More than
Contractual Maturities	Amount	(I+II+III+IV)	Months (I)	Months (II)	Years (III)	5 Years (IV)
Cash inflows from derivatives	_	227.459	-	227.459	-	_
Cash outflows from derivatives	(57,464)	284.923	_	284.923	_	_

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38. ADDITIONAL INFORMATION ON FINANCIAL INSTRUMENTS (Continued)

(k) Fair value of financial instruments

Except for the items below, the Group management estimates that the carrying amount of the financial assets and liabilities approximate to their fair value.

Fair value of the financial instruments is determined based on the reliable data provided from financial markets in Turkey. Fair value of other financial assets is determined by the benchmarking market value of a similar financial asset or by assumption methods which includes discounting future cash flows with current interest rates.

The table below refers to the comparison of carrying amounts and fair values of financial instruments:

24.2	Financial assets and	Financial assets Measured at amortized	Loans and	Financial Assets at Fair Value Through Other Comprehensive	Financial liabilities Measured at amortized	Carrying	Fair	Mate
31 December 2022	liabilities	cost	receivables	Income	cost	amount	value	Notes
Financial Assets								
Cash and Cash Equivalents	-	362.715	-	-	-	362.715	362.715	4
Financial Assets at Fair Value Through Profit or Loss	-	-	-	-	-	-	-	5
Financial Assets at Fair Value Through other comprehensive				4 000 240		4 000 340	1 000 240	7
Income	-	-	-	1.088.210	-	1.088.210	1.088.210	7
Derivative financial assets Finance lease receivables and non-performing lease	4.207	-	-	-	-	4.207	4.207	6
receivables Factoring receivables and non-performing factoring	-	-	17.146.965	-	-	17.146.965	15.539.583	9
receivables	-	-	15.530.958	-	-	15.530.958	15.530.958	8
Financial liabilities								
Derivative financial Liabilities	67.840	-	-	-	-	67.840	67.840	6
Other liabilities	-	-	-	-	1.205.617	1.205.617	1.205.617	17
Lease Payables	-	-	-	-	4.569	4.569	4.569	18
Funds borrowed	-	-	-	-	27.730.223	27.730.223	27.283.668	16
Debt securities issued	-	-	-	-	3.410.633	3.410.633	2.077.402	19

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38. ADDITIONAL INFORMATION ON FINANCIAL INSTRUMENTS (Continued)

(k) Fair value of financial instruments (Continued)

31 December 2021	Financial assets and liabilities	Financial assets Measured at amortized cost	Loans and receivables	Financial Assets at Fair Value Through Other Comprehensive Income	Financial liabilities Measured at amortized cost	Carrying amount	Fair value	Notes
Financial Assets								
Cash and Cash Equivalents	-	471.502	-	-	-	471.502	471.502	4
Financial Assets at Fair Value Through Profit or Loss	-	-	-	-	-	-	-	5
Financial Assets at Fair Value Through other comprehensive Income	-	-	-	404.862	-	404.862	404.862	7
Derivative financial assets	-	-	-	-	-			6
Finance lease receivables and non- performing lease receivables	-	-	11.392.803	-	-	11.392.803	11.083.017	9
Factoring receivables and non- performing factoring receivables	-	-	6.652.524	-	-	6.652.524	6.652.524	8
Financial liabilities								
Derivative financial Liabilities	84.615	-	-	-	-	84.615	84.615	6
Other liabilities	-	-	-	-	1.009.168	1.009.168	1.009.168	17
Lease Payables	-	-	-	-	2.907	2.907	2.907	18
Funds borrowed	-	-	-	-	15.369.300	15.369.300	15.390.535	16
Debt securities issued	-	-	-	-	1.658.151	1.658.151	1.662.902	19

GENERAL ASSESSMENT MANAGEMENT CORPORATE GOVERNANCE PRACTICES FINANCIAL STATEMENTS

İş Finansal Kiralama Anonim Şirketi and Its Subsidiary

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022

(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

38. ADDITIONAL INFORMATION ON FINANCIAL INSTRUMENTS (Continued)

(l) Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

31 December 2022	Level 1	Level 2	Level 3	Total
Financial Assets at Fair Value Through Profit or Loss	-	-	-	-
Derivative financial assets	-	4.207	-	4.207
Financial Assets at Fair Value Through Other Comprehensive				
Income	1.080.752	-	-	1.080.752
Total financial assets carried at fair value	1.080.752	4.207	-	1.084.959
Derivative financial liabilities	-	67.840	-	67.840
Total financial liabilities carried at fair value	-	67.840	-	67.840
31 December 2021	Level 1	Level 2	Level 3	Total
Financial Assets at Fair Value Through Profit or Loss	-	-	-	-
Derivative financial assets	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive				
Income	397.404	-	-	397.404
Total financial assets carried at fair value	397.404	-	-	397.404
Derivative financial liabilities	-	84.615	-	84.615
Total financial liabilities carried at fair value	-	84.615	-	84.615

39. INFORMATION ON SERVICES RECEIVED FROM INDEPENDENT AUDIT FIRMS

As at 31 December, The Group's independent audit fee is 344 TL (2021, 210 TL).

As at 31 December, The Group's tax audit fee is 228 TL (2021, 119 TL).

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Barbaros Mah. Oymak Cad.

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DIRECTORY

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Fevzi Çakmak Mah. 10633. Sk. No: 4/106 Karatay/Konya

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Kozyatağı Branch

19 Mayıs Mah. Bayar Cad. Şakacı Sok, No: 16 Baytur Kozyatağı Konutları G Blok D: 1 Kozyatağı, Kadıköy/İstanbul

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Marmara Branch

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100. Yıl Bulv. OFİM No: 99/88 Kat: 4 Ostim Yenimahalle/Ankara

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Şişli Branch

Esentepe Mah. Büyükdere Cad.

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