



ANNUAL REPORT 2024

# OUR INVESTMENTS FOR THE FUTURE...

İŞ LEASING



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## DIRECTORY

*We aim to create sustainable value for our planet and all our stakeholders.*

**İŞ LEASING** 

İş Leasing operates with a commitment to generating sustainable value for its customers, shareholders, employees, and all other stakeholders, embedding this philosophy into every aspect of its operations.







**GREATER SUPPORT  
FOR THE GREEN  
TRANSFORMATION  
GOAL**





**FURTHER  
INNOVATIVE  
SOLUTIONS  
ON THE WAY  
TO ECONOMIC  
GROWTH**









**STRONGER VALUE  
PROPOSITION  
FOR OUR  
STAKEHOLDERS**





**MORE EFFECTIVE  
CONTRIBUTION  
TO THE GOAL OF A  
LIVABLE WORLD**



# About us

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

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 İş 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.

Providing services with its 16 branches across the country, İş Leasing has a high customer reach as one of the institutions with the largest branch network in its sector.



**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

# Company Profile

İş Leasing *leads the financing of projects* that contribute to the national economy with its solid funding means.

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 İş 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.

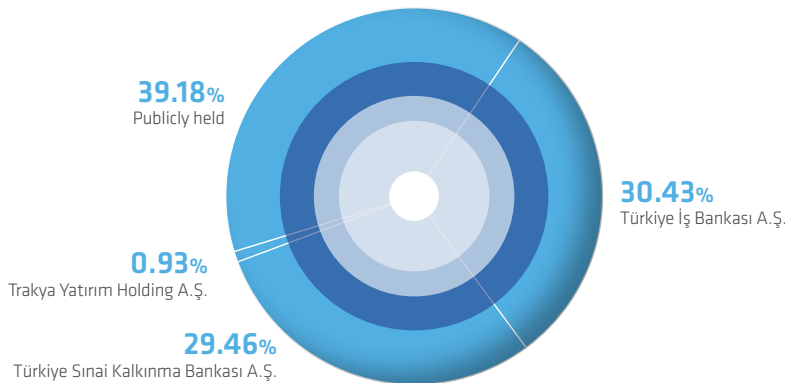
While İş Leasing leads the financing of projects that contribute to the national economy with its solid funding means, the Company particularly sustains its support uninterruptedly to sectors creating employment and added value.

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.

39.18% of İş Leasing's shares are being traded on Borsa İstanbul under the ticker symbol "ISFIN", while the remaining 60.82% 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.	211,581,302	30.43%
Türkiye Sınai Kalkınma Bankası A.Ş.	204,850,378	29.46%
Trakya Yatırım Holding A.Ş.	6,482,769	0.93%
Publicly held	272,388,196	39.18%
<b>Total</b>	<b>695,302,645</b>	<b>100%</b>





# Strategic Principles

The strategy of İş Leasing is to achieve its vision and goals through ***“sustainable, high-quality, customer-centric, and profitable growth”***.

## 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

## 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

## 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

## 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 decision-making processes

## Sustainability Approach

- Financing of renewable energy projects
- Energy, water, raw material and resource efficiency
- Financing projects that will support employment in the country
- Supporting the low carbon transition
- Environmental and social risk measurement of investment projects, waste management
- Corporate integrity and transformation

# Company Performance

İş Leasing has demonstrated a performance aligned with its targets in 2024, *thanks to its dynamic and effective balance sheet management*, which focuses on sustainable growth strategies.



TL  
billion

1.9

## **Net profit**

Consolidated net profit reached TL 1.9 billion.

35.3%

## **Total assets**

Consolidated total assets increased by 35.3% to reach TL 69.7 billion.

TL  
billion

26.7

## **Financial leasing receivables**

The balance of financial leasing receivables is TL 26.7 billion.

45.4%

## **Equity**

Consolidated equity grew by 45.4% to TL 9.8 billion.



In 2024, combating inflation has come to the forefront as the most significant economic agenda in our country and the world's leading economies. In parallel, the war between Ukraine and Russia and the tensions in the Middle East have created an amplifying effect on uncertainties surrounding the global economy. In the specific context of our country, it has been observed that the tight monetary policy maintained by the Central Bank of the Republic of Türkiye has had a notable impact on economic activity following the local elections held at the beginning of 2024. Toward the end of the year, with the progress achieved in the fight against inflation, it is considered that a loss of momentum in growth may be experienced in our country, which has entered a phase of interest rate cuts. On the other hand, it is also noted that foreign investors' perceptions of the Turkish economy have improved.

İş Leasing, which demonstrated a performance aligned with its targets in 2024, thanks to its dynamic and effective balance sheet management, focusing on sustainable growth strategies,

- Reached a new transaction volume of USD 517 million, corresponding to a market share of 9.4%,
- Increased its financial leasing receivables balance to TL 26.7 billion,
- Grew its consolidated total assets by 35.3% to TL 69.7 billion,
- Raised its consolidated shareholders' equity by 45.4% to TL 9.8 billion, and
- Achieved a consolidated net profit of TL 1.9 billion,

thus maintaining its strong position in the sector.

While prioritizing asset quality and profitability in its growth strategy, İş Leasing has remained selective, continuing to diversify and closely monitor its customer portfolio. The ratio of non-performing financial leasing receivables, which stood at 3.6% at the end of 2023, declined to 2.5% by the end of 2024, falling below the sector average.

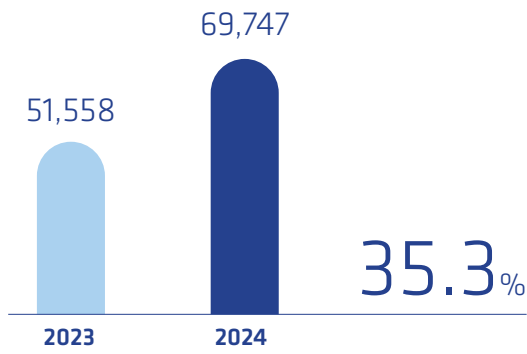
İş Leasing will continue to pursue its sustainable, technology-driven, and customer-centric operational methodology, alongside its profitable growth plan that emphasizes active quality in the upcoming period.



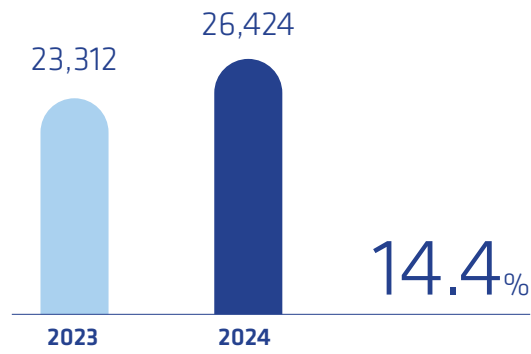
# Financial Indicators

Consolidated	2023	2024	Change
Total Assets (TL million)	51,558	<b>69,747</b>	35.3%
Leasing Receivables (TL million)	23,312	<b>26,660</b>	14.4%
Factoring Receivables (TL million)	22,155	<b>35,124</b>	58.5%
Equity (million TL)	6,770	<b>9,842</b>	45.4%
Consolidated Net Profit (TL million)	1,767	<b>1,925</b>	9.0%
New Transaction Volume (USD million)	432	<b>517</b>	19.7%
Return on Equity	33.60%	<b>23.18%</b>	-1042 bps
Return on Assets	4.00%	<b>3.17%</b>	-83 bps
Debt Ratio	6.6%	<b>6.1%</b>	-50 bps

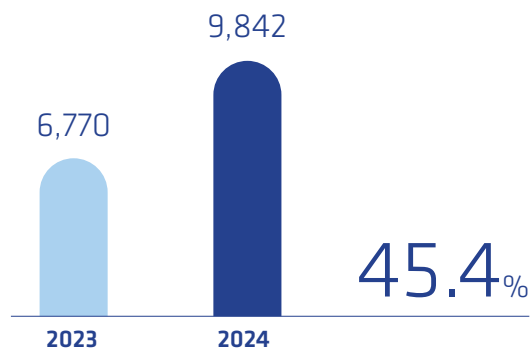
**Total Assets**  
(TL million)



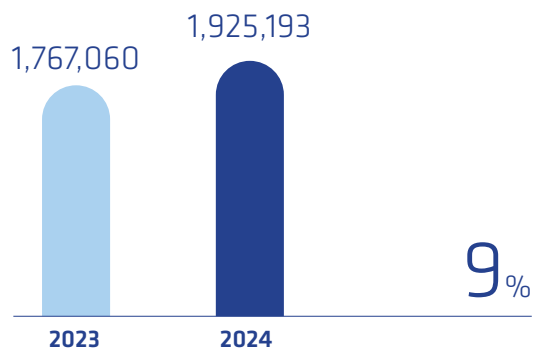
**Leasing Receivables**  
(TL million)



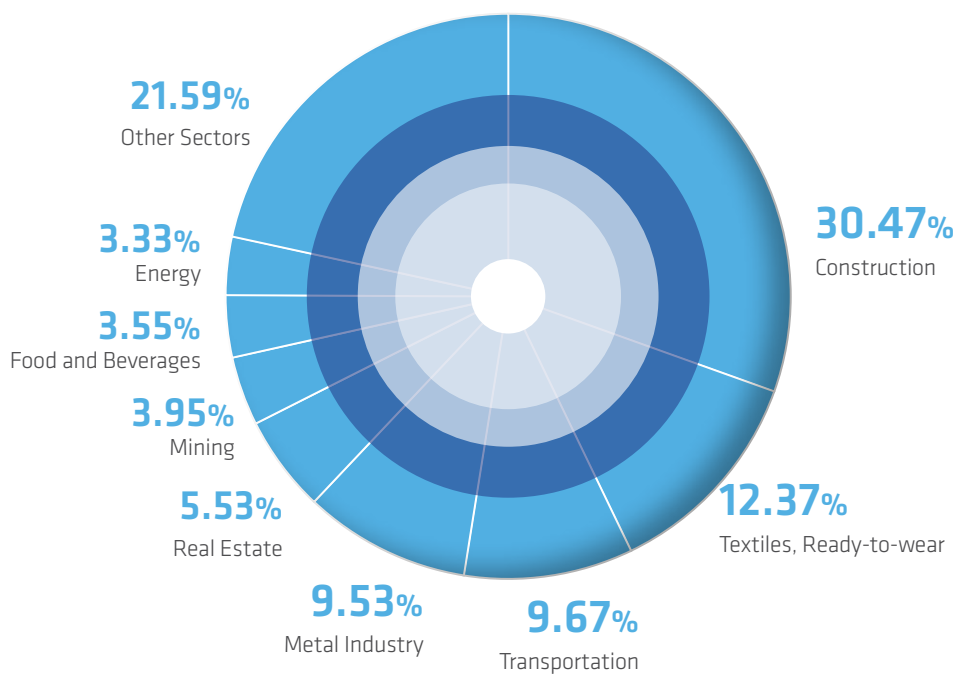
**Equity**  
(TL million)



**Net Profit/Loss**



SECTORAL DISTRIBUTION	2023 (%)	2024 (%)
Construction	19.48	30.47
Textiles, Ready-to-wear	17.73	12.37
Transportation	8.92	9.67
Metal Industry	10.82	9.53
Real Estate	5.09	5.53
Mining	5.9	3.95
Food and Beverages	2.88	3.55
Energy	2.64	3.33
Other Sectors	26.54	21.59
<b>Total</b>	<b>100</b>	<b>100</b>



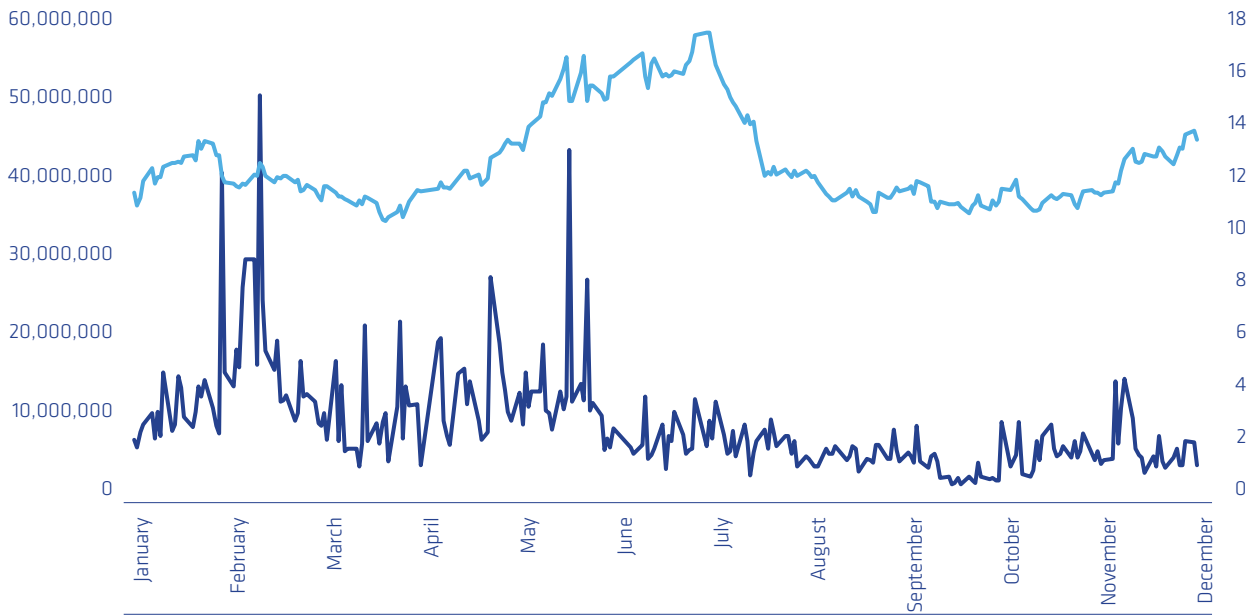
# Stock Assessment and Rating

## STOCK PERFORMANCE

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, BIST Leasing Factoring and BIST Sustainability indices. Publicly-held since 2000 and 41.8% of its shares traded on BIST, İş Leasing had an average trading volume of TL 8.8 million in 2024 and closed the year with a stock price of TL 13.15.

## STOCK PERFORMANCE

— Price — Trading Volume



## CORPORATE GOVERNANCE RATING

As disclosed to the public in our material event disclosure dated 30.12.2024, our Company's corporate governance rating has been revised by Saha Corporate Governance and Credit Rating Services Inc. and increased to 9.30 out of 10 (93.04%).

Our Corporate Governance Rating has been based upon the Capital Markets Board's Corporate Governance Principles, through an evaluation under four main sections of the Principles (Shareholders, Public Disclosure and Transparency, Stakeholders, Board of Directors). The revised allocation of scores by main categories is provided below.

Main Headings	Weight	Rating as of 28.12.2023	Rating as of 30.12.2024
Shareholders	0.25	8.86	8.86
Public Disclosure and Transparency	0.25	9.72	9.72
Stakeholders	0.15	9.42	9.42
Board of Directors	0.35	9.23	9.27
<b>Total</b>	<b>1.00</b>	<b>9.29</b>	<b>9.30</b>

The report prepared by SAHA Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş. regarding the Corporate Governance Rating can be accessed on our Company's website at [www.isleasing.com.tr](http://www.isleasing.com.tr).

## CREDIT RATING

Based on the report dated 17.09.2024 prepared by the credit rating agency Fitch Ratings, the Company's national credit rating was assigned as AA-(tur), while its long-term foreign currency credit rating was assigned as BB-.

The Company publicly disclosed its credit rating via the Public Disclosure Platform (KAP) on 18.09.2024.

<https://www.kap.org.tr/tr/Bildirim/1335467>

### Foreign Currency

Long Term	BB-
Short Term	B
Outlook	Stable

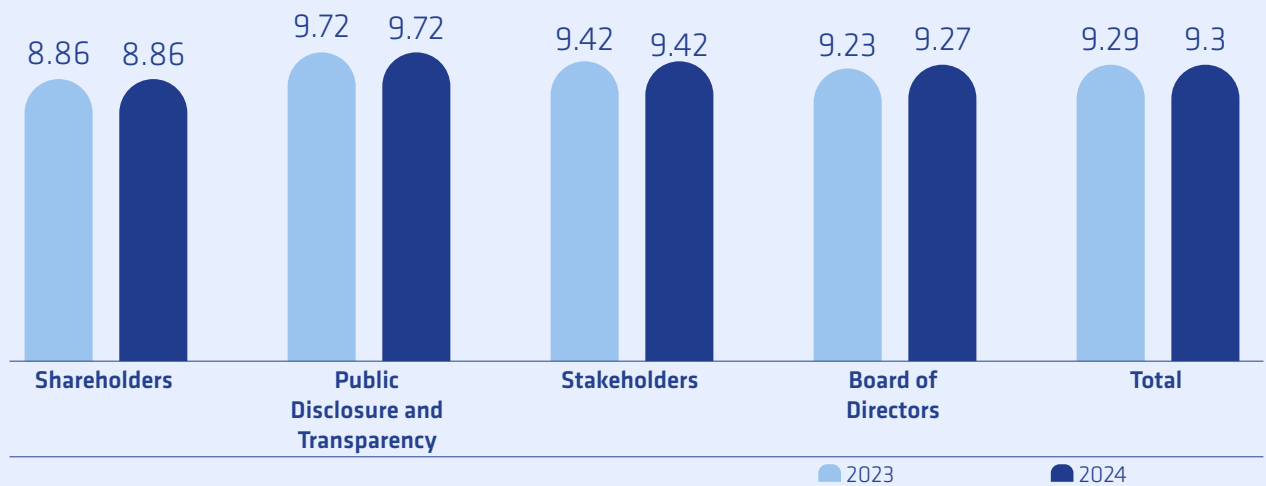
### Turkish Lira

Long Term	BB-
Short Term	B
Outlook	Stable

### National

Long Term	AA-(tur)
Outlook	Stable
Support Rating	bb-

## Corporate Governance Rating





## Message from the Chairman

İş Leasing maintained its strong stance in 2024 with its agile management approach, ***effective risk management and diversified funding sources.***

The tight monetary policies implemented by the central banks of developed economies since 2022 to combat inflation remained in effect for much of 2024, exerting pressure on global growth.

In 2024, it was observed that the ***risk perception*** of our country's economy among international investors improved and the country's risk premium declined.

Dear Stakeholders,

Before presenting for your review and approval our annual report, which includes the financial results of İş Leasing, a company that delivered a successful performance in 2024, a year marking the 100<sup>th</sup> anniversary of İşbank, of which we are proud to be a part, together with our financial statements and profit distribution proposal, I would like to share a brief overview of the global and national economic environment, the outlook of our sector, and İş Leasing's position in the market.

The tight monetary policies implemented by the central banks of developed economies since 2022 to combat inflation remained in effect for much of 2024, exerting pressure on global growth. On the other hand, with inflation returning to historical averages and a shift toward interest rate cuts, leading growth indicators suggest that economic activity has begun to recover in different countries, especially the United States (US). However, it is observed that the economic development in the European region, one of Türkiye's key trade partners, has not reached expected levels.

Despite the progress in combating inflation, persisting geopolitical risks, fluctuations in global supply chains, and rising global food prices remain risk factors that negatively impact global inflation. The stagnant course of commodity prices has significantly contributed to alleviating supply-driven cost pressures. However, geopolitical tensions in the Middle East continue to create supply-related uncertainties regarding commodity prices, particularly oil.



## Message from the Chairman

İş Leasing will continue *to enhance its service quality and competitive power* through a working approach focused on digitalization and sustainability, and remain committed to standing by its customers.

9.4%



the financial leasing sector reached a new transaction volume at USD 5.5 billion in 2024, with İş Leasing accounting for **9.4%** of this total.

In the final period of 2024, the initiation of an interest rate cut cycle by central banks in developed economies supported the recovery in global risk appetite. However, both the Russia-Ukraine war and the tensions in the Middle East continue to pose risks to global financial conditions.

In its World Economic Outlook report published in October, the International Monetary Fund (IMF) stated that despite the stability achieved in the global economy, growth is expected to remain weak and maintained its global growth forecast for 2024 at 3.2%. The report noted that persistent structural challenges such as an aging population and low productivity are causing many economies to grow below their potential, and the growth forecast for 2025 was set at 3.3%.

In addition to the Republican candidate winning the presidential elections in the US in November 2024, the fact that the same political party also gained a majority in both the Senate and the House of Representatives, notably influenced risk perception and led to considerable volatility in global markets. The new administration's agenda, which includes protectionist policies in foreign trade, has increased uncertainty regarding the trajectory of global trade, and these policies have the potential to create inflationary effects.

As a result, in 2025, the course of global inflation and economic activity, the monetary policy decisions of central banks of developed economies, and geopolitical developments stand out as the main factors shaping the world economy.

In our country, following the local elections held in March 2024, the economic program, whose effects became more apparent on commercial activity, has placed its primary focus on combating inflation. In 2024, the monetary policy interest rate has emerged as the most effective tool to achieve price stability. Particularly in the last 12 months, during which anti-inflation efforts have dominated the national economic agenda, tight monetary policy has also had an impact on the country's growth performance. In the fourth quarter of 2024, the Turkish economy grew by 3% compared to the same period of the previous year. On a quarterly basis, gross domestic product increased by 1.7 % after two consecutive quarters of contraction. With these results, a 3.2% increase was recorded in gross domestic product in 2024. In summary, when national income figures are compared with those of previous years, they indicate a moderate slowdown in economic activity. From a production perspective, the construction and services sectors were the main drivers of annual growth, while from an expenditure perspective, final domestic demand continued to support growth with a decelerating pace. With the increased contribution of net exports, the balanced course in the demand composition of growth also continued.

Besides, in light of the progress achieved during the disinflation process that began in June 2024, it was observed that the Central Bank of the Republic of Türkiye started to reduce the policy interest rate as of the final months of the year. In addition, the set of macroprudential measures

supporting both the fight against inflation and financial stability has been subject to revisions over time, as needed. Nevertheless, it is expected that tight monetary policy will not be compromised until a clear and lasting decline in the main trend of inflation is achieved, and that the tight stance in monetary policy, if supported by fiscal policy, will provide the targeted decline in the main trend of inflation together with the balancing of domestic demand, real appreciation of the Turkish lira and improvement of price increase expectations.

Indeed, in the Medium-Term Program, which was published in September and outlines the roadmap of the Turkish economy, it was also emphasized that monetary, fiscal, and income policies will be decisively implemented in a manner that supports each other for the fight against inflation and sustainable growth, and a significant decrease in inflation spanning years and a growth performance close to our country's potential in economic activity were targeted.

In 2024, it was observed that the risk perception of our country's economy among international investors improved and the country's risk premium declined. The 5-year credit default swap (CDS) premium, which is considered a form of protection against the risk of non-payment of country debts, fluctuates around 250 basis points as of the end of the year. In addition, all three major credit rating agencies that assess Türkiye's economic outlook upgraded the country's credit rating at least once in 2024.

As a result, in 2025, steps to support growth alongside the fight against inflation, as well as developments in the surrounding region, are expected to play a significant role in Türkiye's economic outlook.

Despite national and global socio-economic challenges and uncertainties, the financial leasing sector reached a new transaction volume at USD 5.5 billion in 2024, with İŞ Leasing accounting for 9.4% of this total. By virtue of its experience of over 35 years, strong equity capital and ability to access to funding resources, İŞ Leasing maintained its pioneering position with an 11.4% market share in terms of financial leasing receivables. In the current environment, İŞ Leasing has demonstrated a strong stance through its agile management approach, effective risk management, and diversified funding base while continuing to support the actors of the economy.

In 2025, a year in which social and economic developments both in our country and around the world will be closely monitored, İŞ Leasing will continue to enhance its service quality and competitive power through a working approach focused on digitalization and sustainability, and remain committed to standing by its customers.

I hope that 2025 brings favorable developments for our country and the entire world, and I would like to extend my gratitude, on behalf of myself and our Board of Directors, to all members of the İŞ Leasing family and our stakeholders with whom we are building the future together.

Best regards,

**Ozan GÜRSOY**

Chairman of the Board

# 11.4%



By virtue of its experience of over 35 years, strong equity capital and ability to access to funding resources, İŞ Leasing maintained its pioneering position with an **11.4% market share** in terms of financial leasing receivables.



## Message from the CEO

İş Leasing maintained its focus on sustainable, high-quality, **customer-oriented, and profitable growth.**

İş Leasing has successfully completed the year 2024, in which our main shareholder, İşbank, celebrated its 100<sup>th</sup> anniversary, by enhancing its asset quality and financial results, despite national and global socioeconomic challenges and uncertainties.

Despite the socio-economic challenges and uncertainties both in our country and globally, the financial leasing sector's new transaction volume **increased by 7.1%** in 2024.

Dear Stakeholders,

İş Leasing has successfully completed the year 2024, in which our main shareholder, İşbank, celebrated its 100<sup>th</sup> anniversary, by enhancing its asset quality and financial results.

Throughout 2024, combating inflation stood out as a key priority both in our country and in major economies of the world. Meanwhile, the Ukraine-Russia war and continued tensions in the Middle East further fueled uncertainty.

Following the local elections held in March 2024, the impact of tight monetary policy on commercial activity became increasingly evident.



## Message from the CEO

İş Leasing will continue to contribute to efficient projects and **sustainability-oriented investments**, closely monitoring economic conjuncture and the developments in the investment landscape of our country.

# 23.9%



The **financial leasing receivables** balance increased by 23.9%.

This policy, which was also observed to be influential on our country's growth performance, led to a noticeable downward trend in inflation, and as of the last period of the year, the Central Bank of the Republic of Türkiye initiated a series of policy interest rate cuts. In parallel, an improvement in the perceptions of foreign investors toward the Turkish economy was also observed.

Despite the socio-economic challenges and uncertainties both in our country and globally, the financial leasing sector's new transaction volume increased by 7.1% in 2024 compared to the previous year, reaching USD 5.5 billion. Compared to 2023, the financial leasing receivables balance increased by 23.9%, while the asset size grew by 23%, amounting to TL 234.2 billion and TL 334.5 billion, respectively. In USD terms, the increase in financial leasing receivables stood at 3.6%. The sector's

equity reached TL 61.9 billion with a growth of 50.6%, while net profit rose by 18.6% compared to the previous year, to TL 17.2 billion.

In this economic environment, İş Leasing maintained its focus on sustainable, high-quality, customer-oriented, and profitable growth. With its competent and experienced human resources, and customer-oriented, disciplined, innovative, and sustainability-centered approach, İş Leasing captured a 9.4% share of the sector's new transaction volume in 2024. As of the end of 2024, the Company increased its financial leasing receivables balance to TL 26.7 billion, maintaining a strong position with an 11.4% market share. Prioritizing asset quality, İş Leasing reduced its non-performing leasing receivables ratio from 3.61% at the end of 2023 to 2.53% through its effective collections.

As of 2024, İş Leasing's consolidated asset size increased by 35.3% to TL 69.7 billion, while its equity rose by 45.4% to TL 9.8 billion. Our Company's consolidated net profit for 2024 amounted to TL 1.9 billion.

In 2025, with its robust financial structure, effective risk and portfolio management policies, and agile balance sheet management approach, İş Leasing will continue to contribute to efficient projects and sustainability-oriented investments, closely monitoring economic conjuncture and the developments in the investment landscape of our country.

I would like to once again extend my sincere appreciation to our Board of Directors, our employees, all our business partners, and our investors, who have always stood by our side with their unwavering support and contributions to our Company, which will continue its efforts to generate high-level value for the national economy, our stakeholders and our customers in 2025 as well.

Kind regards,

**U. Şafak ÖÇÜN**

CEO

# 2.53%



İş Leasing reduced its ***non-performing leasing receivables ratio*** to 2.53% through its effective collections.



# Financial Leasing Sector

The financial leasing sector maintained its **acceleration** it started in the previous year, throughout 2024.



USD **5.5**  
billion

The new transaction volume reached USD 5.5 billion in 2024, with a **7.1% increase**.

TL **234.2**  
billion

The financial leasing receivables balance **grew by 23.9%** to TL 234.2 billion.

TL **61.9**  
billion

The equity size reached TL 61.9 billion, with **an increase of 50.6%**.

**3.11%**

Excluding İş Leasing, the sector's **non-performing receivables** ratio improved compared to the previous year, settling at 3.11%.



The financial leasing sector, which provides financing for investment goods, plays a key role in supporting economic growth by enhancing access to credit on the non-bank finance side with its structure that can offer long-term, flexible payment plans tailored to cash flows, and is affected by fixed investment volumes, which vary depending on the course of the economy.

In 2024, the fight against inflation emerged as the most prominent issue for both the world's leading economies and our country. In addition to the war between Ukraine and Russia, tensions in the Middle East further elevated uncertainties in the global economy.

Following the local elections held in the first quarter of 2024 in our country, the impact of tight monetary policy on commercial activity became evident. This policy, which also had a direct effect on our country's growth performance, contributed to a decline in inflation, and toward the end of the year, the Central Bank of the Republic of Türkiye entered a policy rate-cutting process. In addition, an improvement in the perceptions of foreign investors toward the Turkish economy was also observed.

According to data published by the Association of Financial Institutions (AFI), the sector's new transaction volume, which remained flat in 2021 and 2022 following the pandemic, began to rise in 2023. The financial leasing sector maintained the momentum it gained in 2023 throughout 2024, due to a relative improvement in funding conditions compared to the previous year, ongoing but reduced regulations on banks, and sustained demand for sale and leaseback transactions in line with the economic outlook. Despite various social and economic uncertainties and challenges experienced in the world and our country, the financial leasing sector's new transaction volume reached USD 5.5 billion in 2024, marking a 7.1% increase compared to 2023. The sector's financial leasing receivables grew by 23.9% compared to 2023 to reach TL 234.2 billion, while its asset size increased by 23% to TL 334.5 billion. When adjusted for exchange rate effects, the increase in leasing receivables amounted to 3.6%. In 2024, the financial leasing sector's equity base reached TL 61.9 billion, reflecting a 50.6% increase, while total net profit rose by 18.6% compared to the previous

period, reaching TL 17.2 billion. The sector recorded a return on assets of 5.7% (2023: 6.7%) and a return on equity of 42.7% (2023: 58.1%).

As of the end of 2024, the sector's non-performing lease receivables ratio, excluding İş Leasing, improved to 3.11% (2023: 3.9%). In terms of investment distribution by product groups, construction and industrial machinery held the largest share (31.1%), followed by road vehicles (19.1%), real estate (16.6%), and metal processing machinery (7.6%).

In the financial leasing sector, which served over 45 thousand customers in 2024, efforts to provide financing for the investment decisions of both SMEs and large-scale companies through financial leasing will continue. The low growth expectations for the European region, our primary export market, in 2025, along with the decline in industrial production in our country, where inflation is similarly being tackled through tight monetary policy, are factors that are likely to negatively affect the sector. However, the global economic recovery trend and the continuation of interest rate cuts by central banks in the United States and Europe are expected to have a positive impact, particularly in terms of access to financing sources. In 2025, investments and consequently sector performance are expected to follow a more predictable course. The success our country achieves in its fight against inflation is also anticipated to positively influence the investment environment. In parallel with the improvement in access to financing, the sector is expected to support investments, particularly in renewable energy projects, as well as in construction, food, automotive, and healthcare sectors.

In light of these developments and the current conjuncture, the financial leasing sector's new transaction volume is projected to grow moderately in 2025 compared to 2024.

# İş Leasing in the Sector

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.



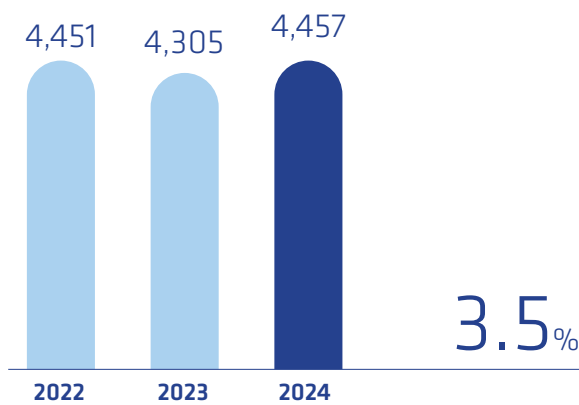
TL **17**  
billion

**The new transaction volume** has exceeded TL 17 billion.

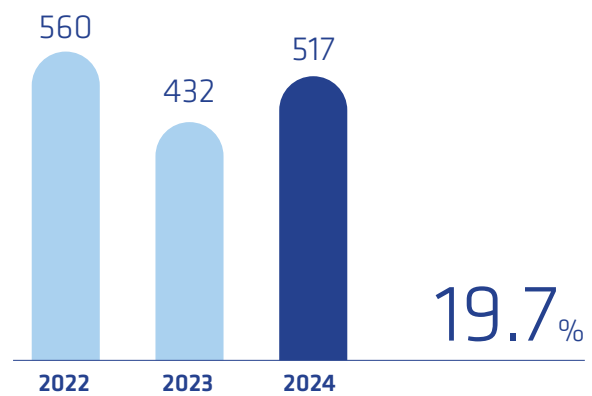
TL **32**  
billion

The asset size, on a non-consolidated basis, has increased to TL 32 billion, demonstrating a **growth rate of 15.9%**.

**Total Number of Customers**



**New Transaction Volume**  
(USD million)





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 35 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, İş Leasing preserves its competitive position.

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.

İş 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, heavy-duty and construction machinery, and renewable energy equipment.

While the Company remains committed to pursuing its sustainability activities without interruption, it has strengthened its position in the sector by directing substantial funding opportunities toward energy efficiency and renewable energy projects in 2024.

Since 2023, the Company has been listed in the BIST Sustainability Index and has continued to demonstrate its firm stance by releasing its fourth sustainability report in the sector (2023 Sustainability Report). In 2024, İş Leasing maintained its robust presence in the sector with an 11.4%

market share based on financial leasing receivables and a 9.4% market share based on the number of customers. The new transaction volume exceeded TL 17 billion, while financial leasing receivables reached TL 26.7 billion. On a non-consolidated basis, the asset size increased by 15.9% compared to 2023, reaching TL 32 billion. Total profit amounted to TL 1.14 billion, reflecting a 32.8% increase compared to the previous year. As of the end of 2024, İş Leasing achieved a return on equity of 35.3% (2023: 39%) and a return on assets of 3.97% (2023: 3.7%). While the sector's average Non-Performing Loan (NPL) ratio excluding İş Leasing stood at 3.1%, İş Leasing's NPL ratio was realized at 2.5%.

İş 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.



## 2024 Activities

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



# customer focused service



İş 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.



Amid the economic conjuncture presented by 2024, 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.

#### SERVICES

İş 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. This strategy enables İş Leasing to provide nationwide access and services in its sales activities. İş 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 vendor-originated 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; İş Leasing continued with its efforts for the improvement of this channel uninterruptedly also in 2024.

İş 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 İş 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 economic conjuncture presented by 2024, 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.

#### BRAND AND COMMUNICATION STRATEGY

İş Leasing implements a brand communication strategy that consistently emphasizes the principles of "trust" and "stability" in its operations, in alignment with and parallel to the brand image of İşbank.

#### PORTFOLIO

İş 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 in a balanced manner and closely monitors sectoral concentrations. Backed by a portfolio composition characterized by diverse sectors and expansive geographical distribution, the Company keeps its NPL ratio below the sector's average. İş Leasing, which strengthens and expands its customer base by delivering a distinctive customer experience, continued to enhance its market share based on the number of customers in 2024.

# 2024 Activities

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.

### INFORMATION TECHNOLOGY AND DIGITAL TRANSFORMATION

With its focus on digitalization, İş Leasing authors pioneering initiatives in this field and targets to establish a customer-centric 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.

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, İş 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 decision-making 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.

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

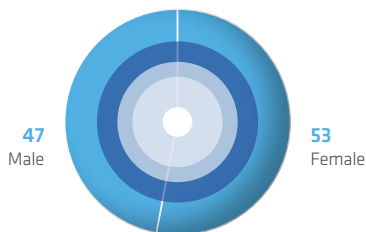
İş Leasing carries on with its development efforts with the goal of end-to-end redesigning of all processes from quotation preparation to purchasing and assignment of the leased asset, and end-to-end digitalized customer journey to be enabled by interfaces to be developed for digitalization-driven increased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

İş Leasing is highly focused on carrying 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 digitalization-driven increased leasing penetration.

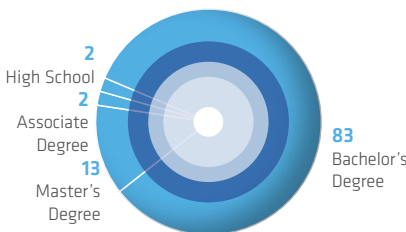
### HUMAN RESOURCES AND TRAINING

The competent human resources of İş Leasing play a significant role in the Company's corporate success. Having happy and productive employees with a forward-looking vision is among the Company's top priorities. The mission of

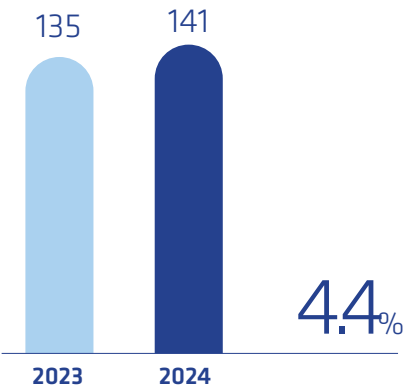
Gender Distribution of Employees (%)



Education Distribution of Employees (%)



Number of Employees



human resources activities is to become the most preferred company to work for in the leasing sector and to ensure the continuity of employee satisfaction.

Evolving employee expectations and the growing trend of remote work have led to a redefinition of working life in the financial leasing sector, as in all industries. In line with emerging needs, İş Leasing has established a functional and secure remote working system for its employees, aiming to establish a balance between flexibility and employee engagement.

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 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, İş 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 right position.

At İş Leasing, the transition of human resources processes to digital platforms continued in 2024, intending to enhance efficiency.

Ensuring the continuous development of our employees is essential for both personal and organizational success. Our training and development strategies aim to improve existing skills and equip employees with new competencies. Our training and development initiatives are planned to support both technical and competency growth for all employees, taking into account business plans, departmental training needs analyses, and performance outcomes.

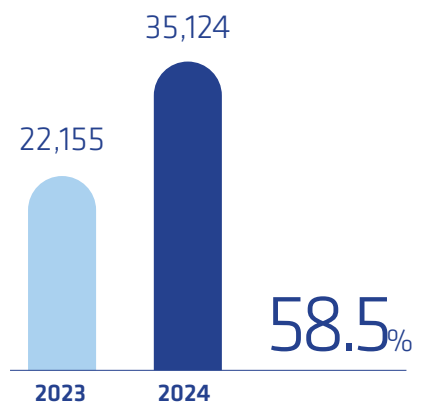
#### İŞ FAKTORİNG

İş Faktoring, of which İş Leasing is the principal shareholder, was incorporated in 1993. Possessing a broad customer base composed of companies of different scales from diverse sectors, İş Faktoring delivers factoring service in domestic and international markets in financing, guarantee and collection areas via its Head Office in İstanbul and six branches operating in Ankara, İstanbul European Side, İstanbul Asian Side Adana, Bursa and İzmir. 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 2024, İş Faktoring posted TL 35.1 billion in total factoring receivables, TL 97.1 billion in turnover, TL 37.8 billion in total assets, and booked a net profit of TL 1 billion. In its rating report dated 12 June 2024, DRC Derecelendirme Hizmetleri A.Ş. upgraded İş Faktoring's long-term national rating to "TR AA+", and affirmed its short-term national rating of "TR A-1". Both short- and long-term ratings were assigned a "stable" outlook.

# TR AA+

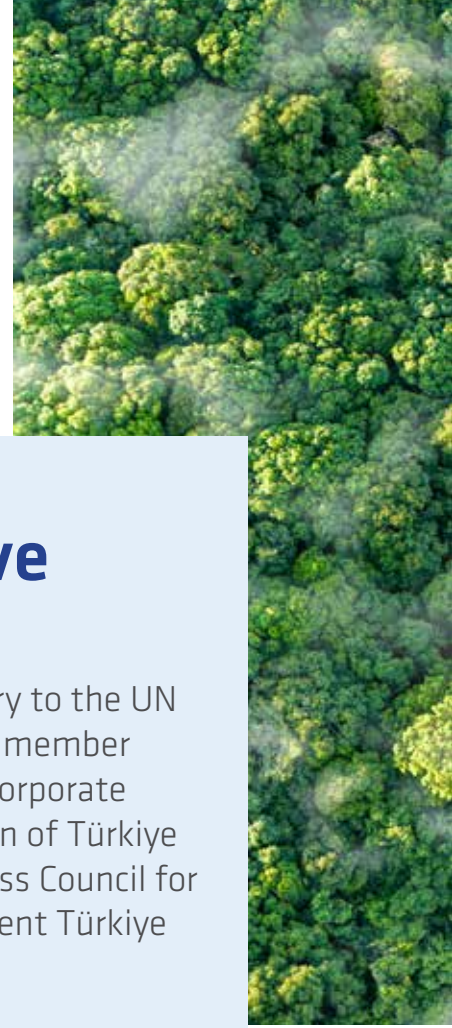
İş Faktoring's **long-term national rating** was upgraded to "TR AA+", and affirmed its short-term national rating of "TR A-1" was affirmed. Both short- and longterm ratings were assigned a "stable" outlook.

#### Factoring Receivables (TL million)



# Sustainability at İş Leasing

İş Leasing approaches sustainability as a whole, encompassing its **economic, environmental, and social aspects**, while adhering to all pertinent laws and regulations in its operations.



## 4<sup>th</sup>

Listed in the BIST Sustainability Index since 2023, the Company published its **4<sup>th</sup> Sustainability Report** in 2024.

## effective

**İş Leasing** is a signatory to the UN Global Compact, and a member of the 30% Club, the Corporate Governance Association of Türkiye (TKYD) and the Business Council for Sustainable Development Türkiye (BCSD Türkiye).

## green finance

In line with its sensitivity to sustainability, İş Leasing accelerates its green transformation vision through **sustainable finance practices**, with climate change as a primary focus.

## decarbonization

The Company aims to facilitate the **transition to a low-carbon economy**, particularly by offering services related to energy efficiency and investments in renewable energy.





Considering sustainability as an integral part of its way of doing business to leave a more livable world for future generations and to accelerate the transition to a low-carbon economy, İş Leasing operates with a commitment to generating sustainable value for its customers, shareholders, employees, and all other stakeholders, embedding this philosophy into every aspect of its operations.

***In line with its corporate culture and identity, the Company approaches sustainability as a whole, encompassing its economic, environmental, and social aspects,*** while adhering to all pertinent laws and regulations in its operations.

# Sustainability at İş Leasing

İş Leasing is committed to *carrying out its sustainability initiatives without interruption*, to contribute to a sustainable and livable future.

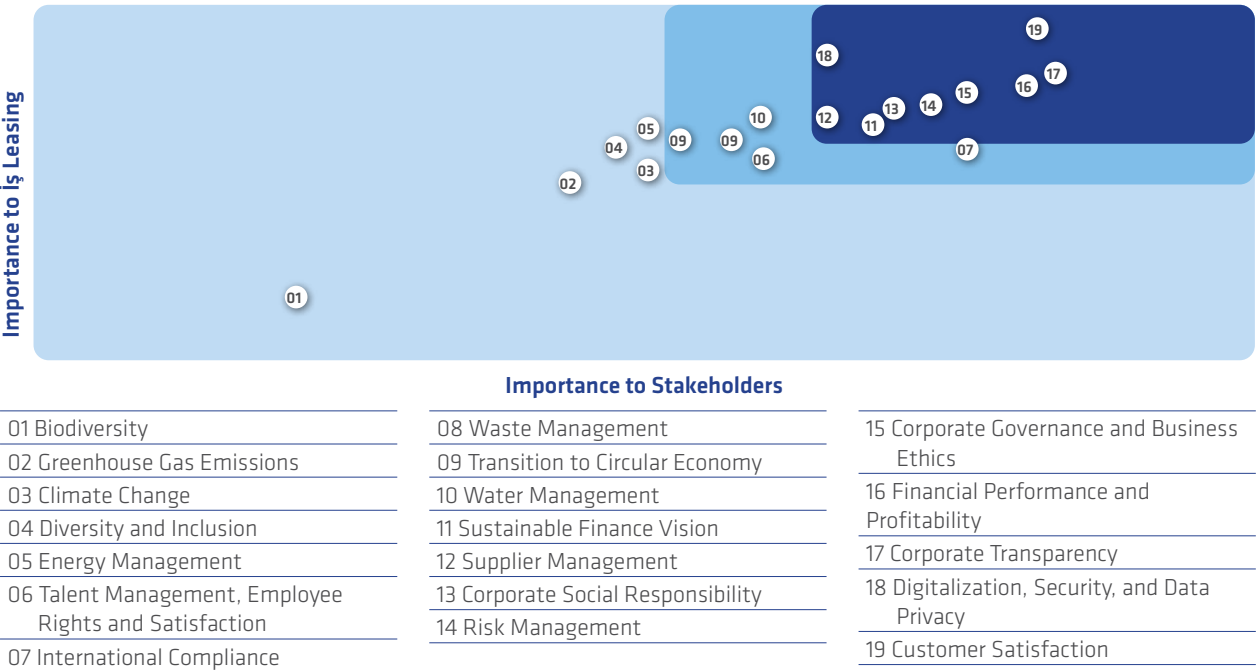


In line with its sensitivity to sustainability, İş Leasing accelerates its green transformation vision through sustainable finance practices, with climate change as a primary focus. Placing environmental and social sustainability efforts at the core of

its business model, İş Leasing acts each year with an increasing sense of responsibility. The Company aims to take measures for efficient resource and energy utilization to facilitate the transition to a low-carbon economy, particularly by offering services

related to energy efficiency and investments in renewable energy. İş Leasing is committed to carrying out its sustainability initiatives without interruption, to contribute to a sustainable and livable future.

## Our Material Sustainability Topics





In 2024, İş Leasing, which has effectively integrated environmental and social risk assessments in its financial leasing allocation processes, aims to further contribute to environmental and social sustainability through these steps.

Listed in the BIST Sustainability Index since 2023, the Company published its 4<sup>th</sup> Sustainability Report in 2024, maintaining its position as the first and only company in the sector in these areas. To achieve its sustainable development and green transformation goals, İş Leasing places great importance on understanding the expectations of its various stakeholders and managing this process effectively by strengthening collaborations with national and international organizations. In addition to participating in activities held by the UN Global Compact, the 30% Club, the Corporate Governance Association of Türkiye (TKYD), and the Business Council for Sustainable Development Türkiye (BCSD Türkiye), İş Leasing also carried out numerous social responsibility initiatives in 2024.

- On 8 March International Women's Day, special events were organized to raise awareness and strengthen the role of women in business life; a

donation was made to the Education Volunteers Foundation of Türkiye.

- In celebration of employees' birthdays, donations were made on their behalf to the Scholarship Fund of Turkish Education Foundation (TEV).
- On 12 June 2024, the "Umut Café" stand was set up and donations were made to the Hope Foundation for Children with Cancer (KAÇUV).
- As of June 2024, donations on behalf of employees were made to the Hope Foundation for Children with Cancer (KAÇUV) in celebration of employee birthdays.
- To share our corporate culture, provide a supportive environment, and make the onboarding process more enjoyable, a special "welcome" package was prepared reflecting the efforts of cooperatives that support women, and each product included in the package was selected to support the solidarity among women entrepreneurs and cooperatives.

- Starting on 4 October, World Animal Day, regular pet food donations have been made to local municipal shelters to help provide a better life for stray animals in need of care.
- A Basic Sustainability Training was delivered to raise awareness among our employees about sustainability, and the training content was structured around key concepts of Sustainability, the Climate Crisis and Roadmap for Solutions, and the Green Transformation Perspective.
- A library was established in Hatay Primary School.
- On Sunday, 3 November 2024, the İş Leasing team collaborated with the Hope Foundation for Children with Cancer (KAÇUV) in the 46<sup>th</sup> Istanbul Marathon, the only intercontinental marathon in the world, organized under the sponsorship of İşbank. During this event, Company employees made significant contributions toward raising awareness and fundraising.

Demonstrating a responsible approach at every step to lead change in the sector and build a more livable world, İş Leasing is committed to shaping its future sustainability goals by considering environmental, social, and economic balances.

You can access the 2023 Sustainability Report at the link below:

[https://www.isleasing.com.tr/Sites/1/content/Sustainability/2023/is\\_leasing\\_srdr\\_2023\\_06122024-eng.pdf](https://www.isleasing.com.tr/Sites/1/content/Sustainability/2023/is_leasing_srdr_2023_06122024-eng.pdf)



# Board of Directors



**Ozan GÜRSOY**  
Chairman of the Board

Mr. Ozan Gürsoy graduated from the Faculty of Economics and Administrative Sciences, Department of Public Administration at Middle East Technical University, and earned his master's degree in International Banking and Finance at the University of Birmingham in 2003. Mr. Gürsoy began his career in 1996 as an Assistant Inspector Trainee at the Board of Inspectors of İşbank. In 2006, he was appointed Assistant Manager in the Corporate Loans Allocation Department and later served as Unit Manager in the same department. In 2011, Mr. Gürsoy became Division Head of Commercial Banking Products Department, and in 2016, he was appointed Branch Manager of the Gebze Corporate Branch. On 26 August 2019, he was appointed Deputy Chief Executive Officer of İşbank. Mr. Gürsoy was elected as a Member of the Board of Directors of İş Leasing on 28 March 2024, and has been serving as the Chairman of the Board since then.



**Banu ALTUN**  
Vice Chairman of the Board

Ms. Banu Altun graduated from the Faculty of Economics at Marmara University, Department of Economics (English). She began her professional career in 1994 as an Assistant Specialist at İşbank Cağaloğlu Branch. Between 2002 and 2010, she worked in the Corporate Loans Allocation Department, serving respectively as Specialist, Assistant Manager, and Unit Manager. In 2010, she was appointed Deputy Chief Executive Officer at İş Leasing. From 2018 to 2020, Ms. Altun served as Branch Manager of İşbank Maslak Commercial Branch, and between 2020 and 2024, she held the position of Division Head of the Corporate Loan Allocation Department at İşbank. Since February 2024, she has been serving as Branch Manager of the Main Corporate Branch. Ms. Altun was elected as a Member of the Board of Directors of İş Leasing on 28 March 2024.



**Ömer KARAKUŞ**  
Member

Mr. Ömer Karakuş graduated from the Faculty of Economics and Administrative Sciences at Gazi University, Department of Public Administration. Mr. Karakuş began his career in 1989 as an Assistant Inspector at the Board of Inspectors of İşbank. In 1998, he was appointed Assistant Manager in the Accounting Department, and in 2005, he became the Unit Manager of the same department. Mr. Karakuş, who served as Branch Manager of the Yenışehir/Ankara Branch in 2007, Head of the Human Resources Management Department in 2008, and Chairman of the Inspection Board in 2016, was appointed Deputy Chief Executive Officer on 27 April 2017. Mr. Ömer Karakuş, who served as the Chief Executive Officer of İş Faktoring from August 2019 to March 2022, was elected as a Member of the Board of Directors of İş Leasing on 25 March 2022.



**Sermin N. Saraç SOSANOĞLU**  
Member

Ms. Sermin N. Saraç Sosanoğlu, who graduated from the Faculty of Economics at Istanbul University, Department of International Relations, began her professional career in 1998 as an Officer at İşbank Bakırköy Branch. Between 1999 and 2017, she worked in the Corporate Loans Allocation Department, serving respectively as Credit Specialist, Assistant Manager, and Unit Manager, and in 2017, she was appointed as Branch Manager of the Ankara Yıldız Commercial Branch. In 2022, Ms. Sosanoğlu was appointed Head of the Commercial Banking Sales Department, and in 2024, she became the Branch Manager of the Başkent Corporate Branch. Ms. Sosanoğlu was elected as a Member of the Board of Directors of İş Leasing on 28 March 2024.



**U. Şafak ÖĞÜN**  
General Manager / Member

Born in 1974, Mr. U. Şafak 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 İş Leasing since 2021.



**M. Coşkun CANGÖZ**  
Independent Member

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. Mr. Cangöz elected as a member of the Board of Directors of İş Leasing on 31 October 2021.



## Board of Directors



**Sedat ŞARDAÇ**  
Independent Member

Mr. Sedat Şardağ graduated from the Faculty of Economics and Administrative Sciences at the Istanbul Academy of Economic and Commercial Sciences, Department of Economics and Business Administration in 1978. He earned his master's degree in Banking and Insurance at the Ankara Academy of Economic and Commercial Sciences. Mr. Şardağ began his professional career in 1979 in the Credits Department at Etibank A.Ş. Between 1981 and 1983, he worked in the Credits Department at Türkiye Kalkınma Bankası A.Ş., and from 1983 to 1985, he served as a financial analyst at Türkiye İmar Bankası. From 1985 to 1990, Mr. Şardağ held positions as Main Branch Manager and Credit Manager at Interbank A.Ş. Between 1990 and 1998, he worked as a branch manager and regional manager at various branches of Türk Ekonomi Bankası A.Ş. From 1998 to 1999, he served as Founding General Manager of Kredi Finans Faktoring A.Ş. He held the role of Assistant General Manager for Corporate Marketing at Kentbank A.Ş. between 1999 and 2000, and at Anadolubank A.Ş. between 2000 and 2001. From 2001 to 2005, Mr. Şardağ served as Regional Manager for Istanbul Anatolian Side and Group Head of Corporate Marketing at the Head Office of Oyakbank A.Ş. Between 2007 and 2013, he continued his professional career as Founding Partner and Chairman of the Board of Directors at Lider Gayrimenkul Değerleme A.Ş. Since 2013, he has been working as an independent consultant. Mr. Şardağ was elected as an Independent Member of the Board of Directors of İş Leasing on 28 March 2024.



**İsmet GERGERLİ**  
Independent Member

Mr. İsmet Gergerli graduated from the Faculty of Political Sciences at Ankara University, Department of International Relations, and holds a master's degree in sociology. Between 1990 and 2004, he held various positions in the Marketing and Credit departments of Pamukbank Corporate Branches. From 2004 to 2015, Mr. Gergerli served within Halkbank in several roles, including Head of the Tradesmen Banking Department, Head of SME Banking Department, Head of Training Department, and Regional Coordinator. Between 2008 and 2011, he concurrently served as a Member of the Board of Directors of the Credit Guarantee Fund. From 2015 to 2020, he served as General Manager and Member of the Board of Directors of Kredi Garanti Fonu A.Ş. Mr. Gergerli was named "Bureaucrat of the Year" at the "Businesspeople of the Year Awards" organized by Ekonomist magazine in 2018. He is the author of the book "The Hidden Power of Japan's Economy," published by İşbank Cultural Publications, and has numerous published articles. Mr. Gergerli currently teaches undergraduate and graduate-level courses at various universities. Since 17 June 2021, he has been serving as a Member of the Board of Directors of Bera Holding A.Ş. Mr. Gergerli was elected as an Independent Member of the Board of Directors of İş Leasing on 28 March 2024.



**Hüseyin Serdar YÜCEL**  
Member

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 İşbank 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 İşbank from August 2016. Having held a member's seat on the boards of directors of İŞMER., İş Net and Erişim Müşteri Hizmetleri, Hüseyin Serdar Yücel is currently a Board member at JSC İşbank, JSC İşbank Georgia, A&T Bank and İş Faktoring. Mr. Yücel elected as a member of the Board of Directors of İş Leasing on 25 March 2022.

# Senior Management

**SİBEL DOĞAN**

Assistant General Manager  
Credits, Risk Monitoring, Legal Affairs

Ms. Sibel Doğan, a graduate of Marmara University, Faculty of Economics and Administrative Sciences, Department of Public Administration in French, began her professional career in 1999 at İşbank as an Assistant Specialist. Following her roles as Assistant Manager of Corporate Loans and Unit Manager at the Corporate Loans Allocation Department, she was appointed as Deputy Chief Executive Officer at İş Leasing in 2018.

**Hasan KETENCİ**

Assistant General Manager  
Human Resources - Operations  
- Purchasing - Legal Consultancy -  
Information Technologies

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.

**F. Zeynettin MARAŞ**

Deputy Chief Executive Officer  
Financial Management – Investor  
Relations

Mr. F. Zeynettin Maraş graduated in 2002 from the Faculty of Economics and Administrative Sciences at Galatasaray University, Department of Business Administration. In the same year, he began his professional career as an Assistant Inspector at the Board of Inspectors of İşbank. Mr. Maraş was promoted to Inspector in 2008 and was appointed Assistant Manager in the Financial Management Department of Türkiye İş Bankası A.Ş. in 2012. In 2019, he was promoted to Unit Manager within the same department. Holding the title of Certified Public Accountant, Mr. Maraş was appointed Deputy Chief Executive Officer at İş Leasing in 2024.

# Management Team



**ALTAN İYİGÜN**  
Marketing Manager



**ARZU KAYA TOPALOĞLU**  
Purchasing Manager



**ASLI ABACI**  
Human Resources Manager



**MURAT SİSLİ**  
Sales Manager



**ONUR TUFAN**  
Risk Monitoring Manager



**SARMEN HAZAROS ÇAKIR**  
Information Technologies Manager



**ERDEM AKSULAR**  
Internal Audit Manager



**K. KAĞAN ÖZTÜRK**  
Treasury and Financial Institutions  
Manager



**NURAN GÜNEŞ**  
Legal Counsel



**SERKAN SIRAK**  
Commercial Loans Manager



**SEYİTHAN AYVAZOĞLU YÜKSEL**  
Legal Affairs Manager



**ZEREN GÜLSOY**  
Corporate Loans Manager

# Independent Auditor's Report on the Annual Report of the Board of Directors

CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT AUDITOR'S REPORT ON THE BOARD OF DIRECTORS' ANNUAL REPORT ORIGINALLY ISSUED IN TURKISH

To the General Assembly of İş Finansal Kiralama A.Ş.

## 1. Opinion

We have audited the annual report of İş Finansal Kiralama A.Ş. (the "Company") and its subsidiaries (collectively referred to as the "Group") for the period 1 January - 31 December 2024.

In our opinion, the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements regarding the Group's position in the Board of Directors' Annual Report are consistent and presented fairly, in all material respects, with the audited full set consolidated financial statements and with the information obtained in the course of independent audit.

## 2. Basis for Opinion

Our independent audit was conducted in accordance with the Independent Standards on Auditing that are part of the Turkish Standards on Auditing (the "TSA") adopted within the framework of the regulations of the Capital Markets Board and issued by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities in the Audit of the Board of Directors' Annual Report section of our report. We hereby declare that we are independent of the Group in accordance with the Ethical Rules for Independent Auditors (including Independence Standards) (the "Ethical Rules") and the ethical requirements regarding independent audit in regulations issued by POA and the regulations of the Capital Markets Board and other relevant legislation that are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.

## 3. Our Audit Opinion on the Full Set Consolidated Financial Statements

We expressed an unqualified opinion in the auditor's report dated 3 March 2025 on the full set consolidated financial statements for the period 1 January - 31 December 2024.

## 4. Board of Director's Responsibility for the Annual Report

Group management's responsibilities related to the annual report according to Articles 514 and 516 of Turkish Commercial Code ("TCC") No. 6102 and Capital Markets Board's ("CMB") Communiqué Serial II, No:14.1, "Principles of Financial Reporting in Capital Markets" (the "Communiqué") are as follows:

- a) to prepare the annual report within the first three months following the balance sheet date and present it to the General Assembly;
- b) to prepare the annual report to reflect the Group's operations in that year and the financial position in a true, complete, straightforward, fair and proper manner in all respects. In this report financial position is assessed in accordance with the financial statements. Also in the report, developments and possible risks which the Group may encounter are clearly indicated. The assessments of the Board of Directors in regards to these matters are also included in the report.
- c) to include the matters below in the annual report:
  - events of particular importance that occurred in the Company after the operating year,
  - the Group's research and development activities,
  - financial benefits such as salaries, bonuses, premiums and allowances, travel, accommodation and representation expenses, benefits in cash and in kind, insurance and similar guarantees paid to members of the Board of Directors and senior management.

When preparing the annual report, the Board of Directors considers secondary legislation arrangements enacted by the Ministry of Trade and other relevant institutions.



## 5. Independent Auditor's Responsibility in the Audit of the Annual Report

Our aim is to express an opinion and issue a report comprising our opinion within the framework of TCC and Communiqué provisions regarding whether or not the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements in the annual report are consistent and presented fairly with the audited consolidated financial statements of the Group and with the information we obtained in the course of independent audit.

Our audit was conducted in accordance with the TSAs. These standards require that ethical requirements are complied with and that the independent audit is planned and performed in a way to obtain reasonable assurance of whether or not the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements in the annual report are consistent and presented fairly with the audited consolidated financial statements and with the information obtained in the course of audit.

PwC Bağımsız Denetim ve  
Serbest Muhasebeci Mali Müşavirlik A.Ş.

Gökçe Yaşar Temel, SMMM  
Independent Auditor

Istanbul, 3 March 2025

# Summary Board of Directors Report

## **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:**

In an economic environment characterized by increasing global challenges and uncertainties, including the ongoing Russia-Ukraine war, rising tensions in the Middle East, and a predominant focus on combating inflation in both developed countries and our country, İş Leasing continues to support SMEs and the real sector while preserving the quality of its assets through effective risk management. İş Leasing has directed its focus toward sustainability and digitalization in its operations. As the first company in its sector to publish a sustainability report (2020 Sustainability Report), İş Leasing reaffirmed its strong commitment, consistency, and vision in this area by publishing its fourth sustainability report in 2024 (2023 Sustainability Report) and continued to be included in the BIST Sustainability Index, which it joined in 2023. In 2024, İş Leasing achieved a new transaction volume of USD 517 million and maintained its robust position in the sector with an 11.4% market share in financial leasing receivables. The Company's financial leasing receivables portfolio reached TL 26.7 billion, while its consolidated shareholders' equity increased by 45.4% to TL 9.8 billion. İş Leasing recorded a consolidated net profit of TL 1.9 billion in 2024. Through advanced techniques and effective risk monitoring processes in credit risk management, the Company maintained a non-performing loan ratio of 2.5%, staying below the sector average of 3%.

With the bond issuance limit renewed at TL 10 billion in 2024 through the approval of the Capital Markets Board (CMB), İş Leasing issued a total of TL 3.4 billion in bonds and commercial papers during the year. The Company continued diversifying its funding sources through financing packages secured from reputable credit institutions both domestically and internationally. Aiming for sustainable growth, İş Leasing has been selective in

expansion to effectively and prudently manage the pressures on profit margins stemming from competition, while not compromising on its strategy of being widespread and building a high-quality portfolio in the transaction volume it has realized.

## **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 2024, 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:**

Despite the challenging economic conditions in 2024, 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 detail in the footnote no. 7 of financial statements.

## **Information on donations and grants made during the year:**

Donations and grants made by the Company in 2024 amounted to TL 424 thousand.

## **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.

## **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 and compliance, 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 and Compliance and Legislation Departments, 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 and Compliance and Legislation Departments, 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 2024, the Company's Internal Audit Department conducted Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT) Compliance Program audits. During 2024, 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 2024 accounting period, the Company has been subject to a limited independent audit as of 30.06.2024, and to an independent audit as of 31.12.2024 by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik 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 Müşavirlik A.Ş.

**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 2024 activity year, within the frame of the relevant provisions of the Turkish Commercial Code, our Company was 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 01.01.2024 - 31.12.2024, 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 2024 activity year have been considered and evaluated. We hereby declare that our Company has not incurred damages due to a transaction conducted in 2024 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 2023 Annual General Assembly has been held at the address of İş Kuleleri, 34330, İş Bankası Oditoryum Binası, 4. Levent - İstanbul on 28 March 2024. Ordinary General Assembly Meeting of 2023 was held with the presence of the shareholders representing 600,000,000 Group A and 45,236,524,954 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

In accordance with the proposal regarding the 2023 profit distribution, prepared pursuant to the Board of Directors' resolution dated 5 March 2024 and numbered 3133, it has been resolved that, in line with the regulations of the Capital Markets Board, the distributable net profit for the period, amounting to TL 1,724,058,348, calculated from the net period profit of TL 1,767,059,710 determined under Capital Markets legislation, and TL 860,027,243 recorded in the Company's statutory accounts, after setting aside the primary legal reserve of TL 43,001,362, shall not be distributed but instead allocated to extraordinary reserves, and that the deferred tax income of TL 224,768,289 included in the consolidated net period profit shall be monitored under a separate item within Extraordinary Reserves and shall not be subject to any future capital increase.

## 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 needed.

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:**

1. 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 location.

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 Disclosure Policy

## General Framework of the Disclosure Policy

Our Company fulfills all necessary financial disclosures and other information requirements in compliance primarily with the Financial Leasing, Factoring and Financing Companies Law No. 6361 and related legislation, as well as the Capital Markets Legislation, the Turkish Commercial Code, and the regulations of Borsa İstanbul, where the Company's shares are listed, by duly observing generally accepted accounting principles and corporate governance principles. It implements a comprehensive information and public disclosure policy within this scope.

The primary goal of the disclosure policy is to ensure that all pertinent information and disclosures, with the exception of those classified as trade secrets, are communicated to shareholders, investors, employees, customers, creditors, and other relevant parties in a timely, accurate, complete, comprehensible, easily accessible, and cost-effective manner, and under equal terms.

Our Company, which has an active approach in adopting and implementing corporate governance principles, demonstrates its commitment to ensuring compliance with the requirements of applicable legislation and implementing international best practices regarding public disclosure and information. Our Disclosure Policy, developed within this framework, has been approved and implemented by our Board of Directors. Any amendments to our Disclosure Policy are also disclosed to the public following approval from our Board of Directors. The updated version of our Disclosure Policy is made available on our website.

## Authority and Responsibility

Within our Company, the Board of Directors holds the authority and responsibility for monitoring, oversight, and developing the public disclosure and information policy. A Corporate Governance Committee, consisting of three members of the Board of Directors and the Head of the Investor Relations Department, has been established to monitor the Company's adherence to corporate governance principles and to provide recommendations to the Board of Directors in this regard, and the

Investor Relations Department has been assigned to coordinate the disclosure function.

## Investor Relations Department

The Investor Relations Department has been established within our Company to ensure the regular conduct of relations with shareholders and to address investor inquiries in the most efficient manner, and the activities of the department are regularly reported to the Board of Directors and the Corporate Governance Committee.

## Public Disclosure Activities and Methods and Means Used

The activities conducted for public disclosure in compliance with the provisions of Financial Leasing Legislation, Capital Markets Legislation, the Turkish Commercial Code, and other applicable legislation, along with the methods and tools used, are outlined below:

- On a quarterly basis, the financial statements prepared on a consolidated basis in accordance with the applicable provisions of the "Regulation Governing Accounting Practices and Financial Statements of Financial Leasing, Factoring and Financing Companies", the "Communiqué on the Uniform Chart of Accounts and Prospectus to be Implemented by Financial Leasing, Factoring and Financing Companies", the Turkish Accounting Standards ("TAS") and Turkish Financial Reporting Standards ("TFRS") enacted by the Public Oversight, Accounting and Auditing Standards Authority ("POA"), including all related annexes and interpretations, and the regulations, communiqués, guidelines, and circulars issued by the Banking Regulation and Supervision Agency ("BRSA") concerning accounting and reporting standards, are submitted to the Public Disclosure Platform (KAP) within the legally prescribed time limits and are published on our Company's official website. The relevant financial statements are also translated into English and published on the website.
- On a quarterly basis, the financial statements prepared on a non-consolidated basis in accordance

with the applicable provisions of the "Regulation Governing Accounting Practices and Financial Statements of Financial Leasing, Factoring and Financing Companies", the "Communiqué on the Uniform Chart of Accounts and Prospectus to be Implemented by Financial Leasing, Factoring and Financing Companies", the Turkish Accounting Standards ("TAS") and Turkish Financial Reporting Standards ("TFRS") enacted by the Public Oversight, Accounting and Auditing Standards Authority ("POA"), including all related annexes and interpretations, and the regulations, communiqués, guidelines, and circulars issued by the Banking Regulation and Supervision Agency ("BRSA") concerning accounting and reporting standards, are submitted to the Financial Institutions Association.

- On a monthly basis, non-consolidated financial statements and related information, prepared in accordance with applicable provisions of the "Regulation Governing Accounting Practices and Financial Statements of Financial Leasing, Factoring and Financing Companies", the "Communiqué on the Uniform Chart of Accounts and Prospectus to be Applied by Financial Leasing, Factoring and Financing Companies", the Turkish Accounting Standards ("TAS") and the Turkish Financial Reporting Standards ("TFRS") enacted by the Public Oversight, Accounting and Auditing Standards Authority ("POA"), including all related annexes and interpretations, and the regulations, communiqués, guidelines, and circulars issued by the Banking Regulation and Supervision Agency ("BRSA") concerning accounting and reporting principles, are submitted to the Banking Regulation and Supervision Agency (BRSA), and this data is published on the BRSA's official website in an aggregate form (as sector total).
- Material event disclosures mandated by the regulations of the Capital Markets Board (CMB) are submitted to the Public Disclosure Platform (KAP) within the prescribed timeframe. As a principle, material event disclosures of our Company are signed and submitted to KAP by

# Company Disclosure Policy

the Deputy Chief Executive Officer responsible for Investor Relations, the Financial Management Manager, and the Financial Management Director, and in the event that these individuals are not present at the Company, such disclosures are signed and submitted to KAP by authorized signatories designated by the Chief Executive Officer. Material event disclosures are transmitted electronically via the KAP system. Material event disclosures are published on our Company's official website no later than the business day following their public disclosure and are retained on the website for a period of 5 years.

- In cases such as amendments to the Articles of Association, General Assembly meetings, and capital increases, the required announcements and notifications are made through the Trade Registry Gazette and daily newspapers.
- Our Ordinary General Assembly meetings are held annually within the legally prescribed timeframes, and all requisite procedures for ensuring shareholder participation in the General Assembly are carried out through documentation. Information regarding the meetings is also made available on our Company's official website at [www.isleasing.com.tr](http://www.isleasing.com.tr) to ensure direct access for all shareholders. From the date of the public notice inviting shareholders to the General Assembly meeting, the following documents are made available at the Company's headquarters for the review of shareholders: the annual report, financial statements and related reports, the profit distribution proposal, the information document prepared concerning the relevant items on the General Assembly agenda, as well as other documents constituting the basis for such agenda items, the latest version of the Articles of Association, and, if any amendment to the Articles of Association is to be made, the draft text of the amendment and its justification.
- The interim activity reports issued by our Company for each quarterly balance sheet period are prepared in compliance with the Capital

Markets Legislation and Corporate Governance Principles, submitted to the Public Disclosure Platform (KAP) following the approval of the Board of Directors, and published on our official website. The annual report is prepared in both Turkish and English at least three weeks before the General Assembly meeting each year, including all required information and disclosures, and is made available for the review of shareholders and published on our official website ([www.isleasing.com.tr](http://www.isleasing.com.tr)).

- Regular meetings and discussions with the press are not scheduled, and press releases are issued through written and visual media when deemed necessary or in response to inquiries from press representatives. The Chairman of the Board of Directors, the Chief Executive Officer, or their deputy, and other authorized individuals deemed appropriate by such individuals are responsible for issuing press releases to written and visual media, as well as data distribution organizations.
- Forward-looking assessments are defined in the Communiqué on Material Events Disclosure as "assessments that contain forward-looking inside information such as plans and projections, or that provide investors with insight into the issuer's future activities, financial condition, and performance". In case such forward-looking assessments are to be disclosed to the public through press and media channels or other means of communication, a simultaneous disclosure is made via the Public Disclosure Platform (KAP). In case of any significant change in previously disclosed forward-looking assessments, a public disclosure is made accordingly. Forward-looking expectations are disclosed to the public with the written approval of the Chief Executive Officer or their Deputy, authorized by the Board of Directors of our Company.
- All meeting requests received from shareholders are responded to positively, and meetings are scheduled at the earliest convenience. From time to time, teleconferences organized and coordinated by the Investor Relations Department are held to disseminate

information to shareholders and other relevant parties. This information is also published on our official website ([www.isleasing.com.tr](http://www.isleasing.com.tr)) in both Turkish and English, ensuring that all market participants have simultaneous and equal access.

- To ensure that our Company's performance in the sector, financial results, vision, strategy, and goals are effectively communicated to shareholders, the Investor Relations Department meets with shareholders, intermediary institutions, analysts, and investors upon request, and information is also shared with relevant parties through investor meetings and investor visits organized both domestically and internationally. In addition, the Investor Relations Department prepares presentations containing publicly disclosed information to promote our Company in the best way possible. The presentations shared and reports disclosed during the meetings with investors are made accessible through our official website to ensure that all market participants are equally and simultaneously informed.
- When information is requested by shareholders, creditors, rating agencies, or institutions that issue research reports on our Company, the pertinent information is provided by the Investor Relations Department via email.
- The Investor Relations section of our corporate website ([www.isleasing.com.tr](http://www.isleasing.com.tr)), available in both Turkish and English, provides comprehensive information and data about our Company within the scope of the corporate governance profile. All inquiries received from shareholders and other interested parties via email, letter, telephone, or similar means are responded to promptly under the coordination of the Investor Relations Department.

## Other Disclosures

Any disclosures not covered in the aforementioned sections are duly signed and made available to the public in accordance with the authorities outlined in the Company's signature circular.

### Corporate Website of İş Finansal Kiralama A.Ş. ([www.isleasing.com.tr](http://www.isleasing.com.tr))

Our Company's website is actively and extensively utilized in the context of information and public disclosure. The website is available in both Turkish and English and includes information and data as required by corporate governance principles and regulatory authorities. It also provides access to announcements regarding upcoming general assembly meetings, agenda items, the information documents regarding the agenda items, other information, documents and reports regarding the agenda items, as well as information on methods of participation in the general assembly. Additionally, the Company's disclosure policy, code of ethics, and material event disclosures are also made available on the website. The Investor Relations Department ensures that the website is regularly monitored and continuously updated.

### Monitoring of News and Rumors Regarding the Company

The monitoring of news and rumors published in the press and media or on internet platforms regarding our Company is carried out through services obtained from a professional media monitoring agency. All news concerning our Company that appears in the media is delivered to us by the contracted agency on a daily basis.

In the event that news or rumors about our Company, that are of importance and may influence the investment decisions of savers or the value of capital market instruments, that do not originate from individuals authorized to represent our Company, and that differ from previously disclosed information through material event disclosures or other public disclosure documents, appear in the press and media or on websites, a public disclosure is made in accordance with the principles outlined in the Communiqué on Material Events Disclosure to clarify the accuracy or adequacy of such information. In case such disclosures' content requires a material event disclosure, they are issued as a Material Event Disclosure.

### Postponement of Disclosure of Inside Information

Our Company may, under its sole responsibility, postpone the public disclosure of inside information to prevent harm to its legal rights and interests. During the postponement period, no public disclosure shall be made regarding the inside information. Our Company is obliged to take all necessary measures to ensure that such postponement does not create a risk of misleading the public and that the confidentiality of the information is maintained throughout the postponement period. The measures to be taken to preserve the confidentiality of the information shall be determined by a resolution of the Board of Directors. When the reason for postponement of inside information ceases to exist, the inside information shall be immediately disclosed to the public and the Public Disclosure Platform (KAP), together with the resolution to postpone and the reasons for such postponement.

### Criteria for Determining Persons with Administrative Responsibility

In determining persons with administrative responsibilities, the criteria considered include the individuals' duties within the Company's organizational structure and the content of the information accessible to them. Accordingly, managers and other employees who have access only to information concerning a specific part of the Company's activities and whose access to information on the Company's overall activities is limited are not considered as persons with access to inside information. In this context, in addition to the Members of the Board of Directors, the Chief Executive Officer and Deputy Chief Executive Officers, heads of certain units, and some Company employees who have access to information about the Company and are authorized to make administrative decisions that may have a macro-level impact on the Company's asset-liability structure, profit and loss, cash flow, strategic targets, etc., are designated as persons with administrative responsibility.

### Provisions regarding the disclosure of legal and commercial relations between the Company and natural persons and legal entities with whom the Company maintains direct or indirect relationships in terms of capital, management, and oversight

Our Company makes necessary disclosures, in compliance with the provisions of the CMB legislation, regarding the legal and commercial relations between the Company and the natural persons or legal entities with whom it has direct or indirect relationships in terms of capital, management, and oversight.

### Ensuring the Confidentiality of Information Required to be Disclosed to the Public

Information acquired during the course of employment, owned by the Company, not intended by the Company to be known by other than relevant persons, and classified as a trade secret, is considered "Company Information". All employees are obligated to protect company information both during and after their employment.

The Company Code of Ethics, which outlines the professional ethical standards that Company employees are required to adhere to while performing their duties in accordance with applicable laws and regulations, as well as the sanctions that may be imposed by the Company in case of non-compliance, has been published, and all employees have been duly informed. The Company takes all necessary measures to prevent the use of inside information.

The Company maintains an up-to-date List of Persons Authorized to Access Inside Information. Persons with access to such information are required to uphold its confidentiality until it is publicly disclosed through a Material Event Disclosure. To ensure the confidentiality of material events until they are publicly disclosed, our employees with access to inside information are informed about the responsibilities under the applicable laws.

In agreements made with individuals or organizations that might temporarily gain access to inside information due to the provision of consultancy, independent audit services, or for other reasons, confidentiality clauses are incorporated as needed.

# 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](http://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.

#### 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.

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



# Company Ethical Principles

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.

## **Article 19. Relations of Employees with Customers:**

The Company issues internal regulations precluding its Employees from:

- a) entering into non-ethical relations with customers such as debit/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; and

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 debit/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

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, 21.02.2025

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](http://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 2024, 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 9.30 (93.04) 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](http://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 2024 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

Vasif SİPAHİ  
Member

H. Serdar YÜCEL  
Member

Ömer KARAKUŞ  
Member

Sedat ŞARDAĞ  
Committee 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-finansal-kiralama-a-s](http://www.kap.org.tr/tr/sirket-bilgileri/ozet/988-is-finansal-kiralama-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-Surname	Title	Telephone	Email
Vasif Sipahi	Investor Relations Unit Manager	+90 212 350 74 89	vasifsipahi@isleasing.com.tr
Suna Reçel	Financial Management Assistant Manager	+90 212 350 74 72	sunarecel@isleasing.com.tr
Mehmet Sündü	Treasury and Financial Institutions Assistant Manager	+90 212 350 74 62	mehmetsundu@isleasing.com.tr

The Investor Relations Department reports directly to Mr. U. Şafak Ögün, General Manager. Mr. Vasif Sipahi 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.

The Investor Relations Department responded to 54 inquiries received from the shareholders during the reporting period, and records on shareholders were kept up-to-date.

# Corporate Governance Principles Compliance Report

## 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 2024. 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 2023 Ordinary General Assembly Meeting. The said meeting was held both physically and electronically on 28 March 2024. 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. 2023 Ordinary General Assembly

Meeting was convened with a quorum of 65.92% 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 Milliyet 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 2024, 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 2023 has been distributed in accordance with the resolution passed in the Ordinary General Assembly Meeting held in 2024.

## 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](http://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.

### **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 Internal Control, Risk Management, Compliance and Legislation Department, 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 İş 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.

An orientation program is implemented at the Company that is designed to speed up the adaptation of new hires to the working environment and to help increase their productivity at work.

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.

# Corporate Governance Principles Compliance Report

## PART IV – BOARD OF DIRECTORS

### 14. Structure and Formation of the Board of Directors

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

FIRST & LAST NAME	POSITION	EXECUTIVE/NON-EXECUTIVE	TERM OF OFFICE
Ozan Gürsoy	Chairman	Non-Executive	2 years
Banu Altun	Deputy Chairman	Non-Executive	2 years
Ömer Karakuş	Member	Non-Executive	2 years
Sermin N. Saraç Sosanoğlu	Member	Non-Executive	2 years
U. Şafak Öğün	General Manager/ Member	Executive	2 years
M. Coşkun Cangöz	Independent Member	Non-Executive	2 years
Sedat Şardağ	Independent Member	Non-Executive	2 years
İsmet Gergerli	Independent 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:



## DECLARATION OF INDEPENDENCE

Regarding İş Finansal Kiralama A.Ş.:

I hereby declare that:

- a) I have not, within the past five years, had an employment relationship in a managerial position entailing significant duties and responsibilities with the Company, its subsidiaries under its management control or significant influence, or with shareholders that have management control or significant influence over the Company, or with legal entities under the management control of such shareholders, nor with their spouses or relatives by blood or affinity by marriage up to the second degree; I do not, individually or jointly, hold more than 5% of their capital, voting rights, or privileged shares, nor have I established a significant commercial relationship with them,
  - b) I have not, within the past five years, served as a shareholder (5% or more), held a managerial position with significant duties and responsibilities, or served as a board member in companies from which the Company has procured or to which it has sold significant amount of services or goods, particularly in areas such as auditing (including tax audit, statutory audit, and internal audit), rating, or consultancy, during the periods when such services or goods were procured or sold within the framework of any agreements,
  - c) I possess the professional education, knowledge, and experience necessary to duly fulfill the duties I will undertake as an independent board member,
  - ç) Except for academic duties at universities, and provided that it is in compliance with the applicable legislation, I do not hold any full-time position in public institutions or organizations after having been elected as a board member,
  - d) I am considered a resident of Türkiye in accordance with the Income Tax Law No. 193, dated 31/12/1960,
  - e) I possess strong ethical standards, professional reputation, and experience that will enable me to contribute positively to the Company's activities, maintain neutrality in conflicts of interest between the Company and its shareholders, and make impartial decisions while considering the rights of stakeholders,
  - f) I can allocate sufficient time to the Company's affairs to monitor the Company's operations and thoroughly fulfill the requirements of the duties I undertake,
  - g) I have not served as a board member at the Company for more than six years within the past ten years,
  - ğ) I do not serve as an independent board member in more than three companies controlled by the same individual, company, or shareholder holding management control over the company, nor in more than five publicly traded companies in total,
  - h) I have not been registered or announced as the representative of a legal entity elected as a board member,
- and therefore, I will fulfill my duties as a board member of the Company in my capacity as an **independent** member.

Name, Surname: M. Coşkun Cangöz

Date: 13.03.2024

Signature:

# Corporate Governance Principles Compliance Report

## DECLARATION OF INDEPENDENCE

Regarding İş Finansal Kiralama A.Ş.:

I hereby declare that:

a) I have not, within the past five years, had an employment relationship in a managerial position entailing significant duties and responsibilities with the Company, its subsidiaries under its management control or significant influence, or with shareholders that have management control or significant influence over the Company, or with legal entities under the management control of such shareholders, nor with their spouses or relatives by blood or affinity by marriage up to the second degree; I do not, individually or jointly, hold more than 5% of their capital, voting rights, or privileged shares, nor have I established a significant commercial relationship with them,

b) I have not, within the past five years, served as a shareholder (5% or more), held a managerial position with significant duties and responsibilities, or served as a board member in companies from which the Company has procured or to which it has sold significant amount of services or goods, particularly in areas such as auditing (including tax audit, statutory audit, and internal audit), rating, or consultancy, during the periods when such services or goods were procured or sold within the framework of any agreements,

c) I possess the professional education, knowledge, and experience necessary to duly fulfill the duties I will undertake as an independent board member,

ç) Except for academic duties at universities, and provided that it is in compliance with the applicable legislation, I do not hold any full-time position in public institutions or organizations after having been elected as a board member,

d) I am considered a resident of Türkiye in accordance with the Income Tax Law No. 193, dated 31/12/1960,

e) I possess strong ethical standards, professional reputation, and experience that will enable me to contribute positively to the Company's activities, maintain neutrality in conflicts of interest between the Company and its shareholders, and make impartial decisions while considering the rights of stakeholders,

f) I can allocate sufficient time to the Company's affairs to monitor the Company's operations and thoroughly fulfill the requirements of the duties I undertake,

g) I have not served as a board member at the Company for more than six years within the past ten years,

ğ) I do not serve as an independent board member in more than three companies controlled by the same individual, company, or shareholder holding management control over the company, nor in more than five publicly traded companies in total,

h) I have not been registered or announced as the representative of a legal entity elected as a board member,

and therefore, I will fulfill my duties as a board member of the Company in my capacity as an **independent** member.

Name, Surname: Sedat Şardağ

Date: 13.03.2024

Signature:

## DECLARATION OF INDEPENDENCE

Regarding İş Finansal Kiralama A.Ş.:

I hereby declare that:

- a) I have not, within the past five years, had an employment relationship in a managerial position entailing significant duties and responsibilities with the Company, its subsidiaries under its management control or significant influence, or with shareholders that have management control or significant influence over the Company, or with legal entities under the management control of such shareholders, nor with their spouses or relatives by blood or affinity by marriage up to the second degree; I do not, individually or jointly, hold more than 5% of their capital, voting rights, or privileged shares, nor have I established a significant commercial relationship with them,
  - b) I have not, within the past five years, served as a shareholder (5% or more), held a managerial position with significant duties and responsibilities, or served as a board member in companies from which the Company has procured or to which it has sold significant amount of services or goods, particularly in areas such as auditing (including tax audit, statutory audit, and internal audit), rating, or consultancy, during the periods when such services or goods were procured or sold within the framework of any agreements,
  - c) I possess the professional education, knowledge, and experience necessary to duly fulfill the duties I will undertake as an independent board member,
  - ç) Except for academic duties at universities, and provided that it is in compliance with the applicable legislation, I do not hold any full-time position in public institutions or organizations after having been elected as a board member,
  - d) I am considered a resident of Türkiye in accordance with the Income Tax Law No. 193, dated 31/12/1960,
  - e) I possess strong ethical standards, professional reputation, and experience that will enable me to contribute positively to the Company's activities, maintain neutrality in conflicts of interest between the Company and its shareholders, and make impartial decisions while considering the rights of stakeholders,
  - f) I can allocate sufficient time to the Company's affairs to monitor the Company's operations and thoroughly fulfill the requirements of the duties I undertake,
  - g) I have not served as a board member at the Company for more than six years within the past ten years,
  - ğ) I do not serve as an independent board member in more than three companies controlled by the same individual, company, or shareholder holding management control over the company, nor in more than five publicly traded companies in total,
  - h) I have not been registered or announced as the representative of a legal entity elected as a board member,
- and therefore, I will fulfill my duties as a board member of the Company in my capacity as an **independent** member.

Name, Surname: İsmet Gergerli

Date: 13.03.2024

Signature:

# Corporate Governance Principles Compliance Report

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	Company	Position
Ozan Gürsoy	Türkiye İş Bankası A.Ş. / In-group	Assistant General Manager
	İş Faktoring A.Ş. / In-group	Chairman
	Maksmarket Danışmanlık Elektronik Hizmetler Ticaret A.Ş. / In-group	Chairman
Banu Altun	Türkiye İş Bankası A.Ş. / In-group	Main Branch Manager
	Türkiye Sınai Kalkınma Bankası A.Ş. / In-group	Member of the Board of Directors
Ömer Karakuş		
Sermin Nazime Saraç Sosanoğlu	Türkiye İş Bankası A.Ş. / In-group	Başkent Corporate Branch Manager
	Anadolu Anonim Türk Sigorta Şirketi / In-group	Member of the Board of Directors
U. Şafak Öğün		
M. Coşkun Cangöz	The Economic Policy Research Foundation of Türkiye / Out-group	Director
Sedat Şardağ		
İsmet Gergerli	Bera Holding A.Ş. / Out-group	Member of the Board of Directors
	Türkiye İş Bankası A.Ş. / In-group	Unit Manager of Subsidiaries Department
H. Serdar Yücel	Arap Türk Bankası A.Ş. / In-group	Member of the Board of Directors
	JSC İşbank / In-group	Member of the Board of Directors
	JSC Isbank Georgia / In-group	Member of the Board of Directors
	İş Faktoring A.Ş. / In-group	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 are two woman members.

## 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.

Four Board of Directors meetings were held in 2024, and all but one of the Board of Directors meetings held in April, July, September and December were fully attended (one member could not attend the meeting in September). All decisions in the meetings were passed unanimously. The Board of Directors passed 87 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 2024.

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 2024, 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 2024. 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 Mr. M. Coşkun Cangöz, a non-executive independent Board member. The other member of the Committee is Mr. Sedat Şardağ and Mr. İsmet Gergerli, 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

# Corporate Governance Principles Compliance Report

- 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.

During 2024, the Audit Committee met 4 times and passed 23 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.
- 2025 audit plan and 2025 Internal Control and Risk Management Activity Plan developed by the Company have been discussed and approved.

## Relevant Decisions of the Board of Directors

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

### Corporate Governance Committee

Formed of four members, the Corporate Governance Committee also functions as the Nomination Committee and the Remuneration Committee. Mr. Sedat Şardağ, non-executive independent Board member, serves as the head of the Committee, whereas the other members are Mr. Ömer Karakuş and Mr. H. Serdar Yücel, non-executive Board members, and Mr. Vasıf Sipahi, 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 administrative 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 administrative 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 administrative 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

# Corporate Governance Principles Compliance Report

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.

## Article 5 The Corporate Governance Committee's Operation Principles and Procedures

- 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 log 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 2024, the Corporate Governance Committee met 4 times and passed 9 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 2024 operating period, has been studied and presented for the approval of the Board of Directors.
- Salary rises for 2024 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. İsmet Gergerli, non-executive independent Board member, serves as the head of the Committee whereas the other members are Mr. A. Coşkun Cangöz, 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.
- 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 Directors.
- 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 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.

# Corporate Governance Principles Compliance Report

## 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 2024, the Corporate Governance Committee met four times and passed 12 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 2024, 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 40,256 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 PRINCIPLES COMPLIANCE REPORT

	Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
Corporate Governance Compliance Report						
1.1. FACILITATING THE EXERCISE OF SHAREHOLDER RIGHTS						
1.1.2- Up-to-date information and disclosures which may affect the exercise of shareholder rights are available to investors at the corporate website.	X					
1.2. RIGHT TO OBTAIN AND REVIEW INFORMATION						
1.2.1 - Management did not enter into any transaction that would complicate the conduct of special audit.	X					
1.3. GENERAL ASSEMBLY						
1.3.2 - The company ensures the clarity of the General Assembly agenda, and that an item on the agenda does not cover multiple topics.	X					
1.3.7- Insiders with privileged information have informed the board of directors about transactions conducted on their behalf within the scope of the company's activities in order for these transactions to be presented at the General Shareholders' Meeting.					X	No such transaction took place in 2024.
1.3.8 - Members of the board of directors who are concerned with specific agenda items, auditors, and other related persons, as well as the officers who are responsible for the preparation of the financial statements were present at the General Shareholders' Meeting.	X					
1.3.10 - The agenda of the General Shareholders' Meeting included a separate item detailing the amounts and beneficiaries of all donations and contributions.	X					
1.3.11 - The General Shareholders' Meeting was held open to the public, including the stakeholders, without having the right to speak.				X		Since the Company's Articles of Association do not contain any provisions regarding participation of stakeholders other than shareholders and media in General Shareholders' Meetings, stakeholders other than media, shareholders and employees are not admitted to General Shareholders' Meetings.
1.4. VOTING RIGHTS						
1.4.1 - There is no restriction preventing shareholders from exercising their shareholder rights.	X					

# Corporate Governance Principles Compliance Report

	Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
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					
<b>1.5. MINORITY RIGHTS</b>						
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.
<b>1.6. DIVIDEND RIGHT</b>						
1.6.1 - The dividend policy approved by the General Shareholders' Meeting is posted on the company website.	X					
1.6.2 - The dividend distribution policy comprises the minimum information to ensure that the shareholders can have an opinion on the procedure and principles of dividend distributions in the future.	X					
1.6.3 - The reasons for retaining earnings, and their allocations, are stated in the relevant agenda item.	X					
1.6.4 - The board reviewed whether the dividend policy balances the benefits of the shareholders and those of the company.	X					
<b>1.7. TRANSFER OF SHARES</b>						
1.7.1 - There are no restrictions preventing shares from being transferred.	X					
<b>2.1. CORPORATE WEBSITE</b>						
2.1.1. - The company website includes all elements listed in Corporate Governance Principle 2.1.1.	X					
2.1.2 - The shareholding structure (names, privileges, number and ratio of shares, and beneficial owners of more than 5% of the issued share capital) is updated on the website at least every 6 months.		X				Since we do not have access to our shareholders' data, the related update is made by the MKK (Central Securities Depository) on PDP (Public Disclosure Platform).



	Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
2.1.4 - The company website is prepared in other selected foreign languages, in a way to present exactly the same information with the Turkish content.	X					
<b>2.2. ANNUAL REPORT</b>						
2.2.1 - The board of directors ensures that the annual report represents a true and complete view of the company's activities.	X					
2.2.2 - The annual report includes all elements listed in Corporate Governance Principle 2.2.2.	X					
<b>3.1. CORPORATION'S POLICY ON STAKEHOLDERS</b>						
3.1.1- The rights of the stakeholders are protected pursuant to the relevant regulations, contracts and within the framework of bona fides principles.	X					
3.1.3 - Policies or procedures addressing stakeholders' rights are published on the company's website.	X					
3.1.4 - A whistleblowing program is in place for reporting legal and ethical issues.	X					
3.1.5 - The company addresses conflicts of interest among stakeholders in a balanced manner.	X					
<b>3.2. SUPPORTING THE PARTICIPATION OF THE STAKEHOLDERS IN THE CORPORATION'S MANAGEMENT</b>						
3.2.1 - The Articles of Association, or the internal regulations (terms of reference/manuals), regulate the participation of employees in management.	X					
3.2.2 - Surveys/other research techniques, consultation, interviews, observation method etc. were conducted to obtain opinions from stakeholders on decisions that significantly affect them.		X				No surveys/consultations were deemed necessary since there are no material decisions that significantly affect stakeholders. Such studies will naturally be carried out in the event that there is such a decision.
<b>3.3. HUMAN RESOURCES POLICY</b>						
3.3.1 - The company has adopted an employment policy ensuring equal opportunities, and a succession plan for all key managerial positions.		X				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.	X					

# Corporate Governance Principles Compliance Report

	Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
3.3.3 - The company has a policy on human resources development, and organizes trainings for employees.	X					
3.3.4 - Meetings have been organized 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.	X					
<b>3.4. RELATIONS WITH CUSTOMERS AND SUPPLIERS</b>						
3.4.1-The company measured its customer satisfaction, and operated to ensure full customer satisfaction.	X					
3.4.2 - Customers are notified of any delays in handling their requests.	X					
3.4.3 - The company complied with the quality standards with respect to its products and services.	X					
3.4.4 - The company has in place adequate controls to protect the confidentiality of sensitive information and business secrets of its customers and suppliers.	X					
<b>3.5. ETHICAL RULES AND SOCIAL RESPONSIBILITY</b>						
3.5.1 - The board of the corporation has adopted a code of ethics, disclosed on the corporate website.	X					
3.5.2-The company has been mindful of its social responsibility and has adopted measures to prevent corruption and bribery.	X					

	Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
4.1. ROLE OF THE BOARD OF DIRECTORS						
4.1.1 - The board of directors has ensured strategy and risks do not threaten the long-term interests of the company, and that effective risk management is in place.	X					
4.1.2 - The agenda and minutes of board meetings indicate that the board of directors discussed and approved strategy, ensured resources were adequately allocated, and monitored company and management performance.	X					
4.2. ACTIVITIES OF THE BOARD OF DIRECTORS						
4.2.1-The board of directors documented its meetings and reported its activities to the shareholders.	X					
4.2.2 - Duties and authorities of the members of the board of directors are disclosed in the annual report.	X					
4.2.3-The board has ensured the company has an internal control framework adequate for its activities, size and complexity.	X					
4.2.4 - Information on the functioning and effectiveness of the internal control system is provided in the annual report.	X					
4.2.5 - The roles of the Chairman and Chief Executive Officer are separated and defined.	X					
4.2.7-The board of directors ensures that the Investor Relations department and the corporate governance committee work effectively. The board works closely with them when communicating and settling disputes with shareholders.	X					
4.2.8 - The company has subscribed to a Directors and Officers liability insurance covering more than 25% of the capital.		X				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 DIRECTORS						
4.3.9 - The board of directors has approved the policy on its own composition, setting a minimal target of 25% for female directors. The board annually evaluates its composition and nominates directors so as to be compliant with the policy.		X				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 audit/ accounting and finance.	X					

# Corporate Governance Principles Compliance Report

	Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
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.		X				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.		X				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.
4.5. BOARD COMMITTEES						
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 obtain their views.	X					
4.5.7 - If external consultancy services are used, the independence of the provider is stated in the annual report.					X	During 2022, the committees did not receive any consultancy services.

	Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
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 23 reports to the Audit Committee and 12 to the Early Detection of Risk Committee.
<b>4.6. FINANCIAL RIGHTS</b>						
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 favor 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 Principles Compliance Report

## Corporate Governance Information Form

### 1. SHAREHOLDERS

#### 1.1. Facilitating the Exercise of Shareholders Rights

The number of investor meetings (conference, seminar/etc.) organized by the company during the year

#### 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/1255085>

Whether the company provides materials for the General Shareholders' Meeting in English and Turkish at the same time

General assembly documents (meeting invitation, agenda, information document, etc.) other than the minutes and attendance list are presented simultaneously.

The links to the PDP announcements associated with the transactions that are not approved by the majority of independent directors or by unanimous votes of present board members in the context of Principle 1.3.9

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 Communiqué 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 Communiqué 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 2023 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

30.43%

#### 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 1,767,059 thousand, which is the net distributable profit for the period which is calculated as TL 860,027 thousand that is the net profit for the period arising according to the CMB legislation and TL 43,001 thousand first legal reserves set aside as first legal reserves and calculated according to the TL 1,724,058 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 224,768 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

<https://www.kap.org.tr/tr/Bildirim/1263944>

### 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
28.03.2024	0	65.92%	4.95%	60.97%	<a href="https://www.isleasing.com.tr/yatirimci-iliskileri/genel-kurul/genel-kurul-tutanaklari-ve-hazirun-cetveli/">https://www.isleasing.com.tr/yatirimci-iliskileri/genel-kurul/genel-kurul-tutanaklari-ve-hazirun-cetveli/</a>	<a href="https://www.isleasing.com.tr/yatirimci-iliskileri/genel-kurul">https://www.isleasing.com.tr/yatirimci-iliskileri/genel-kurul</a>	None	0	<a href="https://www.kap.org.tr/tr/Bildirim/1255085">https://www.kap.org.tr/tr/Bildirim/1255085</a>

## 2. DISCLOSURE AND TRANSPARENCY

### 2.1. Corporate Website

Specify the name of the sections of the website providing the information requested by the Principle 2.1.1.

<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

# Corporate Governance Principles Compliance Report

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
<b>3. STAKEHOLDERS</b>	
<b>3.1. Corporation's Policy on Stakeholders</b>	
The name of the section on the corporate website that demonstrates the employee remedy or severance policy	<a href="https://www.isleasing.com.tr/investor-relations/corporate-governance/compensation-policy-for-employees/">https://www.isleasing.com.tr/investor-relations/corporate-governance/compensation-policy-for-employees/</a>
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.
<b>3.2. Supporting the Participation of the Stakeholders in the Corporation's Management</b>	
Name of the section on the corporate website that demonstrates the internal regulation addressing the participation of employees on management bodies	<a href="https://www.isleasing.com.tr/investor-relations/corporate-governance/stakeholders-policy/">https://www.isleasing.com.tr/investor-relations/corporate-governance/stakeholders-policy/</a>
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

The role of the Board of Directors with respect to 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.

<https://www.isleasing.com.tr/investor-relations/corporate-governance/ethical-principles/>  
<https://www.isleasing.com.tr/investor-relations/corporate-governance/stakeholders-policy/>

Whether the company provides an employee stock ownership program

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/human-resources/human-resources-policy/>

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/Sustainability/2023/is\\_leasing\\_srdr\\_2023\\_06122024-eng.pdf](https://www.isleasing.com.tr/Sites/1/content/Sustainability/2023/is_leasing_srdr_2023_06122024-eng.pdf)

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/ANTI-BRIBERY\\_AND\\_ANTI-CORRUPTION\\_EFFORTS-974.pdf](https://www.isleasing.com.tr/Sites/1/upload/files/ANTI-BRIBERY_AND_ANTI-CORRUPTION_EFFORTS-974.pdf)

## 4. BOARD OF DIRECTORS -I

### 4.2. Activity of the Board of Directors

Date of the last board evaluation conducted 25.12.2024

Whether the board evaluation was externally facilitated No

Whether all board members released from their duties at the GSM Yes

# Corporate Governance Principles Compliance Report

Name(s) of the board member(s) with specific delegated duties and authorities, and descriptions of such duties	Our new Board of Directors, elected at the Ordinary General Assembly Meeting of our Company held on 28 March 2024, has distributed the duties among themselves: It has been unanimously decided to elect Ozan Gürsoy as the Chairman and Banu Altun as the Vice Chairman. In addition, · M. Coşkun Cangöz was elected as the chairman, Sedat Şardağ and İsmet Gergerli as members for the Audit Committee; · Sedat Şardağ was elected as the chairman, Ömer Karakuş and Serdar Yücel as members for the Corporate Governance Committee; · İsmet Gergerli as the chairman and M. Coşkun Cangöz and Serdar Yücel as members for the Early Detection of Risk Committee.
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 23 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	Ozan Gürsoy
Name of the CEO	U. Şafak Ögün
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	2 female directors, 22.22%

## 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 Independence 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
OZAN GÜRSOY	Non-executive	Not independent director	28.03.2024	-	-	-	Yes
BANU ALTUN	Non-executive	Not independent director	28.03.2024	-	-	-	Yes
ÖMER KARAKUŞ	Non-executive	Not independent director	25.03.2022	-	-	-	Yes
SERMIN N. SARAÇ SOSANOĞLU	Non-executive	Not independent director	28.03.2024	-	-	-	Yes
UYGAR ŞAFAK ÖGÜN	Executive	Not independent director	10.05.2021	-	-	-	Yes
MEHMET COŞKUN CANGÖZ	Non-executive	Independent director	21.10.2021	Provided in the Annual Report	Considered	No	Yes
SEDAT ŞARDAĞ	Non-executive	Independent director	28.03.2024	Provided in the Annual Report	Considered	No	Yes
İSMET GERGERLİ	Non-executive	Independent director	28.03.2024	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

### 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	97.22%
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.
<b>4.5. Board Committees</b>	
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	<a href="https://www.kap.org.tr/tr/Bildirim/363138">https://www.kap.org.tr/tr/Bildirim/363138</a>

#### 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		M. Coşkun CANGÖZ	Yes	Board member
Audit Committee		Sedat ŞARDAĞ	No	Board member
Audit Committee		İsmet GERGERLİ	No	Board member
Corporate Governance Committee		Sedat ŞARDAĞ	Yes	Board member
Corporate Governance Committee		Ömer KARAKUŞ	No	Board member
Corporate Governance Committee		H. Serdar YÜCEL	No	Board member
Corporate Governance Committee		Vasıf SİPAHİ	No	Not a board member
Committee of Early Detection of Risk		İsmet GERGERLİ	Yes	Board member
Committee of Early Detection of Risk		M. Coşkun CANGÖZ	No	Board member
Committee of Early Detection of Risk		H. Serdar YÜCEL	No	Board member

#### 4. BOARD OF DIRECTORS-III

##### 4.5. Board Committees-II

Specify where the activities of the audit committee are presented in your annual report or website (Page number or section name in the annual report/website)	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

# Corporate Governance Principles Compliance Report

## 4.6. Financial Rights

Specify where the operational and financial targets and their achievement are presented in your annual report (Page number or section name in the annual report)	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.	<a href="https://www.isleasing.com.tr/investor-relations/corporate-governance/remuneration-policy/">https://www.isleasing.com.tr/investor-relations/corporate-governance/remuneration-policy/</a>
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%	25%	4	Decisions passed by the committee are communicated, and information is provided verbally in BoD meetings.
Committee of Early Detection of Risk		100%	67%	4	Decisions passed by the committee are communicated, and information is provided verbally in BoD meetings.



# Statement of Compliance with Sustainability Principles

İstanbul, 24 February 2025

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

İş 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 İş 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, İş 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 2024 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

Vasif SİPAHİ  
Member

H. Serdar YÜCEL  
Member

Ömer KARAKUŞ  
Member

Sedat ŞARDAĞ  
Committee Chairman

# Sustainability Compliance Report

	Company Compliance Status				Explanation	Related report/link
	Yes	Partial	No	Not Applicable		
A. GENERAL PRINCIPLES						
A1. Strategy, Policy and Goals						
A1.1. The prioritized environmental, social and corporate governance (ESG) issues, risks and opportunities have been determined by the Company's Board of Directors.	X				It is available in the Sustainability section of the Company website.	<a href="https://www.isleasing.com.tr/sustainability/">https://www.isleasing.com.tr/sustainability/</a>
A1.1. The ESG policies (Environmental Policy, Energy Policy, Human Rights and Employee Policy etc.) have been created and disclosed to the public by the Company's Board of Directors.	X				It is available in the Sustainability section of the Company website.	<a href="https://www.isleasing.com.tr/sustainability/">https://www.isleasing.com.tr/sustainability/</a>
A1.2. The short and long-term targets set within the scope of ESG policies have been disclosed to the public.	X				It is included in the 2023 Sustainability Report. It is also included in the 2024 Sustainability Report, which is planned to be published in 2025.	<a href="https://www.isleasing.com.tr/Sites/1/content/Sustainability/2023/is_leasing_srdr_2023_06122024-eng.pdf">https://www.isleasing.com.tr/Sites/1/content/Sustainability/2023/is_leasing_srdr_2023_06122024-eng.pdf</a> Page: 23
A2. Implementation/Monitoring						
A2.1. The responsible committees and/or business units for the implementation of ESG policies and the senior officials related to ESG issues in the Company and their duties have been identified and disclosed to the public.	X				It is available in the Sustainability section of the Company website.	<a href="https://www.isleasing.com.tr/sustainability/">https://www.isleasing.com.tr/sustainability/</a>
A2.1. The activities carried out within the scope of 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 2023 Sustainability Report. It is also included in the 2024 Sustainability Report, which is planned to be published in 2025.	<a href="https://www.isleasing.com.tr/Sites/1/content/Sustainability/2023/is_leasing_srdr_2023_06122024-eng.pdf">https://www.isleasing.com.tr/Sites/1/content/Sustainability/2023/is_leasing_srdr_2023_06122024-eng.pdf</a> Page: 21
A2.2. In line with the ESG targets, the implementation and action plans have been formed and disclosed to the public.		X			It is included in the 2023 Sustainability Report. It is also included in the 2024 Sustainability Report, which is planned to be published in 2025.	<a href="https://www.isleasing.com.tr/Sites/1/content/Sustainability/2023/is_leasing_srdr_2023_06122024-eng.pdf">https://www.isleasing.com.tr/Sites/1/content/Sustainability/2023/is_leasing_srdr_2023_06122024-eng.pdf</a> Page: 23-24
A2.3. The Key ESG Performance Indicators (KPI) and the level of reaching these indicators have been disclosed to the public on yearly basis.			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 2023 Sustainability Report. It is also included in the 2024 Sustainability Report, which is planned to be published in 2025.	<a href="https://www.isleasing.com.tr/Sites/1/content/Sustainability/2023/is_leasing_srdr_2023_06122024-eng.pdf">https://www.isleasing.com.tr/Sites/1/content/Sustainability/2023/is_leasing_srdr_2023_06122024-eng.pdf</a> Page: 33-35, 45-47
A2.4. The activities for improving the sustainability performance of the business processes or products and services have been disclosed to the public.	X				It is included in the 2023 Sustainability Report. It is also included in the 2024 Sustainability Report, which is planned to be published in 2025.	<a href="https://www.isleasing.com.tr/Sites/1/content/Sustainability/2023/is_leasing_srdr_2023_06122024-eng.pdf">https://www.isleasing.com.tr/Sites/1/content/Sustainability/2023/is_leasing_srdr_2023_06122024-eng.pdf</a> Page: 26-29

	Company Compliance Status				Explanation	Related report/link
	Yes	Partial	No	Not Applicable		
A3. Reporting						
A3.1. The information about the sustainability performance, targets and actions have been given in annual reports of the Company an understandable, accurate and sufficient manner.	X				It is included in the 2023 Sustainability Report. It is also included in the 2024 Sustainability Report, which is planned to be published in 2025.	<a href="https://www.isleasing.com.tr/Sites/1/content/Sustainability/2023/is_leasing_srd_r_2023_06122024-eng.pdf">https://www.isleasing.com.tr/Sites/1/content/Sustainability/2023/is_leasing_srd_r_2023_06122024-eng.pdf</a> Page: 18-19
A3.2. The information about activities which are related to the United Nations (UN) 2030 Sustainable Development Goals have been disclosed to the public.	X				It is included in the 2023 Sustainability Report. It is also included in the 2024 Sustainability Report, which is planned to be published in 2025.	<a href="https://www.isleasing.com.tr/Sites/1/content/Sustainability/2023/is_leasing_srd_r_2023_06122024-eng.pdf">https://www.isleasing.com.tr/Sites/1/content/Sustainability/2023/is_leasing_srd_r_2023_06122024-eng.pdf</a> Page: 39-40
A3.3. The lawsuits filed and/or concluded against the Company about ESG issues which are material in terms of ESG policies and/or will significantly affect the Company's 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.	<a href="https://www.isleasing.com.tr/Sites/1/content/Sustainability/2023/is_leasing_srd_r_2023_06122024-eng.pdf">https://www.isleasing.com.tr/Sites/1/content/Sustainability/2023/is_leasing_srd_r_2023_06122024-eng.pdf</a> Page: 58 <a href="https://www.isleasing.com.tr/sustainability/">https://www.isleasing.com.tr/sustainability/</a>
A4. Verification						
A4.1. The Company's Key ESG Performance metrics have been verified by an independent third party and publicly disclosed.			X		Environmental and Social performance indicators have not yet been verified by an independent third party organization.	-
B. ENVIRONMENTAL PRINCIPLES						
B1. The policies and practices, action plans, environmental management systems (known by the ISO 14001 standard) and programs have been disclosed.		X			It is included in the 2023 Sustainability Report. It is also included in the 2024 Sustainability Report, which is planned to be published in 2025.	<a href="https://www.isleasing.com.tr/Sites/1/content/Sustainability/2023/is_leasing_srd_r_2023_06122024-eng.pdf">https://www.isleasing.com.tr/Sites/1/content/Sustainability/2023/is_leasing_srd_r_2023_06122024-eng.pdf</a> Page: 20-21
B2. The environmental reports prepared to provide information on environmental management have been disclosed to the public which is including the scope, reporting period, reporting date and limitations about the reporting conditions.	X				It is included in the 2023 Sustainability Report. It is also included in the 2024 Sustainability Report, which is planned to be published in 2025.	<a href="https://www.isleasing.com.tr/Sites/1/content/Sustainability/2023/is_leasing_srd_r_2023_06122024-eng.pdf">https://www.isleasing.com.tr/Sites/1/content/Sustainability/2023/is_leasing_srd_r_2023_06122024-eng.pdf</a> Page: 34-35
B4. The environmental targets within the scope of performance incentive systems which included in the rewarding criteria have been disclosed to the public on the basis of stakeholders (such as members of the Board of Directors, managers and employees).	X				It is included in the 2023 Sustainability Report. It is also included in the 2024 Sustainability Report, which is planned to be published in 2025.	<a href="https://www.isleasing.com.tr/Sites/1/content/Sustainability/2023/is_leasing_srd_r_2023_06122024-eng.pdf">https://www.isleasing.com.tr/Sites/1/content/Sustainability/2023/is_leasing_srd_r_2023_06122024-eng.pdf</a> Page: 45-50
B5. How the prioritized environmental issues have been integrated into business objectives and strategies has been disclosed.	X				It is included in the 2023 Sustainability Report. It is also included in the 2024 Sustainability Report, which is planned to be published in 2025.	<a href="https://www.isleasing.com.tr/Sites/1/content/Sustainability/2023/is_leasing_srd_r_2023_06122024-eng.pdf">https://www.isleasing.com.tr/Sites/1/content/Sustainability/2023/is_leasing_srd_r_2023_06122024-eng.pdf</a> Page: 15, 23

# Sustainability Compliance Report

	Company Compliance Status				Explanation	Related report/link
	Yes	Partial	No	Not Applicable		
B7. The way of how environmental issues has been managed and integrated into business objectives and strategies throughout the Company's value chain, including the operational process, suppliers and customers has been disclosed.	X				It is included in the 2023 Sustainability Report. It is also included in the 2024 Sustainability Report, which is planned to be published in 2025.	<a href="https://www.isleasing.com.tr/Sites/1/content/Sustainability/2023/is_leasing_srd_r_2023_06122024-eng.pdf">https://www.isleasing.com.tr/Sites/1/content/Sustainability/2023/is_leasing_srd_r_2023_06122024-eng.pdf</a> Page: 37-42
B8. Whether the Company have been involved to environmental related organizations and non-governmental organizations' policy making processes and collaborations with these organizations has been disclosed.	X				It is included in the 2023 Sustainability Report. It is also included in the 2024 Sustainability Report, which is planned to be published in 2025.	<a href="https://www.isleasing.com.tr/Sites/1/content/Surdurulebilirlik/2023/Is_Leasing_Surdurulebilirlik_Raporu.pdf">https://www.isleasing.com.tr/Sites/1/content/Surdurulebilirlik/2023/Is_Leasing_Surdurulebilirlik_Raporu.pdf</a> Page: 21
B9. In the light of environmental indicators (Greenhouse gas emissions (Scope-1 (Direct), Scope-2 (Energy indirect), Scope-3 (Other indirect), air quality, energy management, water and wastewater management, waste management, biodiversity impacts)), information on environmental impacts is periodically disclosed to the public in a comparable manner.		X			It is included in the 2023 Sustainability Report. It is also included in the 2024 Sustainability Report, which is planned to be published in 2025.	<a href="https://www.isleasing.com.tr/Sites/1/content/Sustainability/2023/is_leasing_srd_r_2023_06122024-eng.pdf">https://www.isleasing.com.tr/Sites/1/content/Sustainability/2023/is_leasing_srd_r_2023_06122024-eng.pdf</a> Page: 33-35
B10. Details of the standard, protocol, methodology, and baseline year used to collect and calculate data has been disclosed.		X			It is included in the 2023 Sustainability Report. It is also included in the 2024 Sustainability Report, which is planned to be published in 2025.	<a href="https://www.isleasing.com.tr/Sites/1/content/Sustainability/2023/is_leasing_srd_r_2023_06122024-eng.pdf">https://www.isleasing.com.tr/Sites/1/content/Sustainability/2023/is_leasing_srd_r_2023_06122024-eng.pdf</a> Page: 33-35
B11. The increase or decrease in Company's environmental indicators as of the reporting year has been comparatively disclosed with previous years.	X				It is included in the 2023 Sustainability Report. It is also included in the 2024 Sustainability Report, which is planned to be published in 2025.	<a href="https://www.isleasing.com.tr/Sites/1/content/Sustainability/2023/is_leasing_srd_r_2023_06122024-eng.pdf">https://www.isleasing.com.tr/Sites/1/content/Sustainability/2023/is_leasing_srd_r_2023_06122024-eng.pdf</a> Page: 35
B12. The short and long-term targets for reducing the environmental impacts have been determined and the progress compared to previous years' targets has been disclosed.			X		It will be assessed in the following period.	-
B13. A strategy to combat the climate crisis has been created and the planned actions have been publicly disclosed.		X			It is included in the 2023 Sustainability Report. It is also included in the 2024 Sustainability Report, which is planned to be published in 2025.	<a href="https://www.isleasing.com.tr/Sites/1/content/Sustainability/2023/is_leasing_srd_r_2023_06122024-eng.pdf">https://www.isleasing.com.tr/Sites/1/content/Sustainability/2023/is_leasing_srd_r_2023_06122024-eng.pdf</a> Page: 26-29
B14. The programs/procedures to prevent or minimize the potential negative impact of products and/or services on the environment have been established and disclosed.		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.	<a href="https://www.isleasing.com.tr/sustainability/">https://www.isleasing.com.tr/sustainability/</a>
B14. The actions to reduce greenhouse gas emissions of third parties (suppliers, subcontractors, dealers, etc.) have been carried out and disclosed.			X		It will be assessed in the following period.	-

	Company Compliance Status				Explanation	Related report/link
	Yes	Partial	No	Not Applicable		
B15. The environmental benefits/gains and cost savings of initiatives/projects that aims reducing environmental impacts have been disclosed.		X			It is included in the 2023 Sustainability Report. It is also included in the 2024 Sustainability Report, which is planned to be published in 2025. Environmental benefits/gains and cost savings will be measured and disclosed in the following period.	<a href="https://www.isleasing.com.tr/Sites/1/content/Sustainability/2023/is_leasing_srd_r_2023_06122024-eng.pdf">https://www.isleasing.com.tr/Sites/1/content/Sustainability/2023/is_leasing_srd_r_2023_06122024-eng.pdf</a> Page: 23-24
B16. The data related to energy consumption (natural gas, diesel, gasoline, LPG, coal, electricity, heating, cooling, etc.) has been disclosed as Scope-1 and Scope-2.		X			It is included in the 2023 Sustainability Report. It is also included in the 2024 Sustainability Report, which is planned to be published in 2025.	<a href="https://www.isleasing.com.tr/Sites/1/content/Sustainability/2023/is_leasing_srd_r_2023_06122024-eng.pdf">https://www.isleasing.com.tr/Sites/1/content/Sustainability/2023/is_leasing_srd_r_2023_06122024-eng.pdf</a> Page: 35
B17. The information related to production of electricity, heat, steam and cooling as of the reporting year has been disclosed.		X			It is included in the 2023 Sustainability Report. It is also included in the 2024 Sustainability Report, which is planned to be published in 2025.	<a href="https://www.isleasing.com.tr/Sites/1/content/Sustainability/2023/is_leasing_srd_r_2023_06122024-eng.pdf">https://www.isleasing.com.tr/Sites/1/content/Sustainability/2023/is_leasing_srd_r_2023_06122024-eng.pdf</a> Page: 35
B18. The studies related to increase the use of renewable energy and transition to zero/low carbon electricity have been conducted and disclosed.		X			It is included in the 2023 Sustainability Report. It is also included in the 2024 Sustainability Report, which is planned to be published in 2025.	<a href="https://www.isleasing.com.tr/Sites/1/content/Sustainability/2023/is_leasing_srd_r_2023_06122024-eng.pdf">https://www.isleasing.com.tr/Sites/1/content/Sustainability/2023/is_leasing_srd_r_2023_06122024-eng.pdf</a> Page: 26-29
B19. The renewable energy production and usage data has been publicly disclosed.		X			It is included in the 2023 Sustainability Report. It is also included in the 2024 Sustainability Report, which is planned to be published in 2025.	<a href="https://www.isleasing.com.tr/Sites/1/content/Sustainability/2023/is_leasing_srd_r_2023_06122024-eng.pdf">https://www.isleasing.com.tr/Sites/1/content/Sustainability/2023/is_leasing_srd_r_2023_06122024-eng.pdf</a> Page: 33-35
B20. The Company conducted projects about energy efficiency and the amount of reduction on energy consumption and emission achieved through these projects have been disclosed.			X		It is included in the 2023 Sustainability Report. It is also included in the 2024 Sustainability Report, which is planned to be published in 2025. The Company became carbon neutral by zeroing its 2022 and 2023 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.	<a href="https://www.isleasing.com.tr/Sites/1/content/Sustainability/2023/is_leasing_srd_r_2023_06122024-eng.pdf">https://www.isleasing.com.tr/Sites/1/content/Sustainability/2023/is_leasing_srd_r_2023_06122024-eng.pdf</a> Page: 34  <a href="https://www.isleasing.com.tr/sustainability/">https://www.isleasing.com.tr/sustainability/</a>
B21. The water consumption, the amount, procedures and sources of recycled and discharged water from underground or above ground (if any), have been disclosed.			X		It will be assessed in the following period.	-
B22. The information related to whether Company's operations or activities are included in any carbon pricing system (Emissions Trading System, Cap & Trade or Carbon Tax).			X		It will be assessed in the following period.	-

# Sustainability Compliance Report

	Company Compliance Status				Explanation	Related report/link
	Yes	Partial	No	Not Applicable		
B23. The information related to accumulated or purchased carbon credits within the reporting period has been disclosed.		X			İş Leasing's emissions for 2022-2023 were zeroed by purchasing 328 tons of carbon credits.	<a href="https://www.isleasing.com.tr/Sites/1/content/Sustainability/2023/is_leasing_srd_r_2023_06122024-eng.pdf">https://www.isleasing.com.tr/Sites/1/content/Sustainability/2023/is_leasing_srd_r_2023_06122024-eng.pdf</a> Page: 34
B24. If carbon pricing is applied within the Company, the details have been disclosed.			X		It will be assessed in the following period.	-
B25. The platforms where the Company discloses its environmental information have been disclosed.		X			It is included in the 2023 Sustainability Report. It is also included in the 2024 Sustainability Report, which is planned to be published in 2025.	<a href="https://www.isleasing.com.tr/Sites/1/content/Sustainability/2023/is_leasing_srd_r_2023_06122024-eng.pdf">https://www.isleasing.com.tr/Sites/1/content/Sustainability/2023/is_leasing_srd_r_2023_06122024-eng.pdf</a> Page: 31-34
<b>C. SOCIAL PRINCIPLES</b>						
<b>C1. Human Rights and Employee Rights</b>						
C1.1. The Institutional Human Rights and Employee Rights Policy has been established in the light of the Universal Declaration of Human Rights, ILO Conventions ratified by Turkey and other relevant legislation. The policy and the officials that responsible for the implementation of it have been determined and disclosed.		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.	<a href="https://www.isleasing.com.tr/human-resources/human-resources-policy/">https://www.isleasing.com.tr/human-resources/human-resources-policy/</a> <a href="https://www.isleasing.com.tr/investor-relations/corporate-governance/stakeholders-policy/">https://www.isleasing.com.tr/investor-relations/corporate-governance/stakeholders-policy/</a>
C1.2. Considering the effects of supply and value chain, fair workforce, improvement of labor standards, women's employment and inclusion issues (gender, race, religion, language, marital status, ethnic identity, sexual orientation, gender identity, family responsibilities, union activities, political opinion, disability, social and cultural differences, etc., such as non-discrimination) are included in its policy on employee rights.		X			It is available on the Company's website.	<a href="https://www.isleasing.com.tr/investor-relations/corporate-governance/ethical-principles/">https://www.isleasing.com.tr/investor-relations/corporate-governance/ethical-principles/</a>
C1.3. The measures taken for the minority rights/equality of opportunity or the ones who are sensitive about certain economic, environmental, social factors (low income groups, women, etc.) along the supply chain have been disclosed.				X	İş Leasing has become a signatory to the United Nations Global Compact (UNGC) and Women's Empowerment Principles (WEPs), the most widely participated corporate sustainability initiative at the global level. We aim to increase our membership activities in associations, institutions and organizations that work to develop solutions focused on the areas included in our sustainability priorities. In this context, İş Leasing has become a member of the 30% Club in 2023 and aims to become a member of SDG Map Turkey and UNGC – CEO Water Mandate as soon as possible.	<a href="https://www.isleasing.com.tr/uyelikler/">https://www.isleasing.com.tr/uyelikler/</a> <a href="https://www.isleasing.com.tr/Sites/1/content/Sustainability/2023/is_leasing_srd_r_2023_06122024-eng.pdf">https://www.isleasing.com.tr/Sites/1/content/Sustainability/2023/is_leasing_srd_r_2023_06122024-eng.pdf</a> Page: 21



	Company Compliance Status				Explanation	Related report/link
	Yes	Partial	No	Not Applicable		
C1.4. The developments regarding preventive and corrective practices against discrimination, inequality, human rights violations, forced and child labor have been disclosed.		X			Regulations on child labor are included in the 2023 Sustainability Report. It is also included in the 2024 Sustainability Report, which is planned to be published in 2025. Reporting of developments regarding preventive and corrective actions will be evaluated in the following period.	<a href="https://www.isleasing.com.tr/Sites/1/content/Sustainability/2023/is_leasing_srd_r_2023_06122024-eng.pdf">https://www.isleasing.com.tr/Sites/1/content/Sustainability/2023/is_leasing_srd_r_2023_06122024-eng.pdf</a> Page: 45
C1.5. Investments in employees (education, development policies), compensation, fringe benefits, right to unionize, work/life balance solutions and talent management are included in the employee rights policy.	X				It is included in the 2023 Sustainability Report. It is also included in the 2024 Sustainability Report, which is planned to be published in 2025.	<a href="https://www.isleasing.com.tr/Sites/1/content/Sustainability/2023/is_leasing_srd_r_2023_06122024-eng.pdf">https://www.isleasing.com.tr/Sites/1/content/Sustainability/2023/is_leasing_srd_r_2023_06122024-eng.pdf</a> Page: 47-49
C1.5. The mechanism for employee complaints and resolution of disputes have been established and related solution processes have been determined.	X				It is available on the Company's website.	<a href="https://www.isleasing.com.tr/investor-relations/corporate-governance/stakeholders-policy/">https://www.isleasing.com.tr/investor-relations/corporate-governance/stakeholders-policy/</a> <a href="https://www.isleasing.com.tr/investor-relations/corporate-governance/remuneration-policy/">https://www.isleasing.com.tr/investor-relations/corporate-governance/remuneration-policy/</a>
C1.5. The activities carried out within the reporting period which related to ensure employee satisfaction have been disclosed.	X				It is available on the Company's website.	<a href="https://www.isleasing.com.tr/investor-relations/corporate-governance/compensation-policy-for-employees/">https://www.isleasing.com.tr/investor-relations/corporate-governance/compensation-policy-for-employees/</a> <a href="https://www.isleasing.com.tr/investor-relations/corporate-governance/ethical-principles/">https://www.isleasing.com.tr/investor-relations/corporate-governance/ethical-principles/</a>
C1.6. The occupational health and safety policies have been established and disclosed.	X				It is included in the 2023 Sustainability Report. It is also included in the 2024 Sustainability Report, which is planned to be published in 2025.	<a href="https://www.isleasing.com.tr/Sites/1/content/Sustainability/2023/is_leasing_srd_r_2023_06122024-eng.pdf">https://www.isleasing.com.tr/Sites/1/content/Sustainability/2023/is_leasing_srd_r_2023_06122024-eng.pdf</a> Page: 50
C1.6. The measures taken for protecting health, preventing occupational accidents and related statistics have been disclosed.	X				It is included in the 2023 Sustainability Report. It is also included in the 2024 Sustainability Report, which is planned to be published in 2025.	<a href="https://www.isleasing.com.tr/Sites/1/content/Sustainability/2023/is_leasing_srd_r_2023_06122024-eng.pdf">https://www.isleasing.com.tr/Sites/1/content/Sustainability/2023/is_leasing_srd_r_2023_06122024-eng.pdf</a> Page: 50
C1.7. The personal data protection and data security policies have been established and disclosed.	X				It is available on the Company's website.	<a href="https://www.isleasing.com.tr/kisisel-verilerin-korunmasi/">https://www.isleasing.com.tr/kisisel-verilerin-korunmasi/</a>
C1.8. The ethics policy have been established and disclosed.	X				It is available on the Company's website.	<a href="https://www.isleasing.com.tr/Sites/1/upload/files/IS_LEASING%E2%80%99S_ETHICAL_PRINCIPLES-976.pdf">https://www.isleasing.com.tr/Sites/1/upload/files/IS_LEASING%E2%80%99S_ETHICAL_PRINCIPLES-976.pdf</a>
C1.9. The studies related to social investment, social responsibility, financial inclusivity and access to finance have been explained.	X				It is included in the 2023 Sustainability Report. It is also included in the 2024 Sustainability Report, which is planned to be published in 2025.	<a href="https://www.isleasing.com.tr/Sites/1/content/Sustainability/2023/is_leasing_srd_r_2023_06122024-eng.pdf">https://www.isleasing.com.tr/Sites/1/content/Sustainability/2023/is_leasing_srd_r_2023_06122024-eng.pdf</a> Page: 43

# Sustainability Compliance Report

	Company Compliance Status				Explanation	Related report/link
	Yes	Partial	No	Not Applicable		
C1.10. The informative meetings and training programs related to ESG policies and practices have been organized for employees.	X				It is included in the 2023 Sustainability Report. It is also included in the 2024 Sustainability Report, which is planned to be published in 2025.	<a href="https://www.isleasing.com.tr/Sites/1/content/Sustainability/2023/is_leasing_srdr_2023_06122024-eng.pdf">https://www.isleasing.com.tr/Sites/1/content/Sustainability/2023/is_leasing_srdr_2023_06122024-eng.pdf</a> Page: 47-48
<b>C2. Stakeholders, International Standards and Initiatives</b>						
C2.1. The customer satisfaction policy regarding the management and resolution of customer complaints has been prepared and disclosed.	X				It is included in the 2023 Sustainability Report. It is also included in the 2024 Sustainability Report, which is planned to be published in 2025.	<a href="https://www.isleasing.com.tr/Sites/1/content/Sustainability/2023/is_leasing_srdr_2023_06122024-eng.pdf">https://www.isleasing.com.tr/Sites/1/content/Sustainability/2023/is_leasing_srdr_2023_06122024-eng.pdf</a> Page: 19
C2.2. The information about the communication with stakeholders (which stakeholder, subject and frequency) have been disclosed.	X				It is included in the 2023 Sustainability Report. It is also included in the 2024 Sustainability Report, which is planned to be published in 2025.	<a href="https://www.isleasing.com.tr/Sites/1/content/Sustainability/2023/is_leasing_srdr_2023_06122024-eng.pdf">https://www.isleasing.com.tr/Sites/1/content/Sustainability/2023/is_leasing_srdr_2023_06122024-eng.pdf</a> Page: 37
C2.3. The international reporting standards that adopted in reporting have been explained.	X				It is included in the 2023 Sustainability Report. It is also included in the 2024 Sustainability Report, which is planned to be published in 2025.	<a href="https://www.isleasing.com.tr/Sites/1/content/Sustainability/2023/is_leasing_srdr_2023_06122024-eng.pdf">https://www.isleasing.com.tr/Sites/1/content/Sustainability/2023/is_leasing_srdr_2023_06122024-eng.pdf</a> Page: 64-68
C2.4. The principles adopted regarding sustainability, the signatory or member international organizations, committees and principles have been disclosed.	X				It is included in the 2023 Sustainability Report. It is also included in the 2024 Sustainability Report, which is planned to be published in 2025.	<a href="https://www.isleasing.com.tr/Sites/1/content/Sustainability/2023/is_leasing_srdr_2023_06122024-eng.pdf">https://www.isleasing.com.tr/Sites/1/content/Sustainability/2023/is_leasing_srdr_2023_06122024-eng.pdf</a> Page: 21
C2.5. The improvements have been made and studies have been carried out in order to be included in the Borsa Istanbul sustainability indices and/or international index providers.		X			İş Leasing was included in the BIST Sustainability Index on 1 July 2023.	<a href="https://www.refinitiv.com/en/sustainable-finance/esg-scores">https://www.refinitiv.com/en/sustainable-finance/esg-scores</a>
<b>D. CORPORATE GOVERNANCE PRINCIPLES</b>						
D1. The opinions of stakeholders have been sought in the determination of measures and strategies related to sustainability field.	X				It is included in the 2023 Sustainability Report. It is also included in the 2024 Sustainability Report, which is planned to be published in 2025.	<a href="https://www.isleasing.com.tr/Sites/1/content/Sustainability/2023/is_leasing_srdr_2023_06122024-eng.pdf">https://www.isleasing.com.tr/Sites/1/content/Sustainability/2023/is_leasing_srdr_2023_06122024-eng.pdf</a> Page: 17-21
D2. The social responsibility projects, awareness activities and trainings have been carried out to raise awareness about sustainability and its importance.	X				It is included in the 2023 Sustainability Report. It is also included in the 2024 Sustainability Report, which is planned to be published in 2025.	<a href="https://www.isleasing.com.tr/Sites/1/content/Sustainability/2023/is_leasing_srdr_2023_06122024-eng.pdf">https://www.isleasing.com.tr/Sites/1/content/Sustainability/2023/is_leasing_srdr_2023_06122024-eng.pdf</a> Page: 43

# Declaration of Audit Committee on Internal Control Environment

## İş Finansal Kiralama A.Ş.

### Declaration of Audit Committee on Internal Control Environment

İş Leasing has regulated the fundamental duties, authorities and responsibilities regarding its risk management and internal control activities via the "Internal Control and 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, internal control, risk management and compliance 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, 05.02.2025

M. Coşkun CANGÖZ  
Chairman of Audit Committee and Board  
Member

Sedat Şardağ  
Audit Committee and Board Member

İsmet Gergerli  
Audit Committee and Board Member

# Ordinary General Assembly Meeting Agenda

## CONCERNING THE ORDINARY GENERAL ASSEMBLY MEETING OF İŞ FİNANSAL KİRALAMA ANONİM ŞİRKETİ TO BE HELD ON 25 MARCH 2025 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 2024 activities and operations;
3. Reading, discussing and approval of Financial Statements of 2024;
4. Release of the Directors;
5. Discussing and deciding the Profit Distribution Proposal of the Board of Directors, determining the Profit Distribution Date;
6. 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;
7. Determination of remunerations payable to the Directors;
8. 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;
9. Giving information about the transactions mentioned in article 1.3.6 of the Corporate Governance Principles;
10. Election of Independent Audit Firm.
11. Informing the General Assembly about the donations made in 2024;
12. Determination of the upper limit for donations to be made within the year 2025 pursuant to 5<sup>th</sup> 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** : 25 March 2025, 10:00 hours

# Profit Distribution Proposal

İŞ FİNANSAL KİRALAMA A.Ş. 2024 Profit Distribution Table (TL Thousand)		
1. Paid in/Issued Share Capital		695,302,645
2. General Legal Reserves (According to Statutory Records)		131,293,614
Information on profit distribution privileges according to Articles of Association		
	As per CMB <sup>(*)</sup>	As per Statutory Books
3. Profit for the Period	2,874,381,630	1,681,725,189
4. Taxes (-) (**)	949,188,811	539,197,431
5. Net Profit for the Period (=)	1,925,192,819	1,142,527,758
6. Previous Years' Losses (-)	-	-
7. General Legal Reserve (-)	7,766,915	7,766,915
8. NET DISTRIBUTABLE PROFIT (=)	1,917,425,904	1,134,760,843
9. Donation Made During the Year (+)	423,891	
10. Net Distributable Profit determined with the addition of donations made during the year	1,917,849,795	
11. First Dividend to Shareholders	-	
- 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. Statutory Reserves	-	
18. Other Reserves	-	
19. EXTRAORDINARY RESERVES	1,917,425,904	1,134,760,843
20. Other Sources Planned to be Distributed <sup>(*)</sup>		

<sup>(\*)</sup> 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 expense amounting TL 144,570,985 thousand, which is included to the net profit for the period is booked within the extraordinary reserves amounting TL 1,917,425,904 thousand.

<sup>(\*\*)</sup> Pursuant to Article 519 of the Turkish Commercial Code, although 5% of the net profit for the period is required to be set aside as general legal reserves, for this period, in line with the same article, legal reserves have been allocated with due consideration to the fact that the total general legal reserves of our Company must not exceed 20% of the paid-in capital, and the remaining balance has been transferred to extraordinary reserves.

İş Finansal Kiralama Anonim Şirketi and Its Subsidiary

# Consolidated Financial Statements as at and for the Year Ended 31 December 2024

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



# Independent Auditor's Report

To the General Assembly of İş Finansal Kiralama A.Ş.

## A. Audit of the Financial Statements

### 1. Opinion

We have audited the accompanying consolidated financial statements of İş Finansal Kiralama A.Ş. and its subsidiary (together referred to as the "Group"), which comprise the statement of consolidated financial position as at 31 December 2024, the consolidated statement of profit and loss, consolidated statement of profit or loss and consolidated other comprehensive income, consolidated statement of changes in shareholders' equity, consolidated statement of cash flows for the year then ended and the consolidated notes to the financial statements and a summary of consolidated significant accounting policies and consolidated financial statement notes.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as of 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the "Regulation on Accounting Practices and Financial Statements of Financial Leasing, Factoring, Financing, and Savings Finance Companies" published in the Official Gazette dated 24 December 2013 and numbered 28861, as well as the regulations, communiqués, circulars, and announcements issued by the Banking Regulation and Supervision Agency ("BRSA"); and to the extent not regulated by them, the "BRSA Accounting and Financial Reporting Regulations", which incorporate the provisions of the Turkish Financial Reporting Standards.

### 2. Basis for Opinion

Our audit was conducted in accordance with the Standards on Independent Auditing (the "SIA") that are part of Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority (the "POA"). Our responsibilities under these standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We hereby declare that we are independent of the Group in accordance with the Ethical Rules for Independent Auditors (Including Independence Standards) (the "Ethical Rules") and the ethical requirements regarding independent audit in regulations issued by POA that are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.

### 3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. Key audit matters were addressed in the context of our independent audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

# Independent Auditor's Report

Key Audit Matters	How the key audit matter was addressed in the audit
<p><b>Expected credit losses for financial lease receivables and factoring receivables</b></p> <p>The Group's financial statements as of 31 December 2024, include a significant portion of assets consisting of financial lease and factoring receivables, amounting to a total of 62,862,982 thousand TL. Additionally, a total impairment provision of 1,404,785 thousand TL has been established for these receivables. Further details and notes regarding the impairment provision for financial lease and factoring receivables are disclosed in the attached financial statements in notes 3-g, 8, and 9 as of 31 December 2024.</p> <p>According to the "Regulation on Accounting Practices and Financial Statements of Financial Leasing, Factoring, Financing, and Savings Finance Companies" published in the Official Gazette dated 24 December 2013, and numbered 28861, the Group recognizes provision for impairment of financial lease receivables in accordance with the "TFRS 9 Financial Instruments Standard" ("TFRS 9"). TFRS 9 is a complex accounting standard that requires a significant degree of judgment and interpretation in practice. These judgments and interpretations are key in developing financial models used to measure expected credit losses on financial lease receivables measured at amortized cost. Additionally, the operation of the models requires large data inputs that are generated through more than one system and the accuracy and completeness of the data are key in the determination of expected credit losses on loans.</p> <p>Provisions for expected losses on financial lease receivables are allocated collectively for similar financial lease receivables as of the balance sheet date, incorporating management's best estimates and past loss experience. For significant financial lease receivables, the provisions are evaluated on an individual basis.</p> <p>The reason for our focus on this area during our audit is the complexity involved in determining provisions for expected credit losses, including past loss experience, current conditions, and the creation and weighting of forward-looking macroeconomic scenarios; the size of the existing financial lease receivables; and the importance of correctly classifying these receivables based on their characteristics (stages) under current regulations and determining the provision for these receivables. The accurate and timely identification of default in financial lease receivables and other judgments and estimates made by management significantly impact the amount of provision for impairment recognized in the balance sheet, and therefore, this area has been considered a key audit matter.</p>	<p>Within the scope of our audit procedures, we evaluated the Group's policies, procedures, and management principles regarding the classification of financial lease receivables by their characteristics and the determination of impairment calculations in accordance with relevant legislation.</p> <p>We evaluated and tested, together with our financial risk experts, the methods used in the Group's models for determining provisions for significant financial lease receivables to ensure compliance with the policies, procedures, and principles established by the Group and in accordance with TFRS 9 principles. We also assessed the calculations contained in these models with our financial risk experts. The approaches used in the models, including segmentation, lifetime expected default probabilities, default loss rates, and the reflection of macroeconomic expectations, were independently reviewed by our relevant experts.</p> <p>We conducted loan review procedures for a sample of selected credits to determine whether the classification of financial lease receivables according to current regulations is reasonable, to ascertain whether they are impaired, and to verify whether impairment provisions for these receivables have been established in a timely manner and in accordance with legislative provisions.</p> <p>Furthermore, we verified the consistency and reasonableness of provisions established for individually assessed financial lease receivables impaired according to the Group's practice using supportable data. We also assessed whether the key assumptions and other judgments underlying impairment calculations, which are based on discussions with the Group's management, are reasonable.</p> <p>We checked the consistency and adequacy of the notes to the financial statements relating to financial lease receivables and their impairment in the Group's financial statements.</p>

#### 4. Other Matter

The consolidated financial statements of the Group for the fiscal year ended 31 December 2023, have been fully audited by another independent audit firm. The independent audit firm issued an unqualified opinion in its full audit report dated 31 January 2024.

#### 5. Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Group management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the BRSA Accounting and Financial Reporting Legislation, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process

#### 6. Auditor's Responsibilities for the Audit of the Financial Statements

Responsibilities of independent auditors in an independent audit are as follows:

Our aim is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance expressed as a result of an independent audit conducted in accordance with SIA is a high level of assurance but does not guarantee that a material misstatement will always be detected. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an independent audit conducted in accordance with SIA, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Assess the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

# Independent Auditor's Report

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

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

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

## B. Other Responsibilities Arising From Regulatory Requirements

1. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code ("TCC") No. 6102 and that causes us to believe that the Group's bookkeeping activities concerning the period from 1 January to 31 December 2024 period are not in compliance with the TCC and provisions of the Group's articles of association related to financial reporting.
2. In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.

## Additional Paragraph for Convenience Translation

BRSA Accounting and Financial Reporting Legislation explained in detail in Section Two differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board including the application of IAS 29 - Financial Reporting in Hyperinflationary Economies as of 31 December 2024. Accordingly, the accompanying financial statements are not intended to present fairly the financial position, results of operations, changes in equity and cash flows of the Group in accordance with IFRS.

PwC Bağımsız Denetim ve  
Serbest Muhasebeci Mali Müşavirlik A.Ş.

Gökçe Yaşar Temel, SMMM  
Sorumlu Denetçi  
İstanbul, 3 February 2025

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## Consolidated Statement of Financial Position (Balance Sheet)

### As at 31 December 2024

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

ASSETS	Notes	Audited Current Period 31 December 2024			Audited Prior Period 31 December 2023		
		TL	FC	TOTAL	TL	FC	TOTAL
<b>I. CASH, CASH EQUIVALENTS and CENTRAL BANK</b>	<b>4</b>	<b>847.496</b>	<b>318.655</b>	<b>1.166.151</b>	<b>940.853</b>	<b>1.572.058</b>	<b>2.512.911</b>
<b>II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Net)</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24.328</b>	<b>-</b>	<b>24.328</b>
<b>III. DERIVATIVE FINANCIAL ASSETS</b>	<b>6</b>	<b>2.864</b>	<b>587.495</b>	<b>590.359</b>	<b>-</b>	<b>83.917</b>	<b>83.917</b>
<b>IV. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Net)</b>	<b>7</b>	<b>3.468.578</b>	<b>-</b>	<b>3.468.578</b>	<b>2.228.384</b>	<b>-</b>	<b>2.228.384</b>
<b>V. FINANCIAL ASSETS MEASURED AT AMORTISED COST (Net)</b>		<b>31.984.665</b>	<b>29.473.532</b>	<b>61.458.197</b>	<b>25.132.703</b>	<b>20.180.155</b>	<b>45.312.858</b>
<b>5.1 Factoring Receivables</b>	<b>8</b>	<b>25.976.932</b>	<b>9.147.468</b>	<b>35.124.400</b>	<b>18.941.882</b>	<b>3.213.355</b>	<b>22.155.237</b>
5.1.1 Discounted Factoring Receivables (Net)		12.651.698	303.308	12.955.006	7.815.427	194.938	8.010.365
5.1.2 Other Factoring Receivables		13.325.234	8.844.160	22.169.394	11.126.455	3.018.417	14.144.872
<b>5.2 Savings Financing Receivables</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
5.2.1 From the Savings Fund Pool		-	-	-	-	-	-
5.2.2 From equity		-	-	-	-	-	-
<b>5.3 Financing loans</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
5.3.1 Consumer Loans		-	-	-	-	-	-
5.3.2 Credit Cards		-	-	-	-	-	-
5.3.3 Installment Commercial Loans		-	-	-	-	-	-
<b>5.4 Lease Receivables (Net)</b>	<b>9</b>	<b>6.129.108</b>	<b>20.531.359</b>	<b>26.660.467</b>	<b>6.181.132</b>	<b>17.130.631</b>	<b>23.311.763</b>
5.4.1 Finance Lease Receivables		8.988.326	22.856.852	31.845.178	8.658.729	18.947.202	27.605.931
5.4.2 Operational Lease Receivables		-	-	-	-	-	-
5.4.3 Unearned Income (-)		2.859.218	2.325.493	5.184.711	2.477.597	1.816.571	4.294.168
<b>5.5 Other Financial Assets Measured at Amortised Cost</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>5.6 Non-Performing Loans</b>	<b>8,9</b>	<b>674.518</b>	<b>403.597</b>	<b>1.078.115</b>	<b>746.915</b>	<b>462.802</b>	<b>1.209.717</b>
<b>5.7 Expected Credit Loss (-) / Specific Provisions (-)</b>		<b>795.893</b>	<b>608.892</b>	<b>1.404.785</b>	<b>737.226</b>	<b>626.633</b>	<b>1.363.859</b>
<b>VI. EQUITY INVESTMENTS</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
6.1 Investments in Associates (Net)		-	-	-	-	-	-
6.2 Subsidiaries (Net)		-	-	-	-	-	-
6.3 Joint Ventures (Net)		-	-	-	-	-	-
<b>VII. TANGIBLE ASSETS (Net)</b>	<b>11</b>	<b>42.413</b>	<b>-</b>	<b>42.413</b>	<b>34.179</b>	<b>-</b>	<b>34.179</b>
<b>VIII. INTANGIBLE ASSETS (Net)</b>	<b>12</b>	<b>53.109</b>	<b>-</b>	<b>53.109</b>	<b>28.420</b>	<b>-</b>	<b>28.420</b>
<b>IX. INVESTMENT PROPERTY (Net)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>X. CURRENT TAX ASSET</b>	<b>21</b>	<b>2.487</b>	<b>-</b>	<b>2.487</b>	<b>239</b>	<b>-</b>	<b>239</b>
<b>XI. DEFERRED TAX ASSET</b>	<b>13</b>	<b>28.492</b>	<b>-</b>	<b>28.492</b>	<b>257.835</b>	<b>-</b>	<b>257.835</b>
<b>XII. OTHER ASSETS</b>	<b>15</b>	<b>571.166</b>	<b>2.363.921</b>	<b>2.935.087</b>	<b>282.978</b>	<b>789.065</b>	<b>1.072.043</b>
<b>SUBTOTAL</b>		<b>37.001.270</b>	<b>32.743.603</b>	<b>69.744.873</b>	<b>28.929.919</b>	<b>22.625.195</b>	<b>51.555.114</b>
<b>XIII. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)</b>	<b>14</b>	<b>2.432</b>	<b>-</b>	<b>2.432</b>	<b>2.432</b>	<b>-</b>	<b>2.432</b>
13.1 Held for Sale		2.432	-	2.432	2.432	-	2.432
13.2 Discontinued Operations		-	-	-	-	-	-
<b>TOTAL ASSETS</b>		<b>37.003.702</b>	<b>32.743.603</b>	<b>69.747.305</b>	<b>28.932.351</b>	<b>22.625.195</b>	<b>51.557.546</b>

The accompanying notes are an integral part of these financial statements.



İş Finansal Kiralama Anonim Şirketi And Its Subsidiary

## Consolidated Statement of Financial Position (Balance Sheet)

### As at 31 December 2024

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

LIABILITIES	Notes	Audited Current Period 31 December 2024			Audited Prior Period 31 December 2023		
		TL	FC	TOTAL	TL	FC	TOTAL
<b>I. FUNDS BORROWED</b>	<b>16</b>	<b>22.909.198</b>	<b>29.453.121</b>	<b>52.362.319</b>	<b>18.482.860</b>	<b>20.978.447</b>	<b>39.461.307</b>
<b>II. FACTORING PAYABLES</b>		-	-	-	-	-	-
<b>III. LIABILITIES FROM THE SAVING FUND POOL</b>		-	-	-	-	-	-
<b>IV. LEASE PAYABLES</b>	<b>18</b>	<b>27.396</b>	-	<b>27.396</b>	<b>6.455</b>	-	<b>6.455</b>
<b>V. SECURITIES ISSUED (Net)</b>	<b>19</b>	<b>4.816.406</b>	-	<b>4.816.406</b>	<b>3.745.276</b>	-	<b>3.745.276</b>
<b>VI. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		-	-	-	-	-	-
<b>VII. DERIVATIVE FINANCIAL LIABILITY</b>	<b>6</b>	<b>217.019</b>	<b>37.174</b>	<b>254.193</b>	-	<b>5.837</b>	<b>5.837</b>
<b>VIII. PROVISIONS</b>	<b>20</b>	<b>107.162</b>	<b>30.495</b>	<b>137.657</b>	<b>72.394</b>	<b>27.191</b>	<b>99.585</b>
Restructuring Provisions		-	-	-	-	-	-
8.2 Reserves For Employee Benefits		102.390	-	102.390	65.998	-	65.998
8.3 General Provisions		-	-	-	-	-	-
8.4 Other Provisions		4.772	30.495	35.267	6.396	27.191	33.587
<b>IX. CURRENT PERIOD TAX LIABILITY</b>	<b>21</b>	<b>302.537</b>	-	<b>302.537</b>	<b>297.849</b>	-	<b>297.849</b>
<b>X. DEFERRED TAX LIABILITY</b>		<b>212.492</b>	-	<b>212.492</b>	-	-	-
<b>XI. SUBORDINATED LOANS</b>		-	-	-	-	-	-
<b>XII. OTHER LIABILITY</b>	<b>17</b>	<b>485.100</b>	<b>1.307.023</b>	<b>1.792.123</b>	<b>418.235</b>	<b>753.102</b>	<b>1.171.337</b>
<b>SUBTOTAL</b>		<b>29.077.310</b>	<b>30.827.813</b>	<b>59.905.123</b>	<b>23.023.069</b>	<b>21.764.577</b>	<b>44.787.646</b>
<b>XIII. PAYABLES RELATED TO ASSETS FOR SALE AND DISCONTINUED OPERATIONS (Net)</b>		-	-	-	-	-	-
13.1 Held For Sale		-	-	-	-	-	-
13.2 Discontinued Operations		-	-	-	-	-	-

The accompanying notes are an integral part of these financial statements.

## Consolidated Statement of Financial Position (Balance Sheet)

### As at 31 December 2024

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

			Audited Current Period 31 December 2024			Audited Prior Period 31 December 2023		
LIABILITIES		Notes	TL	FC	TOTAL	TL	FC	TOTAL
XIV.	SHAREHOLDER'S EQUITY		9.842.182	-	9.842.182	6.769.900	-	6.769.900
14.1	Paid-in Capital	23	695.303	-	695.303	695.303	-	695.303
14.2	Capital Reserves	23	1.763	-	1.763	1.763	-	1.763
14.2.1	Share Premiums		-	-	-	-	-	-
14.2.2	Share Cancellation Profits		-	-	-	-	-	-
14.2.3	Other Capital Reserves		1.763	-	1.763	1.763	-	1.763
14.3	Accumulated Other Comprehensive Income or Loss Not Reclassified Through Profit or Loss	23	2.672.131	-	2.672.131	1.843.962	-	1.843.962
14.4	Accumulated Other Comprehensive Income or Loss Reclassified Through Profit or Loss		-	-	-	-	-	-
14.5	Profit Reserves	24	3.550.541	-	3.550.541	1.783.089	-	1.783.089
14.5.1	Legal Reserves		154.907	-	154.907	111.904	-	111.904
14.5.2	Statutory Reserves		-	-	-	-	-	-
14.5.3	Extraordinary Reserves		3.395.634	-	3.395.634	1.671.185	-	1.671.185
14.5.4	Other Profit Reserves		-	-	-	-	-	-
14.6	Profit or Loss		1.930.669	-	1.930.669	1.772.928	-	1.772.928
14.6.1	Prior Periods Profit/Loss	25	5.476	-	5.476	5.868	-	5.868
14.6.2	Current Period Profit/Loss		1.925.193	-	1.925.193	1.767.060	-	1.767.060
	Non-Controlling Interests	22	991.775	-	991.775	672.855	-	672.855
TOTAL LIABILITIES			38.919.492	30.827.813	69.747.305	29.792.969	21.764.577	51.557.546

The accompanying notes are an integral part of these financial statements.

# İş Finansal Kiralama Anonim Şirketi And Its Subsidiary

## Consolidated of Off Balance Sheet Items

### As at 31 December 2024

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

OFF-BALANCE SHEET ITEMS	Notes	Audited Current Period 31 December 2024			Audited Prior Period 31 December 2023		
		TL	FC	TOTAL	TL	FC	TOTAL
<b>I. IRREVOCABLE FACTORING TRANSACTIONS</b>		<b>216.341</b>	<b>2.069.809</b>	<b>2.286.150</b>	<b>363.240</b>	<b>1.804.641</b>	<b>2.167.881</b>
<b>II. REVOCABLE FACTORING TRANSACTIONS</b>		<b>3.173.559</b>	<b>627.910</b>	<b>3.801.469</b>	<b>1.235.817</b>	<b>323.520</b>	<b>1.559.337</b>
<b>III. SAVING FINANCE AGREEMENTS TRANSACTIONS</b>		-	-	-	-	-	-
<b>IV. COLLATERALS RECEIVED</b>	<b>38</b>	<b>181.071.767</b>	<b>391.746.558</b>	<b>572.818.325</b>	<b>123.287.938</b>	<b>326.072.036</b>	<b>449.359.974</b>
<b>V. COLLATERALS GIVEN</b>	<b>26</b>	<b>13.093.352</b>	<b>13.033</b>	<b>13.106.385</b>	<b>8.700.586</b>	<b>11</b>	<b>8.700.597</b>
<b>VI. COMMITMENTS</b>		<b>709.433</b>	<b>4.068.035</b>	<b>4.777.468</b>	<b>549.975</b>	<b>977.643</b>	<b>1.527.618</b>
<b>6.1</b> Irrevocable Commitments		-	237.864	237.864	-	181.806	181.806
<b>6.2</b> Revocable Commitments		709.433	3.830.171	4.539.604	549.975	795.837	1.345.812
<b>6.2.1</b> Lease Commitments		709.433	3.830.171	4.539.604	549.975	795.837	1.345.812
<b>6.2.1.1</b> Finance Lease Commitments		709.433	3.830.171	4.539.604	549.975	795.837	1.345.812
<b>6.2.1.2</b> Operational Lease Commitments		-	-	-	-	-	-
<b>6.2.2</b> Other Revocable Commitments		-	-	-	-	-	-
<b>VII. DERIVATIVE FINANCIAL INSTRUMENTS</b>	<b>26</b>	<b>4.610.780</b>	<b>23.580.205</b>	<b>28.190.985</b>	-	<b>12.829.346</b>	<b>12.829.346</b>
<b>7.1</b> Derivative Financial Instruments for Risk Management		-	-	-	-	-	-
<b>7.1.1</b> Fair Value Hedges		-	-	-	-	-	-
<b>7.1.2</b> Cash Flow Hedges		-	-	-	-	-	-
<b>7.1.3</b> Net Foreign Investment Hedges		-	-	-	-	-	-
<b>7.2</b> Derivative Financial Instruments Held For Trading		4.610.780	23.580.205	28.190.985	-	12.829.346	12.829.346
<b>7.2.1</b> Forward Foreign Currency Purchases/Sales		1.701.031	2.089.259	3.790.290	-	407.597	407.597
<b>7.2.2</b> Swap Purchases/Sales		2.909.749	21.490.946	24.400.695	-	12.421.749	12.421.749
<b>7.2.3</b> Put/call options		-	-	-	-	-	-
<b>7.2.4</b> Futures purchases/sales		-	-	-	-	-	-
<b>7.2.5</b> Others		-	-	-	-	-	-
<b>VIII. ITEMS HELD IN CUSTODY</b>		<b>7.022.372</b>	<b>648.120</b>	<b>7.670.492</b>	<b>3.675.476</b>	<b>514.948</b>	<b>4.190.424</b>
<b>TOTAL OFF BALANCE SHEET ITEMS</b>		<b>209.897.604</b>	<b>422.753.670</b>	<b>632.651.274</b>	<b>137.813.032</b>	<b>342.522.145</b>	<b>480.335.177</b>

The accompanying notes are an integral part of these financial statements.

İş Finansal Kiralama Anonim Şirketi And Its Subsidiary

## Consolidated Statement of Profit or Loss

### For the Year Ended 31 December 2024

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

		Audited	Audited
		Current Period	Prior Period
		01.01-31.12.2024	01.01-31.12.2023
PROFIT OR LOSS STATEMENT	Notes		
I. OPERATING INCOME	29	11.702.678	8.181.327
FACTORING INCOME		7.321.243	5.180.595
1.1 Factoring Interest Income		7.026.458	4.277.748
1.1.1 Discounted		3.868.339	2.028.718
1.1.2 Other		3.158.119	2.249.030
1.2 Factoring Commission Income		294.785	902.847
1.2.1 Discounted		142.429	486.972
1.2.2 Other		152.356	415.875
INCOME FROM FINANCING LOANS		-	-
1.3 Interest income from Financing Loans		-	-
1.4 Fees and Commission Income from Financing Loans		-	-
LEASE INCOME		4.381.435	3.000.732
1.5 Finance Lease Income		4.378.043	2.996.662
1.6 Operational Lease Income		3.392	4.070
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	(8.883.947)	(5.712.957)
2.1 Interest Expense on Funds Borrowed		(7.545.841)	(4.499.880)
2.2 Interest Expense on Factoring Payables		-	-
2.3 Interest Expense of Finance Leasing Expenses		(13.544)	(1.914)
2.4 Interest Expense on Securities Issued		(1.097.065)	(615.602)
2.5 Other Interest Expenses		-	-
2.6 Fees and Commissions Paid		(227.497)	(595.561)
GROSS PROFIT / LOSS (I+II)		2.818.731	2.468.370
III. OPERATING EXPENSES (-)	30	(788.511)	(416.767)
4.1 Personal Expenses		(577.565)	(269.317)
4.2 Employee Severance Indemnity Expense		(14.386)	(15.683)
4.3 Research and Development Expenses		-	-
4.4 General Administration Expenses		(196.560)	(131.767)
4.5 Other		-	-
V. GROSS OPERATING PROFIT / LOSS (III+IV)		2.030.220	2.051.603
VI. OTHER OPERATING INCOME	31	2.099.675	1.569.842
6.1 Interest Income on Bank Deposits		274.428	18.324
6.2 Interest Income on Marketable Securities Portfolio		-	-
6.3 Dividend Income		77.849	36.730
6.4 Gains on Securities Trading		111.576	1.823
6.5 Income From Derivative Financial Instruments		870.378	241.637
6.6 Foreign Exchange Gains		-	781.063
6.7 Other		765.444	490.265
VII. PROVISION EXPENSES (-)	33	(506.283)	(446.263)
7.1 Specific Provisions		-	-
7.2 Expected Credit Losses		(506.283)	(446.263)
7.3 General Provisions		-	-
7.4 Other		-	-
VIII. OTHER OPERATING EXPENSES (-)	34	(531.445)	(318.215)
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		(377.683)	(264.170)
8.5 Foreign Exchange Losses		(119.701)	-
8.6 Other		(34.061)	(54.045)
IX. NET OPERATING PROFIT (V+...+VIII)		3.092.167	2.856.967
X. 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)		3.092.167	2.856.967
XIV. TAX PROVISION FOR CONTINUING OPERATIONS (±)	35	(949.189)	(837.515)
14.1 Current Tax Provision		(804.618)	(1.062.283)
14.2 Deferred Tax Income Effect (+)		(144.571)	-
14.3 Deferred Tax Expense Effect (-)		-	224.768
XV. NET PERIOD PROFIT/LOSS FROM CONTINUING OPERATIONS (XIII±XIV)		2.142.978	2.019.452
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	22	(217.785)	(252.392)
XXI. NET PROFIT FOR THE PERIOD (XV+XX)		1.925.193	1.767.060
EARNINGS PER SHARE <sup>(*)</sup>	36	0,0277	0,0254
Earnings Per Share from Continued Operations		0,0277	0,0254
Earnings Per Share from Discontinued Operations		-	-
DILUTED EARNINGS PER SHARE	36	0,0277	0,0254
Earnings Per Share from Continued Operations		0,0277	0,0254
Earnings Per Share from Discontinued Operations		-	-

The accompanying notes are an integral part of these financial statements.

İş Finansal Kiralama Anonim Şirketi And Its Subsidiary

## Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Year Ended 31 December 2024

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

PROFIT/LOSS AND OTHER COMPREHENSIVE INCOME STATEMENT		Audited Current Period	Audited Prior Period
		01.01-31.12.2024	01.01- 31.12.2023
<b>I.</b>	<b>CURRENT PERIOD PROFIT/LOSS</b>	<b>2.142.978</b>	<b>2.019.452</b>
<b>II.</b>	<b>OTHER COMPREHENSIVE INCOME</b>	<b>929.304</b>	<b>1.006.403</b>
<b>2.1</b>	<b>Items that will not be Reclassified to Profit or Loss</b>	<b>929.304</b>	<b>1.006.403</b>
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	(7.912)	(1.461)
2.1.4	Other Comprehensive Income that will not be Reclassified to Profit or Loss	1.234.480	1.140.177
2.1.5	Taxes related with Comprehensive Income that will not be Reclassified to Profit or Loss	(297.264)	(132.313)
<b>2.2</b>	<b>Items that may be Reclassified subsequently to Profit or Loss</b>	<b>-</b>	<b>-</b>
2.2.1	Foreign Exchange Differences for Foreign Currency Transactions	-	-
2.2.2	Value Increases or Decreases on Assets Held for Sales	-	-
2.2.3	Cash Flow Hedge Income/Losses	-	-
2.2.4	Net Investment Hedge Income/Losses	-	-
2.2.5	Other Comprehensive Income that may be Reclassified subsequently to Profit or Loss	-	-
2.2.6	Taxes related with Comprehensive Income that may be Reclassified subsequently to Profit or Loss	-	-
<b>III.</b>	<b>TOTAL OTHER COMPREHENSIVE INCOME</b>	<b>3.072.282</b>	<b>3.025.855</b>

The accompanying notes are an integral part of these financial statements.

## Consolidated Statement of Changes in Shareholders' Equity

### For the Year Ended 31 December 2024

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

						Other Accumulated Comprehensive Income that will be not reclassified to Profit/Loss		
						1	2	3
CHANGES IN EQUITY								
Prior Period (01.01.2023 - 31.12.2023)								
Audited								
I.	Balance at the Beginning of the Period	695.303	-	-	1.763	-	(2.107)	948.916
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	-	1.763	-	(2.107)	948.916
IV.	Total Comprehensive Income	-	-	-	-	-	(911)	898.064
V.	Cash Capital Increase	-	-	-	-	-	-	-
VI.	Capital Increase from internal reserves	-	-	-	-	-	-	-
VII.	Convertible Bonds	-	-	-	-	-	-	-
VIII.	Subordinated Loans	-	-	-	-	-	-	-
IX.	Increases / Decreases due to other changes	-	-	-	-	-	-	-
X.	Profit Distribution	-	-	-	-	-	-	-
XI.	New Balance (I+II)	-	-	-	-	-	-	-
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	-	(3.018)	1.846.980
Current Period (01.01.2024 - 31.12.2024)								
Audited								
I.	Balance at the Beginning of the Period	695.303	-	-	1.763	-	(3.018)	1.846.980
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	-	1.763	-	(3.018)	1.846.980
IV.	Total Comprehensive Income	-	-	-	-	-	(4.814)	832.983
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	-	(7.832)	2.679.963

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)

The accompanying notes are an integral part of these financial statements.



**Other Accumulated  
Comprehensive Income that may be  
reclassified subsequently to Profit/Loss**

4	5	6	Profit Reserves	Prior Period Profit/(Loss)	Net Current Period Profit/Loss	Non-Controlling Interest	Total Equity
-	-	-	954.367	7.824	826.766	311.213	3.744.045
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	954.367	7.824	826.766	311.213	3.744.045
-	-	-	-	-	1.767.060	361.642	3.025.855
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	828.722	(1.956)	(826.766)	-	-
-	-	-	-	-	-	-	-
-	-	-	828.722	(1.956)	(826.766)	-	-
-	-	-	-	-	-	-	-
-	-	-	1.783.089	5.868	1.767.060	672.855	6.769.900
-	-	-	1.783.089	5.868	1.767.060	672.855	6.769.900
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	1.783.089	5.868	1.767.060	672.855	6.769.900
-	-	-	-	-	1.925.193	318.920	3.072.282
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	1.767.452	(392)	(1.767.060)	-	-
-	-	-	-	-	-	-	-
-	-	-	1.767.452	(392)	(1.767.060)	-	-
-	-	-	-	-	-	-	-
-	-	-	3.550.541	5.476	1.925.193	991.775	9.842.182

İş Finansal Kiralama Anonim Şirketi And Its Subsidiary

## Notes to the Consolidated Statement of Cash Flow

### For the Year Ended 31 December 2024

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

	Notes	Audited Current Period	Audited Prior Period
		01.01 - 31.12.2024	01.01 - 31.12.2023
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>1.1 Operating Profit Before Changes in Operating Assets And Liabilities</b>		<b>3.621.316</b>	<b>2.637.664</b>
1.1.1 Interests Received/Lease Income		11.887.932	7.003.977
1.1.2 Interest Paid / Lease Expenses		(8.932.659)	(3.923.082)
1.1.3 Dividends Received		77.849	36.730
1.1.4 Fees and Commissions Received		294.785	902.847
1.1.5 Other Income		285.917	221.744
1.1.6 Collections from Non-performing Receivables	31	479.527	268.521
1.1.7 Payments to Personnel and Service Suppliers		(520.480)	(240.610)
1.1.8 Taxes Paid	21	(812.164)	(902.244)
1.1.9 Others		860.609	(730.219)
<b>1.2 Changes in Operating Assets and Liabilities</b>		<b>(5.772.274)</b>	<b>(608.379)</b>
1.2.1 Net (Increase) Decrease in Factoring Receivables		(12.807.084)	(5.586.659)
1.2.2 Net (Increase) Decrease in Financing Loans		-	-
1.2.3 Net (Increase) Decrease in Lease Receivables		(1.138.001)	1.163.310
1.2.4 Net (Increase) Decrease in Savings Financing Receivables		-	-
1.2.5 Net (Increase) Decrease in Other Assets		(3.152.022)	(269.146)
1.2.6 Net Increase (Decrease) in Factoring Payables		-	-
1.2.7 Net (Increase) Decrease in Savings Financing Payables		-	-
1.2.8 Net Increase (Decrease) in Lease Payables		20.941	1.886
1.2.9 Net Increase (Decrease) in Funds Borrowed		9.272.980	3.009.774
1.2.10 Net Increase (Decrease) in Due Payables		-	-
1.2.11 Net Increase (Decrease) in Other Liabilities		2.030.912	1.072.456
<b>I. Net Cash Provided from / (Used in) Operating Activities</b>		<b>(2.150.958)</b>	<b>2.029.285</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
2.1 Cash Paid for Purchase Of Associates, Subsidiaries and Joint-ventures		(5.714)	-
2.2 Cash Obtained From Sale of Associates, Subsidiaries and Joint-Ventures		-	-
2.3 Purchases of Tangible and Intangible Assets	11,12	(169.137)	(115.319)
2.4 Proceeds From Sale of Tangible and Intangible Assets	11,12	102.035	88.593
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		(212.493)	-
<b>II. Net Cash Provided from / (Used in) Operating Activities</b>		<b>(285.309)</b>	<b>(26.726)</b>
<b>Net cash used in investing activities</b>			
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
3.1 Cash obtained from funds borrowed and securities issued		6.809.524	6.645.041
3.2 Cash used for repayment of funds borrowed and securities issued		(5.717.914)	(6.503.753)
3.3 Equity instruments issued		-	-
3.4 Dividends paid		-	-
3.5 Payments for finance leases		-	-
3.6 Other		-	-
<b>III. Net Cash Used in Financing Activities</b>		<b>1.091.610</b>	<b>141.288</b>
<b>IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents</b>		<b>67</b>	<b>4.163</b>
<b>V. Net Increase / (Decrease) in Cash and Cash Equivalents</b>		<b>(1.344.590)</b>	<b>2.148.010</b>
<b>VI. Cash and Cash Equivalents at the Beginning of the Period</b>			
<b>Net cash used in investing activities</b>	4	<b>2.510.720</b>	<b>362.710</b>
<b>VII. Operating Profit Before Changes in Operating Assets And Liabilities</b>	4	<b>1.166.130</b>	<b>2.510.720</b>

The accompanying notes are an integral part of these financial statements.

# İş Finansal Kiralama Anonim Şirketi And Its Subsidiary

## Consolidated Statement of Profit Distribution Table

### For the Year Ended 31 December 2024

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

	Current Period 31 December 2024	Prior Period 31 December 2023
<b>I. DISTRIBUTION OF CURRENT YEAR INCOME <sup>(*)</sup></b>		
1.1 Current Year Income	2.874.382	2.604.575
1.2 Taxes And Duties Payable(-)	(949.189)	(837.515)
1.2.1 Corporate Tax (Income tax)	(804.618)	(1.062.283)
1.2.2 Income Withholding Tax		
1.2.3 Other Taxes And Duties <sup>(**)</sup>	(144.571)	224.768
<b>A. NET INCOME FOR THE YEAR (1.1-1.2)</b>	<b>1.925.193</b>	<b>1.767.060</b>
1.3 Prior Year Losses(-)	-	-
1.4 First Legal Reserves (-)	-	(43.002)
1.5 Other Statutory Reserves(-)	-	-
<b>B. NET INCOME AVAILABLE FOR DISTRIBUTION [(a-(1.3+1.4+1.5))]</b>	<b>1.925.193</b>	<b>1.724.058</b>
1.6 First Dividend To Shareholders (-)	-	-
1.6.1 To Owners Of Ordinary Shares	-	-
1.6.2 To Owners Of Preferred Shares	-	-
1.6.3 To Owners Of Preferred Shares (pre-emptive rights)	-	-
1.6.4 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 (-)	-	-
1.9.1 To Owners Of Ordinary Shares	-	-
1.9.2 To Owners Of Preferred Shares	-	-
1.9.3 To Owners Of Preferred Shares (pre-emptive rights)	-	-
1.9.4 To Profit Sharing Bonds	-	-
1.9.5 To Holders Of Profit And Loss Sharing Certificates	-	-
1.10 Second Legal Reserves (-)	-	-
1.11 Statutory Reserves (-)	-	-
1.12 Extraordinary Reserves	-	(1.724.058)
1.13 Other Reserves	-	-
1.14 Special Funds	-	-
<b>II. DISTRIBUTION OF RESERVES</b>	-	-
2.1 DISTRIBUTED RESERVES	-	-
2.2 Second Legal Reserves(-)	-	-
2.3 Dividends To Shareholders (-)	-	-
2.3.1 To Owners Of Ordinary Shares	-	-
2.3.2 To Owners Of Preferred Shares	-	-
2.3.3 To Owners Of Preferred Shares (pre-emptive rights)	-	-
2.3.4 To Profit Sharing Bonds	-	-
2.3.5 To Holders Of Profit And Loss Sharing Certificates	-	-
2.4 Dividends To Personnel (-)	-	-
2.5 Dividends To Board Of Directors (-)	-	-
<b>III. EARNINGS PER SHARE</b>	<b>2,77</b>	<b>2,54</b>
3.1 To Owners Of Ordinary Shares	2,77	2,54
3.2 To Owners Of Ordinary Shares ( % )	2,77	2,54
3.3 To Owners Of Preferred Shares	-	-
3.4 To Owners Of Preferred Shares ( % )	-	-
<b>IV. DIVIDEND PER SHARE</b>	-	-
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 ( % )	-	-

<sup>(\*)</sup> 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 2024 profit distribution table of 2024.

<sup>(\*\*)</sup> The relevant amounts are deferred tax expense/income items.

The accompanying notes are an integral part of these financial statements.

# İş Finansal Kiralama Anonim Şirketi And Its Subsidiary

## Notes to the Consolidated Financial Statements

### As at 31 December 2024

(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. with 30,43% and Türkiye Sınai Kalkınma Bankası A.Ş. ("TSKB") with 29,46% participation. The Company's 39,18% of shares are publicly traded and listed on the Borsa İstanbul.

As at 31 December 2024, the Company and its subsidiary ("the Group") have 260 employees (31 December 2023: 257 employees).

#### Dividend Payable

As at 31 December 2024, 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 2024 have been approved by the Board of Directors of the Group and authorized for issue as at 3 February 2025 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.

## İş Finansal Kiralama Anonim Şirketi And Its Subsidiary

# Notes to the Consolidated Financial Statements

## As at 31 December 2024

(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 2023 in accordance with TAS 29.

Although BRSA first stated that banks, financial leasing, factoring, financing, savings finance and asset management companies would switch to inflation accounting as of 1 January 2025, in accordance with the board decision dated 11 January 2024, on 5 December 2024, the Board decided that these companies would not apply inflation accounting in 2025.

In this context, "TMS 29 Financial Reporting Standard in High Inflation Economies" was not applied in the Group's financial statements dated 31 December 2024.

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 2024 and 31 December 2023 are as follows:

<b>Subsidiary</b>	<b>Establishment and operation location</b>	<b>Shareholding rate %</b>	<b>Voting right rate %</b>	<b>Core business</b>
İş Faktoring A.Ş.	İstanbul	78,23	78,23	Factoring 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.

# İş Finansal Kiralama Anonim Şirketi And Its Subsidiary

## Notes to the Consolidated Financial Statements

### As at 31 December 2024

(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 2024 and 31 December 2023, 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 31 December 2024 are applied consistently with the financial statements prepared as of 31 December 2023.

# İş Finansal Kiralama Anonim Şirketi And Its Subsidiary

## Notes to the Consolidated Financial Statements

### As at 31 December 2024

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

#### 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.

##### 2.4 Changes in Standards and Interpretations

The accounting policies adopted in preparation of the consolidated financial statements as at 31 December 2024 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRIC interpretations effective as of 1 January 2024. 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 1 January 2024 are as follows:

###### - Amendment to IFRS 16 - Leases on sale and leaseback

Effective from annual periods beginning on or after 1 January 2024. These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

###### - Amendment to IAS 1 - Non-current liabilities with covenants

Effective from annual periods beginning on or after 1 January 2024. These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.

##### Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements

Effective from annual periods beginning on or after 1 January 2024. These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis

##### IFRS S1, 'General requirements for disclosure of sustainability-related financial information;

Effective from annual periods beginning on or after 1 January 2024. This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.



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### As at 31 December 2024

(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 1 January 2024 are as follows (Continued)

###### IFRS 52, 'Climate-related disclosures'

Effective from annual periods beginning on or after 1 January 2024. This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.

"Furthermore, it has been stated in the Board Decision published in the Official Gazette on December 29, 2023, that certain businesses will be subject to mandatory sustainability reporting starting from 1 January 2024. In accordance with the "Board Decision on the Scope of Application of the Turkey Sustainability Reporting Standards (TSRS)" published on 5 January 2024, businesses falling within the scope of sustainability practices are identified. On the other hand, according to the "Board Decision on the Scope of Application of the Turkey Sustainability Reporting Standards (TSRS)" dated 16 December 2024, changes were made regarding the businesses subject to sustainability reporting."

###### ii) Standards, amendments and interpretations that have been published but have not yet entered into force as of 31 December 2024

IFRS codification has been preserved in the standards newly published by the International Accounting Standards Board but not yet brought into legislation by the POA.

###### IFRS 17, 'Insurance Agreements'

It is applicable for annual reporting periods starting on or after 1 January 2023. This standard replaces TFRS 4, which currently allows a wide range of practices. TFRS 17 will fundamentally change the accounting for all businesses that regulate insurance contracts and investment contracts with discretionary participation features.

However, in a letter sent by KGK to the Turkey Insurance, Reinsurance, and Pension Companies Association on 6 April 2023, it was stated that it was deemed appropriate for TFRS 17 to be applied to the consolidated and individual financial statements of insurance companies, reinsurance companies, pension companies, banks with stakes/investments in these companies, and other companies with stakes/investments in these companies, starting from 1 January 2024.

On the other hand, according to Article 13, Paragraph 1(a) of the "Regulation on Amendments to the Regulation on the Financial Reporting of Insurance and Reinsurance Companies and Pension Companies" issued by the Insurance and Private Pension Regulatory and Supervisory Authority (SEDDK), due to the change in the effective date of TFRS 17 from "1 January 2024" to "1 January 2025," in a letter sent by KGK to the Banks Association of Turkey on February 15, 2024, it was stated that the application date of TFRS 17 for the consolidated and individual financial statements of insurance companies, reinsurance companies, pension companies, banks with stakes/investments in these companies, and other companies with stakes/investments in these companies has been postponed to 1 January 2025.

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### As at 31 December 2024

(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) Standards, amendments and interpretations that have been published but have not yet entered into force as of 31 December 2024 (continued)

However, due to the change in the effective date of TFRS 17 from "1 January 2025" to "1 January 2026" in accordance with Article 13, Paragraph 1(a) of the "Regulation on Amendments to the Regulation on the Financial Reporting of Insurance and Reinsurance Companies and Pension Companies" issued by the Insurance and Private Pension Regulatory and Supervisory Authority (SEDĐK), in a letter sent by KGK to the Banks Association of Turkey on 14 January 2025, it was stated that the application date of TFRS 17 for the consolidated and individual financial statements of insurance companies, reinsurance companies, pension companies, banks with stakes/investments in these companies, and other companies with stakes/investments in these companies has been postponed to 1 January 2026.

##### Amendments to IAS 21 - Lack of Exchangeability

Effective from annual periods beginning on or after 1 January 2025. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

##### Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments

effective from annual reporting periods beginning on or after 1 January 2026 (early adoption is available). These amendments:

- clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
- make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI)

##### Annual improvements to IFRS - Volume 11

Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards:

- IFRS 1 First-time Adoption of International Financial Reporting Standards;
- IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
- IFRS 9 Financial Instruments;
- IFRS 10 Consolidated Financial Statements; and
- IAS 7 Statement of Cash Flows.

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### As at 31 December 2024

(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) Standards, amendments and interpretations that have been published but have not yet entered into force as of 31 December 2024 (Continued)

##### IFRS 18 Presentation and Disclosure in Financial Statements

Effective from annual periods beginning on or after 1 January 2027. This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss,
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

##### IFRS 19 Subsidiaries without Public Accountability: Disclosures

Effective from annual periods beginning on or after 1 January 2027. Earlier application is permitted. This new standard works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements and instead applies the reduced disclosure requirements in IFRS 19. IFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if:

- it does not have public accountability; and
- it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

#### 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.

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# Notes to the Consolidated Financial Statements

## As at 31 December 2024

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

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### b. Tangible Assets (Continued)

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:

<b>Definition</b>	<b>Years</b>
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 tangible assets are reviewed at each reporting period and corrected if necessary.

#### 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.

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## Notes to the Consolidated Financial Statements

### As at 31 December 2024

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

#### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 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.

##### 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.

###### 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.

## İş Finansal Kiralama Anonim Şirketi And Its Subsidiary

# Notes to the Consolidated Financial Statements

## As at 31 December 2024

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

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### g. Financial Instruments

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.

#### 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.

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### As at 31 December 2024

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

#### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### g. Financial Instruments (Continued)

##### **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.

##### 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.



## İş Finansal Kiralama Anonim Şirketi And Its Subsidiary

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## As at 31 December 2024

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### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### g. Financial Instruments (Continued)

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.

The Group has no hedge accounting transactions as of 31 December 2024 and 31 December 2023.

#### 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.

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## Notes to the Consolidated Financial Statements

### As at 31 December 2024

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#### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### i. Effects of Changes in Exchange Rates (Continued)

The foreign currency exchange rates used by the Group as at 31 December 2024 and 31 December 2023 are as follows:

	31 December 2024	31 December 2023
USD	35,2233	29,4382
EUR	36,7429	32,5739
GBP	44,2458	37,4417
CHF	38,9510	34,9666
100 JPY	22,2634	20,7467
AUD	21,9039	20,0213

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.

##### 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. Subsequent Events

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.

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# Notes to the Consolidated Financial Statements

## As at 31 December 2024

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

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 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)

#### 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.

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#### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### n. Taxes on Income (Continued)

A deferred tax asset is recognized for unused tax losses, investment incentives, tax credits and deductible 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.

Taxes arising from financial system fair value measurements are recognized as other comprehensive income and are subsequently recognized in profit or loss along with the realization of other recognized deferred gains.

In accordance with the provisions of the duplicate 298th article of the Tax Procedure Law, it has been legislated that financial statements will be subject to inflation adjustment in the event that the increase in the producer price index exceeds 100% in the last 3 accounting periods, including the current period, and exceeds 10% in the current accounting period. The transition to inflation accounting will be made on the financial statements dated 31 December 2023. According to Article 17 of Law No. 7491 on Some Amendments to Some Laws and Decrees Having the Force of Law, published in the Official Gazette No.32413 on 28 December 2023, it has become law that the profit/loss differences resulting from the inflation adjustment to be made in the 2024 and 2025 accounting periods, including provisional tax periods, by banks, companies covered by the Financial Leasing, Factoring, Financing and Savings Finance Companies Law No. 6361 dated 21 November 2012, payment and electronic money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies, and pension companies, will not be taken into account in determining the profit. The President is authorized to extend the periods determined within the scope of this paragraph by one accounting period, including provisional tax periods.

##### 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.

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# Notes to the Consolidated Financial Statements

## As at 31 December 2024

(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 (Continued)

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 2024	31 December 2023
Discount rate	3,98%	3,26%
Expected rate of salary/limit increase	21,85%	21,10%
Probability of retirement	93,11%	94,76%

The basic assumptions are that the ceiling liability in force as of January 1, 2006 will be increased for each year of service in proportion to inflation. Thus, the discount rate applied represents the real rate, adjusted for the expected effects of inflation.

#### 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)

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## Notes to the Consolidated Financial Statements

### As at 31 December 2024

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

#### 4. CASH AND CASH EQUIVALENTS

As at 31 December 2024 and 31 December 2023, the details of the banks are as follows:

	31 December 2024		31 December 2023	
	TL	FC	TL	FC
Demand Deposits	834.262	275.564	434.486	116.892
Time Deposits	13.218	43.086	504.180	1.455.162
Interest accrual	16	5	2.187	4
	<b>847.496</b>	<b>318.655</b>	<b>940.853</b>	<b>1.572.058</b>

The details of the time deposits as at 31 December 2024 are as follows:

Currency	Interest Rate %	Maturity	31 December 2024
TL	43,96%	02.01.2025	13.234
EUR	0,15%	06.01.2025	43.091
			<b>56.325</b>

The details of the time deposits as at 31 December 2023 are as follows:

Currency	Interest Rate %	Maturity	31 December 2023
TL	41,75%-43,51%	02.01.2024-05.01.2024	506.367
EUR	0,01%-0,2%	02.01.2024-15.01.2024	1.455.166
			<b>1.961.533</b>

As at 31 December 2024, TL 293.519 portion of total foreign currency deposits (31 December 2023: TL 1.558,294) and TL 14.847 portion of total TL deposits (31 December 2023: TL 39.781) 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 2024	31 December 2023
Demand deposits	1.109.826	551.378
Time deposits (1-3 months) (excluding accrual)	56.304	1.959.342
<b>Cash and cash equivalents</b>	<b>1.166.130</b>	<b>2.510.720</b>

As at 31 December 2024 and 31 December 2023, there is no blockage on cash and cash equivalents.

# İş Finansal Kiralama Anonim Şirketi And Its Subsidiary

## Notes to the Consolidated Financial Statements

### As at 31 December 2024

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

##### *Financial Assets at fair value through profit or loss*

As at 31 December 2024 and 31 December 2023, details of financial assets at fair value through profit or loss are as follows:

	31 December 2024	
	TL	FC
Debt securities issued by private sector	-	-
Specific provisions/ Expected Credit Loss	-	-
Mutual funds	-	-
	-	-
	31 December 2023	
	TL	FC
Debt securities issued by private sector	-	-
Specific provisions/ Expected Credit Loss	-	-
Mutual funds	24.328	-
	<b>24.328</b>	-

The Group has no mutual funds in Türkiye İş Bankası A.Ş. mutual funds (31 December 2023: 24.328 TL).

#### 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 December 2024		31 December 2023	
	TL	FC	TL	FC
Swap Transactions	2.864	525.470	-	80.232
Futures Transactions	-	62.025	-	3.685
	<b>2.864</b>	<b>587.495</b>	-	<b>83.917</b>

##### Derivative Financial Liabilities

	31 December 2024		31 December 2023	
	TL	FC	TL	FC
Swap Transactions	-	36.444	-	5.837
Futures Transactions	217.019	730	-	-
	<b>217.019</b>	<b>37.174</b>	-	<b>5.837</b>



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#### 7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

As at 31 December 2024 and 31 December 2023, 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 2024	31 December 2023	31 December 2024	31 December 2023
<u>Quoted Investments:</u>							
İş Yatırım Menkul Değerler A.Ş. (İş Yatırım)	Investment and Securities Services	İstanbul	4,86	4,86	4,86	3.455.406	2.220.926
<u>Unquoted investments:</u>							
Yatırım Finansman Menkul Değerler A.Ş.	Investment and Securities Services	İstanbul	0,06	0,06	0,06	29	29
Efes Varlık Yönetimi A.Ş.	Asset Management	İstanbul	5,72	5,72	5,72	13.143	7.429
<b>TOTAL</b>						<b>3.468.578</b>	<b>2.228.384</b>

#### 8. FACTORING RECEIVABLES

As at 31 December 2024 and 31 December 2023 details of factoring receivables are as follows:

	31 December 2024	31 December 2023
Factoring receivables	35.699.938	22.884.104
Factoring interest income accrual (-)	(575.538)	(728.867)
<b>Subtotal</b>	<b>35.124.400</b>	<b>22.155.237</b>
Stage 1 (Expected Credit Loss)	(99.625)	(110.523)
Stage 2 (Expected Credit Loss)	(82.514)	(56.510)
<b>Total factoring receivables</b>	<b>34.942.261</b>	<b>21.988.204</b>
Non-performing factoring receivables	386.217	336.848
Specific provisions- Stage 3	(293.854)	(232.908)
<b>Factoring receivables, net</b>	<b>35.034.624</b>	<b>22.092.144</b>

As at 31 December 2024, the rating of factoring receivables are as follows:

Ratings - December 2024	Stage 1.	Stage 2.	Stage 3.	Total
Total portfolio	34.824.258	300.142	386.217	35.510.617
Very good	23.309.089	-	-	23.309.089
Standard	11.515.169	-	-	11.515.169
Substandard	-	300.142	386.217	686.359
Expected credit losses	<b>(99.625)</b>	<b>(82.514)</b>	<b>(293.854)</b>	<b>(475.993)</b>
<b>Factoring receivables, net</b>	<b>34.724.633</b>	<b>217.628</b>	<b>92.363</b>	<b>35.034.624</b>

(\*) Companies in the corporate segment with integrated degrees of 1, 2 and 3 are included.

## İş Finansal Kiralama Anonim Şirketi And Its Subsidiary

# Notes to the Consolidated Financial Statements

## As at 31 December 2024

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

### 8. FACTORING RECEIVABLES (Continued)

As at 31 December 2023, the rating of factoring receivables are as follows:

Ratings - 31 December 2023	Stage 1.	Stage 2.	Stage 3.	Total
Total portfolio	21.899.753	255.484	336.848	22.492.085
Very good	10.333.636	-	-	10.333.636
Standard	11.566.117	-	-	11.566.117
Substandard	-	255.484	336.848	592.332
Expected credit losses	(110.523)	(56.510)	(232.908)	(399.941)
<b>Factoring receivables, net</b>	<b>21.789.230</b>	<b>198.974</b>	<b>103.940</b>	<b>22.092.144</b>

<sup>(\*)</sup> Companies in the corporate segment with integrated degrees of 1, 2 and 3 are included.

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

<b>Expected Loss Provision Movement Table:</b>	<b>1 January- 31 December 2024</b>	<b>1 January- 31 December 2023</b>
Provision at the beginning of the period	(399.941)	(377.699)
Additions	(289.663)	(177.091)
Collections	227.782	164.662
Exchange difference income/expense	(14.171)	(26.426)
Write-off <sup>(*)</sup>	-	16.613
Provision at the end of the period	<b>(475.993)</b>	<b>(399.941)</b>

<sup>(\*)</sup> As at 31 December 2023, The Group's non-performing factoring receivables amounting to TL 18.434 was written-off from the assets regarding the protocol signed and the provision amounting to TL 16.613 allocated for the mentioned receivables.

As at 31 December 2024, the average interest rates applicable for the factoring receivables are 51,32% for TL, for 8,68% USD, 7,39% for EUR and 9,20% for GBP (31 December 2023: 44,99% for TL, 11,60% for USD, 8,37% for EUR and 9,33% for GBP).

As at 31 December 2024 TL 3.589.262, EUR 77.213 thousand, USD 57.944 thousand and GBP 5.287 thousand factoring receivables have variable interest rates, (31 December 2023: TL 568.865, EUR 24.757 thousand, USD 10.286 thousand, GBP 2.922 thousand) TL 22.285.602 thousand, EUR 44.848 thousand, USD 72.123 thousand and GBP 3.000 thousand factoring receivable have stabil interest rates (31 December 2023: TL 18.263.351 thousand, EUR 15.914 thousand, USD 51.723 thousand and GBP 7 thousand).

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## Notes to the Consolidated Financial Statements

### As at 31 December 2024

(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 2024	31 December 2023
Domestic irrevocable	16.100.592	11.168.949
Foreign irrevocable	2.454.104	1.193.331
Domestic revocable	13.568.889	9.120.106
Foreign revocable	2.911.039	609.758
	<b>35.034.624</b>	<b>22.092.144</b>

The Group's aging of non-performing factoring receivables is as follows:

	31 December 2024	31 December 2023
Up to 90 days	8.689	19.298
Between 90 - 180 days	25.598	32
Between 180 - 360 days	19.779	2.973
Over 360 days	332.151	314.545
	<b>386.217</b>	<b>336.848</b>

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

As at 31 December 2024, 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
<b>Number of Amendments Related to the Extension of the Payment Plan</b>		<b>143.117</b>
Extended for 1 or 2 Times	-	1.012
Extended for 3,4 or 5 Times	-	142.105
Extended for More than 5 Times	-	-
	Standard Receivables	Receivables Under Close Monitoring
<b>The Time Extended via the Amendment on payment Plan</b>	<b>-</b>	<b>143.117</b>
0 - 6 Months	-	-
6 Months - 12 Months	-	1.012
1 - 2 Years	-	-
2 - 5 Years	-	142.105
5 Years and More	-	-

## İş Finansal Kiralama Anonim Şirketi And Its Subsidiary

# Notes to the Consolidated Financial Statements

## As at 31 December 2024

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

### 8. FACTORING RECEIVABLES (Continued)

As at 31 December 2023, 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
<b>Number of Amendments Related to the Extension of the Payment Plan</b>		
Plan	-	142.655
Extended for 1 or 2 Times	-	142.655
Extended for 3,4 or 5 Times	-	-
Extended for More than 5 Times	-	-
	Standard Receivables	Receivables Under Close Monitoring
<b>The Time Extended via the Amendment on payment Plan</b>	-	142.655
0-6 Months	-	-
6 Months - 12 Months	-	142.655
1 - 2 Years	-	-
2 -5 Years	-	-
5 Years and More	-	-

### 9. LEASE RECEIVABLES

#### A. Financial Lease Receivables

As at 31 December 2024, details of finance lease receivables are as follows:

	Short Term	Long Term	Total
Financial Lease Receivables	16.888.549	14.956.629	31.845.178
Unearned interest income (-)	(3.223.892)	(1.960.819)	(5.184.711)
<b>Subtotal</b>	<b>13.664.657</b>	<b>12.995.810</b>	<b>26.660.467</b>
Expected Credit Loss- Stage 1	(44.096)	(35.932)	(80.028)
Expected Credit Loss - Stage 2	(160.510)	(287.211)	(447.721)
<b>Total Financial Lease Receivables</b>	<b>13.460.051</b>	<b>12.672.667</b>	<b>26.132.718</b>
Non- Performing Lease Receivables	541.583	150.315	691.898
Specific provision- Stage 3	(313.917)	(87.126)	(401.043)
<b>Net finance lease receivables</b>	<b>13.687.717</b>	<b>12.735.856</b>	<b>26.423.573</b>

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### As at 31 December 2024

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

#### 9. LEASE RECEIVABLES (Continued)

##### A. Financial Lease Receivables (Continued)

As at 31 December 2023, details of finance lease receivables are as follows:

	Short Term	Long Term	Total
Financial Lease Receivables	13.618.321	13.987.610	27.605.931
Unearned interest income (-)	(2.704.912)	(1.589.256)	(4.294.168)
<b>Subtotal</b>	<b>10.913.409</b>	<b>12.398.354</b>	<b>23.311.763</b>
Expected Credit Loss- Stage 1	(10.600)	(88.721)	(99.321)
Expected Credit Loss - Stage 2	(93.997)	(259.470)	(353.467)
<b>Total Financial Lease Receivables</b>	<b>10.808.812</b>	<b>12.050.163</b>	<b>22.858.975</b>
Non- Performing Lease Receivables	731.177	141.692	872.869
Specific provision- Stage 3	(428.159)	(82.971)	(511.130)
<b>Net finance lease receivables</b>	<b>11.111.830</b>	<b>12.108.884</b>	<b>23.220.714</b>

	Carried value			Expected credit loss		
	Stage 1	Stage 2	Stage 3	Stage 2	Stage 2	Stage 3
Financial Lease Receivables	2.512.911	-	-	(235)	-	-
Financial Assets	21.879.732	1.432.031	872.869	(99.321)	(353.467)	(511.130)

As at 31 December 2024, the rating of finance lease receivables are as follows:

Ratings	Stage 1	Stage 2	Stage 3	Total
<b>Internal ratings</b>				
A+ (Excellent)	26.225	-	-	26.225
A (Very good)	442.179	2.271	247.348	691.798
A- (Good)	630.715	15.175	884	646.774
B+ (Enough)	2.112.344	585.493	37.060	2.734.897
B (Reasonable)	4.355.982	259.201	26.318	4.641.501
B- (Close Monitoring)	5.581.122	157.705	183.065	5.921.892
C+ (Insufficient)	4.364.017	107.513	93.742	4.565.272
C (Suspicious)	2.086.528	82.263	87.980	2.256.771
<b>Scoring</b>				
Y (High)	2.929.784	262.094	2.911	3.194.789
O (medium)	2.227.214	45.246	5.740	2.278.200
D (Low)	371.042	16.354	6.850	394.246
Expected Loss Provisions	(80.028)	(447.721)	(401.043)	(928.792)
<b>Leasing receivables</b>	<b>25.047.124</b>	<b>1.085.594</b>	<b>290.855</b>	<b>26.423.573</b>

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### As at 31 December 2024

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

#### 9. LEASE RECEIVABLES (Continued)

##### A. Financial Lease Receivables (Continued)

As at 31 December 2023, the rating of finance lease receivables are as follows:

Ratings	Stage 1	Stage 2	Stage 3	Total
<b>Internal ratings</b>				
A+ (Excellent)	54.077	-	-	54.077
A (Very good)	202.382	-	139.334	341.716
A- (Good)	836.834	452	1.541	838.827
B+ (Enough)	4.759.394	360.165	45.119	5.164.678
B (Reasonable)	3.928.263	123.263	275.650	4.327.176
B- (Close Monitoring)	5.987.602	799.373	248.845	7.035.820
C+ (Insufficient)	3.143.232	91.929	74.207	3.309.368
C (Suspicious)	1.570.940	33.998	55.699	1.660.637
<b>Scoring</b>				
Y (High)	747.219	8.759	2.908	758.886
O (medium)	586.633	10.862	23.296	620.791
D (Low)	63.156	3.230	6.270	72.656
Expected Loss Provisions	(99.321)	(353.467)	(511.130)	(963.918)
<b>Net finance lease receivables</b>	<b>21.780.411</b>	<b>1.078.564</b>	<b>361.739</b>	<b>23.220.714</b>

As at 31 December 2024, the rating of finance lease receivables are as follows:

	Standard Receivables	Receivables Under Close Monitoring
<b>Number of Amendments Related to the Extension of the Payment Plan</b>	-	<b>574.535</b>
Extended for 1 or 2 Times	-	574.535
Extended for 3,4 or 5 Times	-	-
Extended for More than 5 Times	-	-
	<b>Standard Receivables</b>	<b>Receivables Under Close Monitoring</b>
<b>The Time Extended via the Amendment on payment Plan</b>	-	<b>574.535</b>
0-6 Months	-	-
6 Months - 12 Months	-	574.535
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 (Continued)

##### A. Financial Lease Receivables (Continued)

As at 31 December 2023, the rating of finance lease receivables are as follows:

	Standard Receivables	Receivables Under Close Monitoring
<b>Number of Amendments Related to the Extension of the Payment Plan</b>		
<b>Plan</b>	-	<b>932.422</b>
Extended for 1 or 2 Times	-	932.422
Extended for 3,4 or 5 Times	-	-
Extended for More than 5 Times	-	-
	Standard Receivables	Receivables Under Close Monitoring
<b>The Time Extended via the Amendment on payment Plan</b>	-	<b>932.422</b>
0-6 Months	-	-
6 Months - 12 Months	-	932.422
1 - 2 Years	-	-
2 -5 Years	-	-
5 Years and More	-	-

As at 31 December 2024, analysis of finance lease receivables according to their maturities is as follows:

	2025	2026	2027	2028	2029	2030 and beyond	Total
Finance lease receivables (gross)	16.501.339	8.857.272	4.096.186	1.495.047	518.311	140.129	31.608.284
Unearned interest	(3.223.892)	(1.297.322)	(444.597)	(137.122)	(49.007)	(32.771)	(5.184.711)
<b>Finance lease receivables (net)</b>	<b>13.277.447</b>	<b>7.559.950</b>	<b>3.651.589</b>	<b>1.357.925</b>	<b>469.304</b>	<b>107.358</b>	<b>26.423.573</b>

As at 31 December 2023, analysis of finance lease receivables according to their maturities is as follows:

	2024	2025	2026	2027	2028	2029 and beyond	Total
Finance lease receivables (gross)	13.385.580	8.128.229	3.733.515	1.576.568	413.119	277.871	27.514.882
Unearned interest	(2.704.912)	(1.094.664)	(316.769)	(93.504)	(29.470)	(54.849)	(4.294.168)
<b>Finance lease receivables (net)</b>	<b>10.680.668</b>	<b>7.033.565</b>	<b>3.416.746</b>	<b>1.483.064</b>	<b>383.649</b>	<b>223.022</b>	<b>23.220.714</b>

As at 31 December 2024, the average compound interest rates applicable for the finance lease receivables are 56,71% for TL, 9,38% for USD, 7,34% for EUR (31 December 2023: 44,92% for TL, 9,00% for USD, 5,83% for EUR).



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# Notes to the Consolidated Financial Statements

## As at 31 December 2024

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### 9. LEASE RECEIVABLES (Continued)

#### A. Financial Lease Receivables (Continued)

As at 31 December 2024, 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	90.177.913	3.176.364	8.669.812	305.379
EUR	466.414.145	17.137.408	54.979.703	2.020.114
TL		6.109.801		2.859.218
<b>Total</b>		<b>26.423.573</b>		<b>5.184.711</b>

As at 31 December 2023, 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	100.226.610	2.950.491	14.869.586	437.734
EUR	428.862.905	13.969.737	42.329.496	1.378.837
TL		6.300.486		2.477.597
<b>Total</b>		<b>23.220.714</b>		<b>4.294.168</b>

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 2024	31 December 2023
Mortgages	653.064	576.701
Pledged equity	102.638	189.598
Sureties of credit guarantee fund	58.854	139.858
Pledged shares	23.013	32.032
Letters of guarantee	21.025	18.425
Pledged movable	2.376	2.083
Cash blockages	1.500	1.500
Mortgages	2	-
	<b>862.472</b>	<b>960.197</b>

In addition to collaterals above, the Group also has sureties amounting to TL 24.544.451 pledged vehicles amounting to TL 573.764, pledged accounts receivable to TL 348,872 (31 December 2023: sureties amounting to TL 21.339.679, pledged vehicles amounting to TL 314.595, pledged accounts receivable to TL 429.008).

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

#### 9. LEASE RECEIVABLES (Continued)

##### A. Financial Lease Receivables (Continued)

As at 31 December 2024 and 31 December 2023 details of overdue finance lease receivables are as follows:

	31 December 2024	31 December 2023
Up to 30 days	152.487	184.468
Between 30 - 60 days	41.193	26.625
Between 60 - 90 days	380.208	204
	<b>573.888</b>	<b>211.297</b>

Details of the collaterals obtained by Group for overdue lease receivables mentioned above are as follows:

Collateral type	31 December 2024	31 December 2023
Mortgages	167.471	116.256
Letters of guarantee	7.320	4.662
Pledged movable	2.376	2.084
Pledged equity	-	48.991
	<b>177.167</b>	<b>171.993</b>

In addition to above guarantees, the Group also has sureties amounting to TL 1.647.496, pledged vehicles amounting to TL 51.380, (31 December 2023: sureties amounting to TL 865.941, pledged vehicles amounting to TL 7.358).

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 2024 and 31 December 2023, the aging of non-performing finance lease receivables is as follows:

	31 December 2024	31 December 2023
Between 90 - 240 days	39.200	20.169
Between 240 - 360 days	3.058	144
Over 360 days	269.957	491.110
Uninvoiced non-performing finance lease receivables	653.706	596.819
Unearned interest of non-performing finance lease receivables	(274.023)	(235.373)
	<b>691.898</b>	<b>872.869</b>

## İş Finansal Kiralama Anonim Şirketi And Its Subsidiary

# Notes to the Consolidated Financial Statements

## As at 31 December 2024

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

### 9. LEASE RECEIVABLES (Continued)

#### A. Financial Lease Receivables (Continued)

Collaterals obtained for non-performing finance lease receivables as at 31 December 2024 and 31 December 2023 are as follows:

<u>Guarantee type:</u>	<u>31 December 2024</u>	<u>31 December 2023</u>
Mortgages	2.553	3.967
	<b>2.553</b>	<b>3.967</b>

In addition to the above collaterals, the Group also has sureties amounting to TL 401.043, pledged vehicles amounting to TL 134 and leased equipments amounting to TL 288.167 (31 December 2023: sureties amounting to TL 511.130, pledged vehicles amounting to TL 510 and leased equipments amounting to TL 357.262).

Movement of expected loss provision for financial lease receivables is as follows:

<u>Movement of expected credit losses:</u>	<u>1 January- 31 December 2024</u>	<u>1 January- 31 December 2023</u>
Provision at the beginning of the period	(963.918)	(798.605)
Provision set during the period	(216.620)	(269.172)
Collections	251.746	103.859
<b>Provision at the end of the period</b>	<b>(928.792)</b>	<b>(963.918)</b>

#### B. Operating Lease Receivables

As at 31 December 2024 and 31 December 2023 analysis of time lease receivables occurred from operating lease receivables according to their maturities is as follows:

	<u>31 December 2024</u>	<u>31 December 2023</u>
2024 Year	-	3.947
2025 Year	2.322	2.316
2026 Year	1.926	1.926
	<b>4.248</b>	<b>8.189</b>

İş Finansal Kiralama Anonim Şirketi And Its Subsidiary

## Notes to the Consolidated Financial Statements

### As at 31 December 2024

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#### 10. RELATED PARTIES

As at 31 December 2024 and 31 December 2023, details of related party receivables and payables are as follows:

	31 December 2024	31 December 2023
<u>Finance lease receivables from related parties</u>		
Radore Veri Merkezi Hizm.A.Ş.	24.657	12.947
Türkiye Sınai Kalkınma Bankası A.Ş.	4.267	3.527
<b>Total</b>	<b>28.924</b>	<b>16.474</b>
<u>Factoring receivables from related parties</u>		
Türkiye Şişe ve Cam Fabrikaları A.Ş.	6.098.153	-
İş Enerji Yatırımları A.Ş.	37.854	-
Enaş Enerji Yatırımları A.Ş.	10.886	-
Ortopro Tıbbi Aletler Sanayi ve Ticaret A.Ş.	7.274	20.999
Bayek Tedavi Sağlık Hizm. İřlt. A.Ş.	-	190.792
<b>Total</b>	<b>6.154.167</b>	<b>211.791</b>
<u>Payables to related parties</u>		
Anadolu Anonim Türk Sigorta Şirketi (Insurance Premium)	212.282	135.047
İş Net Elekt.Bilgi Ür.Dağ.Tic.ve İlet.Hiz.A.Ş.	1.256	1.627
Softtech Yazılım Teknolojileri	841	143
İş Merkezleri Yönetim ve İşletim A.Ş.	606	546
Türkiye İş Bankası A.Ş.	150	56
Topkapı Danışmanlık Elektronik Hiz. Paz ve Tic. A.Ş.	81	-
KKB Kredi Kayıt Bürosu A.Ş.	31	8
Ortopro Tıbbi Aletler San ve Tic. A.Ş.	7	59
Bayek Tedavi Sağlık Hizmetleri ve İşletmeciliği A.Ş.	-	430
Anadolu Hayat Emeklilik A.Ş.	-	41
<b>Total</b>	<b>215.254</b>	<b>137.957</b>
<u>Deposits placed to related parties</u>		
Türkiye İş Bankası A.Ş. Demand Deposits	265.275	142.910
Türkiye İş Bankası A.Ş. Time Deposits	43.091	1.455.165
Türkiye Sınai Kalkınma Bankası A.Ş.	515	246
İşbank AG Demand Deposits	109	106
<b>Total</b>	<b>308.990</b>	<b>1.598.427</b>
<u>Investment Fund</u>		
Türkiye İş Bankası A.Ş.	-	24.328
<b>Total</b>	<b>-</b>	<b>24.328</b>

# İş Finansal Kiralama Anonim Şirketi And Its Subsidiary

## Notes to the Consolidated Financial Statements

### As at 31 December 2024

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

#### 10. RELATED PARTIES (Continued)

	31 December 2024	31 December 2023
Derivative financial assets held for trading from related parties		
Türkiye Sınai Kalkınma Bankası A.Ş.	491.101	563.567
Türkiye İş Bankası A.Ş.	3.210.590	1.388.601
<b>Total</b>	<b>3.701.691</b>	<b>1.952.168</b>
Derivative financial liabilities held for trading from related parties		
Türkiye Sınai Kalkınma Bankası A.Ş.	477.157	552.665
Türkiye İş Bankası A.Ş.	3.532.433	1.385.700
<b>Total</b>	<b>4.009.590</b>	<b>1.938.365</b>

As at 31 December 2024 and 31 December 2023, details of borrowings from related parties are as follows:

#### Borrowings from related parties

Türkiye İş Bankası A.Ş.

Currency	Interest Rate %	Maturity	31 December 2024
TL	18,51%-49,00%	02.01.2025-07.04.2025	2.307.250
USD	6,90%	31.03.2025	721.627
EUR	5,10%-8,51%	03.02.2025-19.03.2026	3.257.115
GBP	6,59%-7,76%	07.01.2025-11.02.2026	9.378.350
			<b>15.664.342</b>
Currency	Interest Rate %	Maturity	31 December 2023
TL	18,51%-48,00%	04.01.2024-07.04.2025	7.723.509
USD	6,00%-10,10%	02.01.2024-08.04.2024	954.504
EUR	4,50%-8,51%	02.01.2024-19.03.2026	3.997.992
GBP	6,43%-7,76%	04.01.2024-17.12.2024	6.167.576
			<b>18.843.581</b>

İş Finansal Kiralama Anonim Şirketi And Its Subsidiary

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### As at 31 December 2024

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

#### 10. RELATED PARTIES (Continued)

Türkiye Sınai Kalkınma Bankası A.Ş.

Currency	Interest Rate %	Maturity	31 December 2024
USD	6,59%-7,90%	28.05.2025-11.02.2026	1.350.574
EUR	2,97%-7,29%	09.05.2025-01.06.2026	701.413
			<b>2.051.987</b>
Currency	Interest Rate %	Maturity	31 December 2023
USD	8,44%	29.06.2026	374.580
EUR	2,97%-10,20%	25.03.2024-29.06.2026	1.958.075
			<b>2.332.655</b>

İş Bank AG

Currency	Interest Rate %	Maturity	31 December 2024
EUR	4,59%-5,83%	13.01.2025-06.11.2025	862.315
TL	47,00%	02.01.2025	212.395
			<b>1.074.710</b>
Currency	Interest Rate %	Maturity	31 December 2023
EUR	2,42%-8,54%	20.06.2024-18.12.2024	328.098
			<b>328.098</b>

## İş Finansal Kiralama Anonim Şirketi And Its Subsidiary

# Notes to the Consolidated Financial Statements

## As at 31 December 2024

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

### 10. RELATED PARTIES (Continued)

For the periods ended 31 December 2024 and 31 December 2023, finance income and expenses from related parties are as follows:

	01.01.2024-31.12.2024	01.01.2023- 31.12.2023
<u>Finance lease interest income from related parties</u>		
Radore Veri Merkezi Hizm.A.Ş.	9.409	4.718
Türkiye Sınai Kalkınma Bankası A.Ş.	1.791	282
Bayek Tedavi Sağlık Hizmetleri ve İşletmeciliği A.Ş.	-	19
<b>Total</b>	<b>11.200</b>	<b>5.019</b>
<u>Operating Lease Income from related parties</u>		
Türkiye Sınai Kalkınma Bankası A.Ş.	3.392	3.981
TSKB Gayrimenkul Değerleme A.Ş.	-	89
<b>Total</b>	<b>3.392</b>	<b>4.070</b>
<u>Interest income from related parties</u>		
Türkiye İş Bankası A.Ş.	7.513	161
<b>Total</b>	<b>7.513</b>	<b>161</b>
<u>Dividend income from related parties</u>		
İş Yatırım Menkul Değerler A.Ş.	77.838	36.730
Yatırım Finansman Menkul Değerler A.Ş.	11	-
<b>Total</b>	<b>77.849</b>	<b>36.730</b>
<u>Finance expense</u>		
Türkiye İş Bankası A.Ş.	1.670.691	1.858.582
Türkiye Sınai Kalkınma Bankası A.Ş.	173.314	158.430
İş Yatırım Menkul Değerler A.Ş.	9.880	12.812
İşbank AG	39.389	8.896
<b>Total</b>	<b>1.893.274</b>	<b>2.038.720</b>
<u>Rent expense</u>		
Türkiye İş Bankası A.Ş.	10.281	6.673
İş Gayrimenkul Yatırım Ortaklığı A.Ş.	316	96
<b>Total</b>	<b>10.597</b>	<b>6.769</b>



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### As at 31 December 2024

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

#### 10. RELATED PARTIES (Continued)

	01.01.2024-31.12.2024	01.01.2023- 31.12.2023
<u>Factoring commission income from related parties</u>		
Bayek Tedavi Sağlık Hizm. ve İşlet. A.Ş.	430	848
Ortopro Tıbbi Aletler San ve Tic. A.Ş.	517	422
Nevotek Bil.Ses ve İlet. Sist. San.ve Tic. A.Ş	-	33
<b>Total</b>	<b>947</b>	<b>1.303</b>
<u>Factoring interest income from related parties</u>		
Bayek Tedavi Sağlık Hizm. ve İşlet. A.Ş.	23.810	18.316
Ortopro Tıbbi Aletler San ve Tic. A.Ş.	3.224	2.135
Nevotek Bil.Ses ve İlet. Sist. San.ve Tic. A.Ş	-	407
Türkiye Şişe ve Cam Fabrikaları A.Ş.	70.275	-
<b>Total</b>	<b>97.309</b>	<b>20.858</b>
<u>Insurance Commission income</u>		
Anadolu Anonim Türk Sigorta Şirketi	63.838	34.826
<b>Total</b>	<b>63.838</b>	<b>34.826</b>
<u>Finance lease liability to related parties</u>		
Türkiye İş Bankası A.Ş.	409	4.395
<b>Total</b>	<b>409</b>	<b>4.395</b>
<u>Mutual funds income</u>		
Türkiye İş Bankası A.Ş.	111.576	1.823
<b>Total</b>	<b>111.576</b>	<b>1.823</b>

#### Total salaries and similar benefits paid to the (key management) <sup>(\*)</sup>

For the periods ended 31 December 2024 and 31 December 2023, total salary and benefits paid to the key management during year comprised the following:

	01.01.2024-31.12.2024	01.01.2023- 31.12.2023
Salaries and other short-term benefits <sup>(**)</sup>	93.990	47.110
	<b>93.990</b>	<b>47.110</b>

<sup>(\*)</sup> The Group's key management consists of members of the board of directors, general manager and assistant general managers.

<sup>(\*\*)</sup> Consists of monetary benefits such as; salaries, bonuses and premiums along with vehicle rentals and other associated expenses.

# İş Finansal Kiralama Anonim Şirketi And Its Subsidiary

## Notes to the Consolidated Financial Statements

### As at 31 December 2024

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

#### 11. TANGIBLE ASSETS

For the periods ended 31 December 2024 and 31 December 2023, total salary and benefits paid to tangible assets during year comprised the following:

	Furniture and Fixtures	Leasehold Improve- ments	Assets Subject to Operational Lease	Vehicles	Other Tangible Assets	Right of Use	Real Estate	Total
<b>Cost</b>								
Opening balance at								
1 January 2024	39.859	6.653	5.657	-	1.456	15.899	-	69.524
	101.653	224	-	-	-	32.874	-	134.751
Additions	-	-	-	-	-	-	-	-
Transfer	(103.464)	-	(1.830)	-	-	(8.643)	-	(113.937)
<b>Closing balance at</b>								
<b>31 December 2024</b>	<b>38.048</b>	<b>6.877</b>	<b>3.827</b>	<b>-</b>	<b>1.456</b>	<b>40.130</b>	<b>-</b>	<b>90.338</b>
<b>Accumulated depreciation</b>								
Opening balance at								
1 January 2024	(18.012)	(5.083)	(834)	-	(1.456)	(9.960)	-	(35.345)
Depreciation for the period	(6.749)	(514)	(1.519)	-	-	(16.325)	-	(25.107)
Transfer	-	-	-	-	-	-	-	-
Disposals	2.108	-	1.830	-	-	8.589	-	12.527
<b>Closing balance at</b>								
<b>31 December 2024</b>	<b>(22.653)</b>	<b>(5.597)</b>	<b>(523)</b>	<b>-</b>	<b>(1.456)</b>	<b>(17.696)</b>	<b>-</b>	<b>(47.925)</b>
<b>Carrying amounts at</b>								
<b>31 December 2024</b>	<b>15.395</b>	<b>1.280</b>	<b>3.304</b>	<b>-</b>	<b>-</b>	<b>22.434</b>	<b>-</b>	<b>42.413</b>
<b>Carrying amounts at</b>								
<b>1 January 2024</b>	<b>21.847</b>	<b>1.570</b>	<b>4.823</b>	<b>-</b>	<b>-</b>	<b>5.939</b>	<b>-</b>	<b>34.179</b>
<b>Cost</b>								
Opening balance at								
1 January 2023	41.616	5.979	4.872	183	1.456	9.023	8.750	71.879
Additions	78.617	674	2.878	-	-	11.587	1.310	95.066
Transfer	-	-	-	-	-	-	-	-
Disposals	(80.374)	-	(2.093)	(183)	-	(4.711)	(10.060)	(97.421)
<b>Closing balance at</b>								
<b>31 December 2023</b>	<b>39.859</b>	<b>6.653</b>	<b>5.657</b>	<b>-</b>	<b>1.456</b>	<b>15.899</b>	<b>-</b>	<b>69.524</b>
<b>Accumulated depreciation</b>								
Opening balance at								
1 January 2023	(11.798)	(4.648)	(1.717)	(147)	(1.456)	(4.836)	(730)	(25.332)
Depreciation for the period	(7.355)	(435)	(1.210)	(6)	-	(9.835)	-	(18.841)
Transfer	-	-	-	-	-	-	-	-
Disposals	1.141	-	2.093	153	-	4.711	730	8.828
<b>Closing balance at</b>								
<b>31 December 2023</b>	<b>(18.012)</b>	<b>(5.083)</b>	<b>(834)</b>	<b>-</b>	<b>(1.456)</b>	<b>(9.960)</b>	<b>-</b>	<b>(35.345)</b>
<b>Carrying amounts at</b>								
<b>31 December 2023</b>	<b>21.847</b>	<b>1.570</b>	<b>4.823</b>	<b>-</b>	<b>-</b>	<b>5.939</b>	<b>-</b>	<b>34.179</b>
<b>Carrying amounts at</b>								
<b>1 January 2023</b>	<b>29.818</b>	<b>1.331</b>	<b>3.155</b>	<b>36</b>	<b>-</b>	<b>4.187</b>	<b>8.020</b>	<b>46.547</b>

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

#### 12. INTANGIBLE ASSETS

For the periods ended 31 December 2024 and 31 December 2023, movements in intangible assets except goodwill are as follows:

	31 December 2024	31 December 2023
<u>Cost</u>		
Opening balance at 1 January	45.971	25.718
Additions	34.385	20.253
Disposals	(2.063)	-
Closing balance at the end of the period	<b>78.293</b>	<b>45.971</b>
<u>Amortization</u>		
Opening balance at 1 January	(17.717)	(12.676)
Amortization for the period	(9.071)	(5.041)
Transfer	-	-
Disposals	1.438	-
Closing balance at the end of the period	<b>(25.350)</b>	<b>(17.717)</b>
<b>Carrying amounts <sup>(*)</sup></b>	<b>52.943</b>	<b>28.254</b>

(\*) The Group's intangible assets consist of computer software.

#### Goodwill

The Company has purchased nominal shares of İş 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 2024, net amount of goodwill is TL 166 (31 December 2023: TL 166). Based on TFRS 3, for the annual periods beginning on 1 January 2005, after the reporting period ended on 31 December 2004 the Group has ceased amortization of goodwill arising from the acquisitions before 31 December 2004

# İş Finansal Kiralama Anonim Şirketi And Its Subsidiary

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#### 13. DEFERRED TAX ASSETS AND LIABILITIES

As at 31 December 2024 and 31 December 2023 details of deferred tax assets and deferred tax liabilities based on the temporary differences calculated by the prevailing tax rate are as follows:

Temporary time differences subject to deferred tax	31 December 2024	31 December 2023
Provision for lawsuit	32.323	28.379
Deferred Income	1.263	739
Financial assets valuation difference	(324.688)	(45.777)
Finance lease adjustment	(26.888)	(20.252)
Finance lease income accruals	(465.805)	(343.899)
Expected Credit Losses for Doubtful Receivables	775.389	704.657
Financial Asset Expected Loss Provision	2.345	4.688
Expense Accruals	118	26
IFRS-16 Adjustment	27.396	6.455
Unearned factoring income	575.538	728.867
Actuarial Difference for severance pay	2.482	2.482
Reserve for employee benefits	32.406	29.706
Unused vacation provision	23.747	10.416
Tax base differences in tangible and intangible assets	73.481	66.449
Employee bonus accrual	43.755	23.393
Prepaid expenses	(3.024)	(9.443)
Deferred Factoring Commission Income	14.063	24.936
Tax procedure law subsidiary inflation valuation difference	(2.883.335)	(1.771.498)
Other	43.614	90.503
Prepaid Expenses Inflation Difference	819	-
<b>Timing Differences Forming the Basis for Deferred Tax</b>	<b>(2.055.001)</b>	<b>(469.173)</b>
<b>Deferred Tax Assets</b>	<b>31 December 2024</b>	<b>31 December 2023</b>
Provision for lawsuit	-	8.514
Deferred Income	-	222
Financial assets valuation difference	3.444	(13.733)
Finance lease adjustment	-	(6.076)
Finance lease income accruals	-	(103.170)
Expected Credit Losses for Doubtful Receivables	54.642	211.397
Financial Asset Expected Loss Provision	677	1.406
Expense Accruals	35	7
IFRS-16 Adjustment	2.601	1.937
Unearned factoring income	172.662	218.660
Actuarial Difference for severance pay	745	745
Reserve for employee benefits	2.432	8.912
Unused vacation provision	2.914	3.125
Tax base differences in tangible and intangible assets	(6.061)	19.935
Employee bonus accrual	7.726	7.018
Prepaid expenses	(1.695)	(2.833)
Deferred Factoring Commission Income	4.039	7.481
Tax procedure law subsidiary inflation valuation difference	(215.803)	(132.862)
Other	(112.000)	27.150
Prepaid Expenses Inflation Difference	246	-
<b>Deferred Tax Asset</b>	<b>28.492</b>	<b>257.835</b>

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### As at 31 December 2024

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#### 13. DEFERRED TAX ASSETS AND LIABILITIES (Continued)

##### Deferred Tax Liabilities

	31 December 2024	31 December 2023
Financial assets valuation difference	(100.850)	-
Finance lease adjustment	(8.066)	-
Reserve for employee benefits	7.290	-
Actuarial Difference for severance pay	-	-
Unused vacation provision	4.210	-
Prepaid expenses	788	-
Employee bonus accrual	5.400	-
Provision for lawsuit	9.697	-
Finance lease income accruals	(139.741)	-
Unearned factoring income	-	-
IFRS-16 Adjustment	5.618	-
Tax base differences in tangible and intangible assets	28.105	-
Expected Credit Losses for Doubtful Receivables	-	-
Financial assets valuation difference	-	-
Expense Accruals	180	-
Expected Credit Losses for Doubtful Receivables	177.975	-
Deferred Income	379	-
Financial Asset Expected Loss Provision	26	-
Tax procedure law subsidiary inflation valuation difference	(216.697)	-
Other	13.194	-
<b>Deferred Tax Liability</b>	<b>(212.492)</b>	<b>-</b>

The corporate tax rate is 30% as of 31 December 2024 (31 December 2023: %30). With the Law proposed to the Turkish Grand National Assembly on 5 July 2023 and published in the Official Gazette dated 15 July 2023, amendments were made to the Corporate Tax Law No. 5520. According to this; Starting from the declarations that must be submitted as of 1 October 2023, the corporate tax rate for banks, companies within the scope of Law No. 6361, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies, increased from 25% to 30%. This regulation starts with the declarations that must be submitted as of 1 October 2023; It entered into force on 15 July 2023, to be applied to the earnings of institutions in the 2023 and subsequent taxation periods, and to the earnings of institutions subject to the special accounting period in the special account taxation periods starting in the 2023 calendar year.

Accordingly, the corporate tax rate has started to be applied as 30% for the above-mentioned institutions as of the third provisional tax period of 2023.

Movements in deferred tax assets are as follows:

	31 December 2024	31 December 2023
Opening balance at 1 January	257.835	165.380
Deferred tax income / (expense) (Net)	(144.571)	224.768
Classified in Equity	(297.264)	(132.313)
<b>Deferred Tax Assets</b>	<b>28.492</b>	<b>257.835</b>
<b>Deferred Tax Liabilities</b>	<b>(212.492)</b>	<b>-</b>

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#### 14. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

As at 31 December 2024 and 31 December 2023, details of assets held for sale and discontinued operations are as follows:

	31 December 2024		31 December 2023	
	TL	FC	TL	FC
Assets held for sale (*)	2.432	-	2.432	-
	<b>2.432</b>	<b>-</b>	<b>2.432</b>	<b>-</b>

(\*) Consist of properties which is included in Group asset acquired as a result of the legal proceedings in relation to its non-performing receivables.

#### 15. OTHER ASSETS

As at 31 December 2024 and 31 December 2023, details of other assets are as follows:

	31 December 2024		31 December 2023	
	TL	FC	TL	FC
Leasing Contracts in Progress	281.435	878.952	127.280	114.435
Advances Given for Lease Transactions	53.481	1.417.681	8.969	637.669
Amounts to be invoiced	30.197	313	22.005	23
Commissions expense on debt securities issued and funds borrowed	19.659	-	15.048	-
Other Finance Lease Receivables	50.501	65.804	34.606	35.587
Refundable VAT	56.244	-	-	-
Advanced given	360	-	327	-
Deposits given	140	-	139	-
Others	79.149	1.171	74.604	1.351
	<b>571.166</b>	<b>2.363.921</b>	<b>282.978</b>	<b>789.065</b>

#### 16. FUNDS BORROWED

As at 31 December 2024 and 31 December 2023, details of funds borrowed are as follows:

	31 December 2024		31 December 2023	
	TL	FC	TL	FC
Short-term borrowings	22.909.198	23.198.151	18.232.860	16.380.907
Short-term portion of long-term borrowings	-	1.082.180	-	1.374.854
<b>Total short-term borrowings</b>	<b>22.909.198</b>	<b>24.280.331</b>	<b>18.232.860</b>	<b>17.755.761</b>
Long-term borrowings	-	5.172.790	250.000	3.222.686
<b>Total long-term borrowings</b>	<b>-</b>	<b>5.172.790</b>	<b>250.000</b>	<b>3.222.686</b>
<b>Total</b>	<b>22.909.198</b>	<b>29.453.121</b>	<b>18.482.860</b>	<b>20.978.447</b>

As at 31 December 2024 and 31 December 2023, borrowings has no collateral.

İş Finansal Kiralama Anonim Şirketi And Its Subsidiary

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### As at 31 December 2024

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

#### 16. FUNDS BORROWED (Continued)

As at 31 December 2024 and 31 December 2023, details of short term borrowings based on types of currency are as follows:

Currency	Interest Rate %	Currency Amount	31 December 2024
TL	18,51%-63,05%	22.489.475	22.489.475
USD	6,15%-9,76%	127.792.693	4.507.327
EUR	4,20%- 7,76%	274.114.844	10.071.033
GBP	6,59%-7,76%	179.618.437	7.947.145
Interest accruals			1.092.369
<b>TOTAL</b>			<b>46.107.349</b>

Currency	Interest Rate %	Currency Amount	31 December 2023
TL	14,01%-57,05%	17.304.531	17.304.531
USD	6,00%-11,50%	55.843.264	1.643.925
EUR	2,42%-10,47%	250.548.900	8.161.355
GBP	6,43%-7,76%	164.411.800	6.155.858
Interest accruals			1.348.098
<b>TOTAL</b>			<b>34.613.767</b>

As at 31 December 2024 and 31 December 2023, details of long-term borrowings and short-term portion of long-term borrowings based on types of currency are as follows:

Currency	Interest Rate %	Currency Amount	31 December 2024
USD	6,49% - 10,77%	58.515.238	2.061.962
EUR	2,97% - 9,66%	76.185.211	2.799.266
GBP	6,64%	31.500.000	1.393.742
<b>TOTAL</b>			<b>6.254.970</b>

Currency	Interest Rate %	Currency Amount	31 December 2023
TL	18,51%-19,11%	250.000	250.000
USD	6,64%-8,19%	20.361.299	599.400
EUR	2,97%-9,86%	122.740.603	3.998.140
<b>TOTAL</b>			<b>4.847.540</b>

As at 31 December 2024 and 31 December 2023, compounded interest rates have been presented

As 31 December 2024 and 31 December 2023, details of borrowings based on types of interest rate are as follows:

	31 December 2024		31 December 2023	
	TL	FC	TL	FC
Fixed rate	22.909.198	18.416.231	16.645.370	14.943.616
Variable rate	-	11.036.890	1.837.490	6.034.831
	<b>22.909.198</b>	<b>29.453.121</b>	<b>18.482.860</b>	<b>20.978.447</b>

Fair values of the funds borrowed are presented in Note 38. As at 31 December 2024 the Group has available credit limit of TL 54.967.465 which has fulfilled all necessary conditions but has not been used. (31 December 2023: TL 40.751.979).



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# Notes to the Consolidated Financial Statements

## As at 31 December 2024

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### 17. OTHER LIABILITIES

As at 31 December 2024 and 31 December 2023, details of miscellaneous payables are as follows:

	31 December 2024		31 December 2023	
	TL	FC	TL	FC
Advances received <sup>(*)</sup>	322.266	661.282	201.185	289.291
Banking and Insurance Transaction Tax	40.955	-	43.865	-
Social Security Premium Liability	9.321	-	9.250	-
Income Tax Liability	9.165	-	3.948	-
Payables to suppliers for lease transactions	10.280	441.512	5.546	330.771
Deferred Income	1.263	-	739	-
Other Tax and Liabilities	1.313	-	224	-
Value Added Tax	1.004	-	14.078	-
Other <sup>(*)</sup>	89.533	204.229	139.400	133.040
	<b>485.100</b>	<b>1.307.023</b>	<b>418.235</b>	<b>753.102</b>

<sup>(\*)</sup> 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.

<sup>(\*\*)</sup> 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. 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.

### 18. LEASE PAYABLES

	31 December 2024	31 December 2023
Lease Payables	27.396	6.455
	<b>27.396</b>	<b>6.455</b>

As of 31 December 2024, and 31 December 2023, the group's forward-looking debt arising from leasing transactions is as follows:

	31 December 2024	31 December 2023
2024 Years	-	3.376
2025 Years	9.846	2.042
2026 Years	12.726	1.037
2027 Years	4.824	-
	<b>27.396</b>	<b>6.455</b>

### 19. DEBT SECURITIES ISSUED

	31 December 2024		31 December 2023	
	TL	FC	TL	FC
Bills bonds	4.535.752	-	3.444.142	-
Interest accruals	280.654	-	301.134	-
	<b>4.816.406</b>	<b>-</b>	<b>3.745.276</b>	<b>-</b>

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### As at 31 December 2024

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#### 19. DEBT SECURITIES ISSUED (Continued)

As of 31 December 2024, The characteristics of financing bills issued by the group are as follows:

ISIN CODE	Maturity Starting Date	Nominal Value of Capital Market Instrument Sold	Maturity Date	Sale Type	Coupon Period
TRFISFN52517	22.05.2024	100.000.000	21.05.2025	Qualified Investor	1 in 3 months
TRFISFN62516	4.06.2024	400.000.000	3.06.2025	Qualified Investor	1 in 3 months
TRFISFN72515	4.07.2024	300.000.000	3.07.2025	Qualified Investor	1 in 3 months
TRFISFN72617	9.07.2024	100.000.000	9.07.2026	Qualified Investor	1 in 3 months
TRFISFN82514	16.08.2024	400.000.000	15.08.2025	Qualified Investor	1 in 3 months
TRFISFN82522	21.08.2024	300.000.000	20.08.2025	Qualified Investor	1 in 3 months
TRFISFN22510	22.08.2024	300.000.000	17.02.2025	Qualified Investor	Payment at maturity
TRFISFN82548	28.08.2024	400.000.000	27.08.2025	Qualified Investor	1 in 3 months
TRFISFN52525	29.08.2024	300.000.000	26.05.2025	Qualified Investor	1 in 3 months
TRFISFAE2412	26.06.2024	838.500.000	4.10.2024	Qualified Investor	Payment at maturity
TRFISFA32516	11.09.2024	115.000.000	10.03.2025	Qualified Investor	Payment at maturity
TRFISFA32524	13.09.2024	100.000.000	12.03.2025	Qualified Investor	Payment at maturity
TRFISFA92510	17.09.2024	200.000.000	16.09.2025	Qualified Investor	Payment at maturity
TRFISFA42515	07.10.2024	150.000.000	07.04.2025	Qualified Investor	Payment at maturity
TRFISFA62513	13.12.2024	1.000.000.000	11.06.2025	Qualified Investor	Payment at maturity
TRFISFA62521	26.12.2024	500.000.000	24.06.2025	Qualified Investor	Payment at maturity

#### 20. PROVISIONS

As at 31 December 2024 and 31 December 2023, reserve for employee benefits are as follows:

	31 December 2024	31 December 2023
Reserve for employee severance indemnity	34.888	32.188
Provision for employee bonus	43.755	23.394
Vacation pay provision	23.747	10.416
	<b>102.390</b>	<b>65.998</b>

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 2024 and 31 December 2023, the following actuarial assumptions are used in the calculation of the total liability:

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### 20. PROVISIONS (Continued)

	31 December 2024	31 December 2023
Discount rate	3,98%	3,26%
Inflation	21,85%	21,10%
Estimated probability of retirement	93,11%	94,76%

For the periods ended 31 December 2024 and 31 December 2023, movements in reserve for employee severance indemnity are as follows:

	31 December 2024	31 December 2023
Balance at the beginning of the year	32.188	19.035
Service cost	5.449	11.334
Actuarial difference	8.936	4.706
Interest cost	7.912	1.461
Reversed severance indemnity provision	-	(357)
Amounts paid to employee severance indemnity	(19.597)	(3.991)
<b>Balance at the end of the year</b>	<b>34.888</b>	<b>32.188</b>

The movement of the vacation pay liability for the periods ended 31 December 2024 and 31 December 2023 are as follows:

	31 December 2024	31 December 2023
Balance at the beginning of the year	10.416	5.103
Increase during the period	13.331	5.313
<b>Balance at the end of the year</b>	<b>23.747</b>	<b>10.416</b>

The movement of the provision for employee bonus for the periods ended 31 December 2024 and 31 December 2023 are as follows:

	31 December 2024	31 December 2023
Balance at the beginning of the year	23.394	10.135
Increase during the period	43.754	23.394
Payment made during the period	(23.393)	(10.135)
<b>Balance at the end of the year</b>	<b>43.755</b>	<b>23.394</b>

As at 31 December 2024 and 31 December 2023, other provisions are as follows:

	31 December 2024	31 December 2023
Provision for lawsuits	32.323	28.379
Provision for general administrative expenses	2.344	4.688
Expected Credit Loss for Financial Assets	600	520
<b></b>	<b>35.267</b>	<b>33.587</b>

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#### 20. PROVISIONS (Continued)

Movements in other provisions for the periods ended 31 December 2024 and 31 December 2023 are as follows:

	General provision for financial lease receivables	Provision for lawsuits	Provision for administrative expenses	Expected Credit Loss for Financial Assets
<b>31 December 2024</b>				
At the beginning of the year	-	28.379	520	4.688
Period Expense	-	31.330	80	2.344
Payments	-	-	-	-
Cancellations	-	(27.386)	-	(4.688)
<b>At the end of the period</b>	<b>-</b>	<b>32.323</b>	<b>600</b>	<b>2.344</b>
	General provision for financial lease receivables	Provision for lawsuits	Provision for administrative expenses	Expected Credit Loss for Financial Assets
<b>31 December 2023</b>				
At the beginning of the year	-	15.154	308	769
Period Expense	-	13.516	4.205	4.688
Payments	-	-	(3.659)	-
Cancellations	-	(291)	(334)	(769)
<b>At the end of the period</b>	<b>-</b>	<b>28.379</b>	<b>520</b>	<b>4.688</b>

#### 21. CURRENT PERIOD TAX ASSET AND PAYABLE

The current years tax asset as at 31 December 2024 and 31 December 2023 are as follows:

	31 December 2024	31 December 2023
Income taxes withheld (*)	2.487	239
<b>Total</b>	<b>2.487</b>	<b>239</b>

As at 31 December 2024 and 31 December 2023, details of current year tax liability are as follows:

	31 December 2024	31 December 2023
Current period corporate tax provision (Note:35)	804.618	1.062.283
Previous period corporate tax provision	-	-
Taxes paid for the current period	12.234	21.162
Payments During the Term	(514.315)	(785.596)
<b>Corporate tax payable</b>	<b>302.537</b>	<b>297.849</b>

For the periods ended 31 December 2024 and 31 December 2023, movements of corporate tax payable are as follows:

	31 December 2024	31 December 2023
Corporate Tax Payable at the Beginning of the Term	297.849	1.062.283
Current Period Expense	804.618	-
Corporate Tax to be offset	-	-
Tax Payable	12.234	21.162
Previous period corporate tax provision	-	116.648
Payments During the Term	(812.164)	(902.244)
<b>Corporate tax payable</b>	<b>302.537</b>	<b>297.849</b>

## İş Finansal Kiralama Anonim Şirketi And Its Subsidiary

# Notes to the Consolidated Financial Statements

## As at 31 December 2024

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### 22. NON-CONTROLLING INTERESTS

The Company owns 78,23 % of İş Faktoring A.Ş. As at 31 December 2024, the non-controlling interests amounting to TL 991.775 (31 December 2023: TL 672.855) have been calculated on the total equity of the subsidiary and the non-controlling interests amounting to TL 217.785 (31 December 2023: TL 252.392) have been calculated on the net profit of the subsidiary.

The movements of non-controlling interests for the periods ended 31 December 2024 and 31 December 2023 are as follows:

	31 December 2024	31 December 2023
Balance at the beginning of the year	672.855	311.213
From the Profit. Loss of the year	217.785	252.392
Fair value changes of marketable securities	101.135	109.628
Prior Year Adjustment	-	(378)
<b>Balance at the end of the year</b>	<b>991.775</b>	<b>672.855</b>

### 23. PAID-IN CAPITAL AND CAPITAL RESERVES

As at 31 December 2024 nominal capital of the Company is TL 695.303, the share capital of the Company consists 69.530.264.500 of shares Kurus 1 price.

As at 31 December 2024 and 31 December 2023, shareholders and their ownership percentages are as follows:

Shareholders	(%)	31 December 2024	(%)	31 December 2023
Türkiye İş Bankası A.Ş.	30,43%	211.581	27,79	193.253
Türkiye Sınai Kalkınma Bankası A.Ş.	29,46%	204.850	29,46	204.850
Trakya Yatırım Holding A.Ş.	0,93%	6.483	0,93	6.483
Publicly traded	39,18%	272.389	41,82	290.717
<b>Total</b>	<b>100,00%</b>	<b>695.303</b>	<b>100</b>	<b>695.303</b>

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 2024	31 December 2023
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
<b>Total</b>	<b>600.000.000</b>	<b>600.000.000</b>

Any change in the articles of association of the Company is subject to the consent of Group A shareholders.

### Capital Reserves

	31 December 2024	31 December 2023
Other Capital Reserves <sup>(*)</sup>	1.763	1.763
Accumulated Other Comprehensive Income.Expenditure Not Reclassified in Profit.Loss	2.672.131	1.843.962
<i>Accumulated Other Comprehensive Income.Expenditure Reclassified in Profit.Loss</i>	<i>(4.814)</i>	<i>(3.018)</i>
Other Comprehensive Income or Expenses to be Reclassified in Profit or Loss <sup>(**)</sup>	2.676.945	1.846.980
<b>Total</b>	<b>2.673.894</b>	<b>1.845.725</b>

<sup>(\*)</sup> Comprised of bonus shares obtained from associates, subsidiaries and jointly controlled entities

<sup>(\*\*)</sup> Other Comprehensive Income or Expenses to be reclassified in profit or Loss consists of the valuation differences arisen from the fair value of the financial assets.

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### As at 31 December 2024

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#### 24. PROFIT RESERVES

As at 31 December 2024 and 31 December 2023, details of profit reserves are as follows:

	31 December 2024	31 December 2023
Legal reserves	154.907	111.904
Extraordinary reserves	3.395.634	1.671.185
<b>Total</b>	<b>3.550.541</b>	<b>1.783.089</b>

(\*) 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 107131 classified in extraordinary tax income reserves which will not be considered in profit distribution and capital increase as at 31 December 2024 (31 December 2023: TL 60.401).

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 43.003 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 5.476 as at December 31, 2024 (31 December 2023: TL 5.868).

#### 26. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

As at 31 December 2024, TL 13.106.385 of letters of guarantee are given to customs, authorities and banks (31 December 2023: TL 8.700.597).

As at 31 December 2024, the total risk of litigations filed and currently pending against the Group amounting to approximately TL 39.520 (31 December 2023: TL 35.218). The Group has provided a provision amounting to TL 32.323 for litigations (31 December 2023: TL 28.379) 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 2024, the Group has letter of credit commitments of USD 1.560.625, EUR 4.977.650 (Total TL 237.864 ) (31 December 2023: USD 3.217.130, EUR 2.673.902, (Total TL 181.806).

As at 31 December 2024 and 31 December 2023 has no factoring commitment

As at 31 December 2024, the Group has lease commitments of USD 17.078.881, EUR 87.869.931 and full TL 709.433 (Total TL 4.539.604) (31 December 2023: USD 3.869.598, EUR 20.934.644 and full TL 549.975 (Total TL 1.345.812).

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.

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### As at 31 December 2024

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#### 26. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

As at 31 December 2024 details of derivatives are as follows:

31 December 2024		
	Amount as	
	Original Currency	TL
Currency Swap Purchases		
GBP	210.210.665	9.300.938
EUR	2.397.622	88.096
USD	21.923.000	772.200
TL	2.909.749	2.909.749
		<b>13.070.983</b>
Currency Swap Sales:		
USD	55.713.081	1.962.399
EUR	254.942.116	9.367.313
		<b>11.329.712</b>
31 December 2024		
	Amount as	
	Original Currency	TL
Currency Futures Purchases:		
GBP	8.471.426	374.824
USD	6.835.232	240.759
EUR	21.288.195	782.190
TL	370.987	370.987
		<b>1.768.760</b>
Currency Futures Sales		
USD	1.701.692	59.940
EUR	17.188.240	631.546
TL	1.330.044	1.330.044
		<b>2.021.530</b>

As at 31 December 2023 details of derivatives transactions are as follows:

31 December 2023		
	Amount as	
	Original Currency	TL
Currency Swap Purchases::		
GBP	164.438.416	6.156.854
EUR	2.800.235	91.214
		<b>6.248.068</b>
Currency Swap Sales:		
USD	70.386.519	2.072.052
EUR	125.917.638	4.101.629
		<b>6.173.681</b>
31 December 2023		
	Amount as	
	Original Currency	TL
Currency Futures Purchases:		
GBP	5.487.940	205.478
		<b>205.478</b>
Currency Futures Sales:		
USD	3.164.018	93.143
EUR	3.345.495	108.976
		<b>202.119</b>

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### As at 31 December 2024

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#### 26. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

Group's derivative transactions performed with related parties are presented in Note 10.

As of 31 December 2023, there is an unrealized loss amounting to TL 254.193 and there is an unrealized gain amounting to TL 590.359 (Note 6) consisting of changes in the fair value of derivative contracts and associated with profit and loss (31 December 2023: TL 5.837 unrealized loss and TL 83.917 unrealized gain).

As at 31 December 2024 analysis of derivative transactions according to their maturities is as follows:

	Short Term	Long Term	Total
Currency Swap Purchases	11.625.020	1.445.963	13.070.983
Currency Swap Sales	9.915.385	1.414.327	11.329.712
Currency Futures Purchases	1.718.007	50.753	1.768.760
Currency Futures Sales	1.971.748	49.782	2.021.530

As at 31 December 2023, analysis of derivative transactions according to their maturities is as follows:

	Short Term	Long Term	Total
Currency Swap Purchases	6.248.068	-	6.248.068
Currency Swap Sales	6.173.681	-	6.173.681
Currency Futures Purchases	205.478	-	205.478
Currency Futures Sales	202.119	-	202.119

#### 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 2024	Leasing	Factoring	Consolidation Adjustments	Consolidated
Total assets	32.000.494	37.800.577	(53.766)	69.747.305
Total liabilities	26.660.515	33.244.608	-	59.905.123
Net profit for the year	1.142.528	1.000.450	(217.785)	1.925.193
31 December 2023	Leasing	Factoring	Consolidation Adjustments	Consolidated
Total assets	27.606.958	24.004.354	(53.766)	51.557.546
Total liabilities	23.874.221	20.913.425	-	44.787.646
Net profit for the year	860.027	1.159.425	(252.392)	1.767.060



# İş Finansal Kiralama Anonim Şirketi And Its Subsidiary

## Notes to the Consolidated Financial Statements

### As at 31 December 2024

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

#### 27. SEGMENT REPORTING (Continued)

31 December 2024	Leasing	Factoring	Consolidation Adjustments	Total
Operating Income	4.381.435	7.321.243	-	11.702.678
Financial Expenses (-)	(3.001.372)	(5.882.575)	-	(8.883.947)
Gross Profit . Loss	1.380.063	1.438.668	-	2.818.731
Operating Expense (-)	(448.918)	(339.593)	-	(788.511)
Gross Operating Profit.Loss	931.145	1.099.075	-	2.030.220
Other Operating Income	1.548.525	1.608.300	(1.057.150)	2.099.675
Provisions (-)	(216.620)	(289.663)	-	(506.283)
Other operating Expenses (-)	(581.324)	(1.007.271)	1.057.150	(531.445)
Net Operating Profit . Loss	1.681.726	1.410.441	-	3.092.167
Profit or Loss from Continuing Operations before tax	1.681.726	1.410.441	-	3.092.167
Provision for Taxes from Continuing Operations (±)	(539.198)	(409.991)	-	(949.189)
Net Profit or Loss from Continuing Operations	1.142.528	1.000.450	-	2.142.978
Non-controlling Interests	-	-	(217.785)	(217.785)
<b>Net Profit or Loss for the Period</b>	<b>1.142.528</b>	<b>1.000.450</b>	<b>(217.785)</b>	<b>1.925.193</b>
Fixed Asset Additions	140.870	28.267	-	169.137
Depreciation and Amortisation	(16.597)	(17.581)	-	(34.178)
31 December 2023	Leasing	Factoring	Consolidation Adjustments	Total
Operating Income	3.000.733	5.180.594	-	8.181.327
Financial Expenses (-)	(2.147.074)	(3.565.883)	-	(5.712.957)
Gross Profit . Loss	853.659	1.614.711	-	2.468.370
Operating Expense (-)	(239.758)	(177.009)	-	(416.767)
Gross Operating Profit.Loss	613.901	1.437.702	-	2.051.603
Other Operating Income	1.195.240	374.602	-	1.569.842
Provisions (-)	(269.172)	(177.091)	-	(446.263)
Other operating Expenses (-)	(297.048)	(21.167)	-	(318.215)
Net Operating Profit . Loss	1.242.921	1.614.046	-	2.856.967
Profit or Loss from Continuing Operations Before Tax	1.242.921	1.614.046	-	2.856.967
Provision for Taxes from Continuing Operations (±)	(382.894)	(454.621)	-	(837.515)
Net Profit or Loss from Continuing Operations	860.027	1.159.425	-	2.019.452
Non-controlling Interests	-	-	(252.392)	(252.392)
<b>Net Profit or Loss for the Period</b>	<b>860.027</b>	<b>1.159.425</b>	<b>(252.392)</b>	<b>1.767.060</b>
Fixed Asset Additions	93.321	21.998	-	115.319
Depreciation and Amortisation	(12.825)	(11.057)	-	(23.882)

#### 28. EVENTS AFTER THE REPORTING PERIOD

İş Finansal Kiralama A.Ş. within the scope of the Board of Directors' decision dated 20.08.2024 regarding the issuance of debt instruments, financial bills with a nominal value of TL 350.000 and bonds with a nominal value of TL 500.000 were issued after 31.12.2024.

İş Finansal Kiralama Anonim Şirketi And Its Subsidiary

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### As at 31 December 2024

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

#### 29. OPERATING INCOME

For the periods ended 31 December 2024 and 31 December 2023, details of operating income are as follows:

	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
Finance Lease income	4.378.043	2.996.662
Operating lease income	3.392	4.070
Factoring income	7.321.243	5.180.595
	<b>11.702.678</b>	<b>8.181.327</b>

#### 30. OPERATING EXPENSES

For the periods ended 31 December 2024 and 31 December 2023, operating expenses are as follows:

	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
Personal expenses	(577.565)	(269.317)
Depreciation and amortization expenses	(34.178)	(23.882)
Information technology expenses	(37.917)	(19.245)
Provision for employee severance	(14.386)	(15.683)
Office rent expenses	(25.450)	(14.082)
Taxes, duties and charges	(16.052)	(11.082)
BRSA participation fee	(15.484)	(10.916)
Board of Directors attendance fee	(17.672)	(10.139)
Consultancy expenses	(12.986)	(5.694)
Travel and car expenses	(8.194)	(3.680)
Advertising expense	(2.337)	(1.975)
Capital increase expense	(2.650)	(869)
Communication expense	(1.263)	(771)
Insurance expense	(643)	(418)
Expenses of Keeping on the Rank	(30)	(19)
Other general administrative expenses	(21.704)	(28.995)
	<b>(788.511)</b>	<b>(416.767)</b>

#### 31. OTHER OPERATING INCOME

For the periods ended 31 December 2024 and 31 December 2023, details of other operating income are as follows:

	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
Foreign Exchange Incomes	-	781.063
Profits from Derivative Financial	870.378	241.637
Collection and Cancellation Income from Doubtful	479.527	268.521
Dividend Income	77.849	36.730
Commission Income	63.838	34.826
Interest Income	274.428	18.324
Capital Market Transactions Profit	111.576	1.823
Other	222.079	186.918
	<b>2.099.675</b>	<b>1.569.842</b>

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# Notes to the Consolidated Financial Statements

## As at 31 December 2024

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

### 32. FINANCE EXPENSES

For the periods ended 31 December 2024 and 31 December 2023, details of finance expenses are as follows:

	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
Interest expense on funds borrowed	(7.545.841)	(4.499.880)
Interest expense on debt securities issued	(1.097.065)	(615.602)
Fees and commissions expense	(227.497)	(595.561)
Interest expense related to rents	(13.544)	(1.914)
	<b>(8.883.947)</b>	<b>(5.712.957)</b>

### 33. PROVISIONS

For the periods ended 31 December 2024 and 31 December 2023, details of provision for non-performing receivables are as follows:

	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
Specific Provisions	(506.283)	(446.263)
	<b>(506.283)</b>	<b>(446.263)</b>

### 34. OTHER OPERATING EXPENSES

For the periods ended 31 December 2024 and 31 December 2023, details of other operating expenses are as follows:

	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
Losses From Derivative Financial Instruments	(377.683)	(264.170)
Foreign exchange loss	(119.701)	-
Other	(34.061)	(54.045)
	<b>(531.445)</b>	<b>(318.215)</b>

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.

İş Finansal Kiralama Anonim Şirketi And Its Subsidiary

## Notes to the Consolidated Financial Statements

### As at 31 December 2024

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

#### 35. TAXATION

For the periods ended 31 December 2024 and 31 December 2023, details of tax expense are as follows:

	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
Current corporate tax charge	(804.618)	(1.062.283)
Deffered tax income. (expense)	(144.571)	224.768
	<b>(949.189)</b>	<b>(837.515)</b>

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:

	%	1 January- 31 December 2024	%	1 January- 31 December 2023
Net profit for the period		2.142.978		2.019.452
Total tax expense		949.189		837.515
Profit before tax		3.092.167		2.856.967
Income tax using the Group's tax rate	30,00	927.650	30,00	857.090
Non-deductible expenses	0,87	26.857	1,99	56.829
Tax exempt income	(0,76)	(23.355)	(0,39)	(11.065)
Other	0,58	18.037	(2,29)	(65.339)
<b>Total income tax expense</b>	<b>30,69</b>	<b>949.189</b>	<b>29,31</b>	<b>837.515</b>

#### 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.

The corporate tax rate is 30% as of 31 December 2024 (31 December 2023: 30%). With the Law proposed to the Turkish Grand National Assembly on July 5, 2023 and published in the Official Gazette dated July 15, 2023, amendments were made to the Corporate Tax Law No. 5520. According to this; Starting from the declarations that must be submitted as of October 1, 2023, the corporate tax rate for banks, companies within the scope of Law No. 6361, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies, increased from 25% to 30%. This regulation starts with the declarations that must be submitted as of October 1, 2023; It entered into force on July 15, 2023, to be applied to the earnings of institutions in the 2023 and subsequent taxation periods, and to the earnings of institutions subject to the special accounting period in the special account taxation periods starting in the 2023 calendar year.

## İş Finansal Kiralama Anonim Şirketi And Its Subsidiary

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## As at 31 December 2024

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### 35. TAXATION (Continued)

#### Corporate Tax (Continued)

In Turkey, provisional tax is calculated and accrued quarterly. The provisional tax rate that must be calculated on corporate earnings during the taxation of 2024 corporate earnings as of the provisional tax periods is 30% for 31.12.2024. (December 31, 2023: 30%). According to Turkish tax legislation, financial losses shown on the declaration can be deducted from the period corporate income for a period not exceeding 5 years. However, losses cannot be deducted retroactively from profits made in previous years. According to the 17th article of the Law No. 7491 on Amendments to Certain Laws and Decree Laws published in the Official Gazette No. 32413 dated 28 December 2023, Banks are subject to the Financial Leasing, Factoring, Financing and Savings Financing Companies Law No. 6361 dated 21/11/2012. Profit/loss differences arising from inflation adjustments to be made in the 2024 and 2025 accounting periods, including provisional tax periods, by the companies within the scope of the scope of payment and electronic money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies. It has become law that it will not be taken into account in the determination. The President is authorized to extend the periods determined within the scope of this paragraph by one accounting period, including provisional tax periods.

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.

# İş Finansal Kiralama Anonim Şirketi And Its Subsidiary

## Notes to the Consolidated Financial Statements

### As at 31 December 2024

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

#### 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 2024 and 31 December 2023 are as follows:

	1 January- 31 December 2024	1 January- 31 December 2023
Weighted average number of outstanding shares <sup>(*)</sup>	69.530.264.500	69.530.264.500
Net profit for the year (TL)	1.925.193	1.767.060
Basic earnings per share (full TL)	0,0277	0,0254

(\*) As at 31 December 2024, the share capital of the Company consists 69.530.264.500 of shares having Kurus 1 nominal price.

	31 December 2024	31 December 2023
Number of shares at beginning of the year	69.530.264.500	69.530.264.500
Capital increase	-	-
Number of shares at end of the year	<b>69.530.264.500</b>	<b>69.530.264.500</b>

#### 37. OTHER ISSUES THAT SIGNIFICANTLY AFFECT THE FINANCIAL STATEMENTS OR OTHER ISSUES REQUIRED FOR UNDERSTANDING OF THE FINANCIAL STATEMENTS

None.

#### 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 2024, the debt.equity ratio is 21% (31 December 2023: 16 %). As at 31 December 2024 and 31 December 2023, the leverage ratios are as follows:

	31 December 2024	31 December 2023
Funds borrowed	52.362.319	39.461.307
Debt securities issued	4.816.406	3.745.276
Other liabilities	1.792.123	1.171.337
Total liabilities	<b>58.970.848</b>	<b>44.377.920</b>
Cash and Cash Equivalents (-)	(1.166.151)	(2.512.911)
Net liabilities	<b>57.804.697</b>	<b>41.865.009</b>
Total shareholders' equity	9.842.182	6.769.900
Shareholders' equity . liabilities	17%	16%

# İş Finansal Kiralama Anonim Şirketi And Its Subsidiary

## Notes to the Consolidated Financial Statements

### As at 31 December 2024

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

#### 38. ADDITIONAL INFORMATION ON FINANCIAL INSTRUMENTS (Continued)

##### (a) Capital risk management (Continued)

According to the credit rating reports of Fitch issued at 17.09.2024 credit ratings of the Company are as follows:

##### Foreign Currency

Long term	BB-
Short term	B
Outlook	Stable

##### TL

Long term	BB-
Short term	B
Outlook	Stable

##### National

Long term	AA-(tur)
Outlook	Stable
Sharehold Support	bb-

##### (b) Significant accounting policies

The Group's accounting policies on financial instruments are disclosed in Note 3 "Significant accounting policies".

##### (c) Categories of financial instruments

	31 December 2024	31 December 2023
<b>Financial Assets:</b>		
Cash and Cash Equivalents	1.166.151	2.512.911
Derivative Financial Assets	590.359	83.917
Finance lease receivables and non-performing receivables, net	26.423.573	23.220.714
Leasing Contracts in Progress	1.160.387	241.715
Advances Given for Lease Transactions	1.471.162	646.638
Other Finance Lease Receivables	116.305	70.193
Factoring receivables and non-performing factoring receivables, Net	35.034.624	22.092.144
Financial Assets at Fair Value Through Other Comprehensive Income	3.468.578	2.228.384
Financial assets at fair value through profit or loss	-	24.328
<b>Financial Liabilities:</b>		
Derivative financial liabilities at fair value	(254.193)	(5.837)
Finance Lease Obligations	(27.396)	(6.455)
Other liabilities	(1.792.123)	(1.171.337)
Funds borrowed	(52.362.319)	(39.461.307)
Debt securities issued	(4.816.406)	(3.745.276)

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#### 38. ADDITIONAL INFORMATION ON FINANCIAL INSTRUMENTS (Continued)

##### (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.

##### (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 2024 and 31 December 2023, details of foreign currency denominated assets and liabilities are as follows:

	USD (000)	EUR (000)	CHF (000)	GBP (000)	JPY (000)	AUD (000)	CNY (000)	TL Equivalent
<b>31 December 2024</b>								
Banks	1.293	6.539	3	739	28	2	5	318.655
Finance lease receivables	90.178	466.414	-	-	-	-	-	20.313.772
Factoring receivables <sup>(*)</sup>	130.067	118.061	-	5.290	-	-	-	9.159.760
Advances given for lease transactions	18.164	20.867	270	-	-	-	-	1.417.681
Leasing contracts in progress	617	23.330	-	-	-	-	-	878.952
Other receivables from leasing transactions	261	1.541	-	-	-	-	-	65.804
Other assets	3	38	-	-	-	-	-	1.483
<b>Total assets <sup>(**)</sup></b>	<b>240.583</b>	<b>636.790</b>	<b>273</b>	<b>6.029</b>	<b>28</b>	<b>2</b>	<b>5</b>	<b>32.156.107</b>
Funds borrowed <sup>(*)</sup>	(189.980)	(357.295)	-	(217.587)	-	-	-	(29.453.121)
Lease Obligations	-	-	-	-	-	-	-	-
Other provisions	-	(829)	-	(1)	-	-	-	(30.495)
Other Liabilities	(6.420)	(29.370)	(1)	(40)	-	-	-	(1.307.023)
<b>Total liabilities <sup>(**)</sup></b>	<b>(196.400)</b>	<b>(387.494)</b>	<b>(1)</b>	<b>(217.628)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(30.790.639)</b>
<b>Balance sheet position</b>	<b>44.183</b>	<b>249.296</b>	<b>272</b>	<b>(211.599)</b>	<b>28</b>	<b>2</b>	<b>5</b>	<b>1.365.468</b>
<b>Off balance sheet position</b>	<b>(28.657)</b>	<b>(248.445)</b>	<b>-</b>	<b>218.682</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(462.187)</b>
<b>Net foreign currency position</b>	<b>15.526</b>	<b>851</b>	<b>272</b>	<b>7.083</b>	<b>28</b>	<b>2</b>	<b>5</b>	<b>903.281</b>

<sup>(\*)</sup> As at 31 December 2024, derivative financial assets amounting to TL 336.166 are not included

<sup>(\*\*)</sup> As at 31 December 2023, has no foreign currency indexed borrowings.

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#### 38. ADDITIONAL INFORMATION ON FINANCIAL INSTRUMENTS (Continued)

(f) Currency risk management (Continued)

<b>31 December 2023</b>	<b>USD (000)</b>	<b>EUR (000)</b>	<b>CHF (000)</b>	<b>GBP (000)</b>	<b>JPY (000)</b>	<b>AUD (000)</b>	<b>CNY (000)</b>	<b>TL Equivalent</b>
Banks	466	46.796	3	904	28	2	5	1.572.058
Finance lease receivables	100.227	428.863	-					16.920.228
Factoring receivables <sup>(*)</sup>	62.009	40.671	-	2.929	-	-	-	3.259.927
Leasing contracts in progress	7.961	12.362	-	-	-	-	-	637.669
Other receivables from leasing transactions	70	3.450	-	-	-	-	-	114.435
Other assets	207	905	-	-	-	-	-	35.587
Other Assets	26	18	-	-	-	-	-	1.374
<b>Total Assets <sup>(*)</sup></b>	<b>170.966</b>	<b>533.065</b>	<b>3</b>	<b>3.833</b>	<b>28</b>	<b>2</b>	<b>5</b>	<b>22.541.278</b>
Funds borrowed <sup>(*)</sup>	(77.002)	(381.157)	-	(3.427)	-	-	-	(20.978.447)
Lease Obligations	-	-	-	-	-	-	-	-
Other provisions	(1)	(833)	-	(1)	-	-	-	(27.191)
Other Liabilities	(4.868)	(18.451)	(1)	(233)	-	-	-	(753.102)
<b>Total liabilities <sup>(**)</sup></b>	<b>(81.871)</b>	<b>(400.441)</b>	<b>(1)</b>	<b>(3.661)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(21.758.740)</b>
<b>Balance sheet position</b>	<b>89.095</b>	<b>132.624</b>	<b>-</b>	<b>172</b>	<b>28</b>	<b>2</b>	<b>5</b>	<b>782.538</b>
<b>Off balance sheet position</b>	<b>(54.339)</b>	<b>(110.830)</b>	<b>-</b>	<b>141.030</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>77.746</b>
<b>Net foreign currency position</b>	<b>34.756</b>	<b>21.794</b>	<b>2</b>	<b>141.202</b>	<b>28</b>	<b>2</b>	<b>5</b>	<b>860.284</b>

<sup>(\*)</sup> As at 31 December 2023, derivative financial assets amounting to TL 78.080 are not included.

<sup>(\*\*)</sup> As at 31 December 2023, has no foreign currency indexed borrowings.

#### 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.

# İş Finansal Kiralama Anonim Şirketi And Its Subsidiary

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### As at 31 December 2024

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

#### 38. ADDITIONAL INFORMATION ON FINANCIAL INSTRUMENTS (Continued)

(f) Currency risk management (Continued)

	Profit/ (Loss)		Equity <sup>(*)</sup>	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
<b>31 December 2024</b>				
15% change of the USD against TL				
1- Net USD asset. Liability	233.441	(233.441)	233.441	(233.441)
2- Hedged portion of TL against USD risk (-)	(151.409)	151.409	(151.409)	151.409
<b>3- Net effect of USD (1+ 2)</b>	<b>82.032</b>	<b>(82.032)</b>	<b>82.032</b>	<b>(82.032)</b>
15% change of the Euro against TL				
4- Net Euro asset. Liability	1.373.979	(1.373.979)	1.373.979	(1.373.979)
5- Hedged portion of TL against Euro risk (-)	(1.369.288)	1.369.288	(1.369.288)	1.369.288
<b>6- Net effect of Euro (4+5)</b>	<b>4.691</b>	<b>(4.691)</b>	<b>4.691</b>	<b>(4.691)</b>
15% change of other foreign currencies against TL				
7- Net other foreign currencies asset. Liability	48.601	(48.601)	48.601	(48.601)
8- Hedged portion of TL against other currencies risk (-)	-	-	-	-
<b>9- Net effect of other foreign currencies (7+8)</b>	<b>48.601</b>	<b>(48.601)</b>	<b>48.601</b>	<b>(48.601)</b>
<b>TOTAL (3+6+9)</b>	<b>135.324</b>	<b>(135.324)</b>	<b>135.324</b>	<b>(135.324)</b>

<sup>(\*)</sup> Includes profit.loss effect.

	Profit/ (Loss)		Equity <sup>(*)</sup>	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
<b>31 December 2023</b>				
15% change of the USD against TL				
1- Net USD asset.liability	393.419	(393.419)	393.419	(393.419)
2- Hedged portion of TL against USD risk (-)	(239.946)	239.946	(239.946)	239.946
<b>3- Net effect of USD (1+ 2)</b>	<b>153.473</b>	<b>(153.473)</b>	<b>153.473</b>	<b>(153.473)</b>
15% change of the Euro against TL				
4- Net Euro asset.liability	648.012	(648.012)	648.012	(648.012)
5- Hedged portion of TL against Euro risk (-)	(541.525)	541.525	(541.525)	541.525
<b>6- Net effect of Euro (4+5)</b>	<b>106.487</b>	<b>(106.487)</b>	<b>106.487</b>	<b>(106.487)</b>
15% change of other foreign currencies against TL				
7- Net other foreign currencies asset.liability				
8- Hedged portion of TL against other currencies risk (-)	793.040	(793.040)	793.040	(793.040)
<b>9- Net effect of other foreign currencies (7+8)</b>	<b>793.040</b>	<b>(793.040)</b>	<b>793.040</b>	<b>(793.040)</b>
<b>TOTAL (3+6+9)</b>	<b>1.053.000</b>	<b>(1.053.000)</b>	<b>1.053.000</b>	<b>(1.053.000)</b>

<sup>(\*)</sup> 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 (Forward contracts, 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 2024 and 31 December 2023, the interest rate profile of the Group's interest-bearing financial instruments is as follows:

	31 December 2024	31 December 2023
<b><u>Fixed rate instruments</u></b>		
Financial Assets:		
Cash and Cash Equivalents	56.325	1.961.533
Finance Lease Receivables Net	26.174.309	23.193.312
Factoring Receivables Net	26.330.846	20.304.633
Financial Liabilities:		
Funds Borrowed	41.325.429	31.588.986
Securities Issued	3.423.123	3.745.276
<b><u>Variable rate instruments</u></b>		
Financial Assets:		
Finance Lease Receivables Net	249.264	27.402
Factoring Receivables Net	8.703.778	1.787.511
Financial Liabilities:		
Funds Borrowed	11.036.890	7.872.321
Securities Issued	1.393.283	-

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## Notes to the Consolidated Financial Statements

### As at 31 December 2024

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

#### 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 4.326 (31 December 2023: TL 392).

Interest income from factoring transactions with variable interest rates would be higher at an amount of TL 85.845 (31 December 2023: TL 17.630).

Interest expense on funds borrowed with variable interest rates would be higher at an amount of TL 103.967 (31 December 2023: TL 76.238).

(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 259.156 (31 December 2023: TL 351.160).

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## Notes to the Consolidated Financial Statements

### As at 31 December 2024

(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 2024 (%)	31 December 2023 (%)
Construction	30,47	19,48
Textile Construction	12,37	17,73
Metal industry	9,53	10,82
Transportation	9,67	8,92
Mining	3,95	5,90
Real estate	5,53	5,09
Forestry products and paper	3,06	3,92
Food and beverage	3,55	2,88
Agriculture and forestry	2,81	2,94
Machinery and Equipment	2,13	2,79
Energy	3,33	2,64
Rubber, Plastic	1,95	1,83
Healthcare	1,08	1,17
Wholesale	1,08	1,32
Finance	0,11	0,26
Tourism	0,37	0,46
Other	9,01	11,85
	<b>100,00</b>	<b>100,00</b>

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### As at 31 December 2024

(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 2024, exposure to credit risk based on categories of financial instruments is as follows:

	Receivables					Financial Assets at Fair value through profit loss	Financial Assets at Fair Value Through Other Comprehensive Income (***)	Derivative Financial Assets
	Finance Lease Receivables		Factoring Receivables		Cash and Cash Equivalents			
	Related party	Third party	Related party	Third party				
31 December 2024								
Exposure to maximum credit risk as at reporting date (*)	28.924	26.394.638	-	35.034.624	1.166.151	-	3.468.578	590.359
	-	865.025	-	4.903.547	-	-	-	-
- The portion of maximum risk covered by guarantee	28.924	26.057.656	-	34.938.908	1.166.151	-	3.468.578	590.359
A. Net carrying value of financial assets which are neither impaired nor overdue	-	685.305	-	4.834.547	-	-	-	-
- The portion covered by guarantee				2.144	-	-	-	-
B. Net carrying value of financial assets that are restricted, otherwise which will be regarded as overdue or impaired		573.888		1.209	-	-	-	-
C. Net carrying value of financial assets which are overdue but not impaired		177.167		69.000	-	-	-	-
- The portion covered by guarantee		(236.895)		92.363	-	-	-	-
D. Net carrying value of impaired assets		386.013		386.217	-	-	-	-
- Overdue (gross book value)		(925.192)		(293.854)	-	-	-	-
- Impairment (-)		2.553		-	-	-	-	-
- Covered portion of net book value (with letter of guarantee etc) (**)		305.884		-				-
- Not past due (gross book value)		(2.016)		-	-	-	-	-
- Impairment (-)					-	-	-	
- Covered portion of net book value (with letter of guarantee etc.) (**)								

(\*)Guarantees received are not taken into account in the calculation.

(\*\*) Includes collaterals for the assets impaired but not overdue

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### As at 31 December 2024

(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 2023 exposure to credit risk based on categories of financial instruments is as follows:

31 December 2023	Receivables							
	Finance Lease Receivables				Factoring Receivables			
	Related party	Third party	Related party	Third party	Cash and Cash Equivalents	Financial Assets at Fair value through profit. loss	Financial Assets at Fair Value Through Other Comprehensive Income <sup>(**)</sup>	Derivative Financial Assets
Exposure to maximum credit risk as at reporting date <sup>(*)</sup>	16.474	23.204.240	211.790	21.880.354	24.328	14.228.789	2.228.384	22.155.237
- The portion of maximum risk covered by guarantee	-	964.164	-	3.329.656	-	-	-	-
A. Net carrying value of financial assets which are neither impaired nor overdue	16.474	22.246.020	211.790	21.541.145	24.328	14.228.789	2.228.384	22.155.237
- The portion covered by guarantee	-	784.227	-	3.105.756	-	-	-	-
B. Net carrying value of financial assets that are restricted, otherwise which will be regarded as overdue or impaired	-	-	-	60	-	-	-	-
C. Net carrying value of financial assets which are overdue but not impaired	-	1.049.269	-	2.301	-	-	-	-
- The portion covered by guarantee	-	175.970	-	223.900	-	-	-	-
	-	(91.049)	-	336.848	-	-	-	-
D. Net carrying value of impaired assets	-	615.275	-	336.848	-	-	-	-
- Impairment (-)	-	(911.447)	-	-	-	-	-	-
- Covered portion of net book value (with letter of guarantee etc.) <sup>(**)</sup>	-	3.967	-	-	-	-	-	-
- Not past due (gross book value)	-	257.594	-	-	-	-	-	-
- Impairment (-)	-	(52.471)	-	-	-	-	-	-
- Covered portion of net book value (with letter of guarantee etc.) <sup>(**)</sup>	-	-	-	-	-	-	-	-
E. Off balance sheet items with credit risks	-	-	-	-	-	-	-	-

<sup>(\*)</sup> Guarantees received are not taken into account in the calculation..

<sup>(\*\*)</sup> Includes collaterals for the assets impaired but not overdue.



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## As at 31 December 2024

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

### 38. ADDITIONAL INFORMATION ON FINANCIAL INSTRUMENTS (Continued)

#### (i) Credit risk management (Continued)

	31 December 2024		31 December 2023	
	Nominal Value	Authentic Value <sup>(*)</sup>	Nominal Value	Authentic Value <sup>(*)</sup>
Sureties	475.334.665	55.076.574	370.618.752	40.613.297
Collaterals of factoring transaction	57.605.551	4.807.904	45.348.004	3.287.380
Mortgage	16.454.848	751.260	14.310.737	622.944
Pledged shares	14.649.417	-	11.790.263	-
Guaranties of factoring transaction	3.473.375	23.013	3.106.503	32.032
Share certificates	2.203.162	348.872	1.807.287	429.008
Pledged commercial	1.023.868	102.638	946.871	189.598
Pledged vehicles	1.125.335	573.898	635.998	315.105
Sureties of credit guarantee fund	450.731	58.854	398.722	139.858
Guarantors	189.064	-	171.772	-
Securities Received For Collateral Purposes	112.643	-	99.153	-
Collaterals given by vendors	88.058	-	73.596	-
Cash blockages	29.750	21.025	29.427	18.425
Ship mortgage	54.110	-	1.475	-
Funds bonds as collateral	11.974	1.500	10.758	1.500
Collaterals of leasing transaction	8.767	-	7.942	-
Letters of guarantee	2.375	2.376	2.082	2.083
Pledged machines	502	-	502	-
Account Pledge	130	-	130	-
	<b>572.818.325</b>	<b>61.767.914</b>	<b>449.359.974</b>	<b>45.651.230</b>

<sup>(\*)</sup> In determination of the fair value, lower of collateral amount or fair value up to the credit exposure amount has been taken into account.

Collaterals obtained for finance lease receivables and factoring receivables including past dues and non-performing receivables are as follows:

#### (j) Liquidity risk management

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.

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### As at 31 December 2024

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#### 38. ADDITIONAL INFORMATION ON FINANCIAL INSTRUMENTS (Continued)

##### Liquidity risk table

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.

<b>31 December 2024</b>		<b>Contractual</b>				
<b>Contractual Maturities</b>	<b>Carrying Amount</b>	<b>Cash Flows (I+II+III+IV)</b>	<b>Less than 3 Months (I)</b>	<b>3-12 Months (II)</b>	<b>1-5 Years (III)</b>	<b>More than 5 Years (IV)</b>
Non-derivative Financial Assets:						
Banks	1.166.151	1.166.172	1.109.869	56.303	-	-
Financial Assets at Fair value through profit and Loss	-	-	-	-	-	-
Lease Receivables (*)	26.423.573	31.142.478	5.889.580	11.134.419	14.118.479	-
Factoring Receivables	35.034.624	36.666.861	30.780.423	5.737.335	149.103	-
Other Lease Receivables	111.349	111.349	111.349	-	-	-
Non-derivative Financial Assets:	4.956	4.956	4.956	-	-	-
<b>Total Assets</b>	<b>62.740.653</b>	<b>69.091.816</b>	<b>37.896.177</b>	<b>16.928.057</b>	<b>14.267.582</b>	<b>-</b>
Non-derivative Financial Liabilities:						
Funds Borrowed	52.362.319	54.594.351	38.548.817	11.010.212	4.985.184	50.138
Debt Securities Issued	4.816.406	4.946.656	215.000	4.618.363	113.293	-
Lease Obligations	27.396	46.256	3.323	22.065	20.868	-
Other Liabilities	1.792.123	1.792.123	1.792.022	-	101	-
<b>Total Liabilities</b>	<b>58.998.244</b>	<b>61.379.386</b>	<b>40.559.162</b>	<b>15.650.640</b>	<b>5.119.446</b>	<b>50.138</b>

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#### 38. ADDITIONAL INFORMATION ON FINANCIAL INSTRUMENTS (Continued)

Liquidity risk table (Continued)

31 December 2023 Contractual Maturities	Carrying Amount	Contractual Cash Flows (I+II+III+IV)	Less than 3 Months (I)	3-12 Months (II)	1-5 Years (III)	More than 5 Years (IV)
Non-derivative Financial Assets:						
Banks	2.512.911	2.515.323	2.515.323	-	-	-
Financial Assets at Fair value through profit and Loss	24.328	24.328	24.328	-	-	-
Lease Receivables (*)	23.220.714	27.170.982	3.483.679	9.558.002	13.823.696	305.605
Factoring Receivables	22.092.144	23.607.975	18.625.857	4.981.112	1.006	-
Other Lease Receivables	65.970	65.970	65.970	-	-	-
Non-derivative Financial Assets:	4.223	4.223	4.223	-	-	-
<b>Total Assets</b>	<b>47.920.290</b>	<b>53.388.801</b>	<b>24.719.380</b>	<b>14.539.114</b>	<b>13.824.702</b>	<b>305.605</b>
Non-derivative Financial Liabilities:						
Funds Borrowed	39.461.307	41.363.428	23.617.951	13.921.057	3.824.420	-
Debt Securities Issued	3.745.276	3.856.000	2.770.000	1.086.000	-	-
Lease Obligations	6.455	8.829	1.469	3.151	4.209	-
Other Liabilities	1.171.337	1.171.337	1.117.302	53.934	101	-
<b>Total Liabilities</b>	<b>44.384.375</b>	<b>46.399.594</b>	<b>27.506.722</b>	<b>15.064.142</b>	<b>3.828.730</b>	<b>-</b>

The following table details the maturities of derivative financial assets and liabilities as at 31 December 2024 and 31 December 2023.

31 December 2024 Contractual Maturities	Carrying Amount	Contractual Cash Flows (I+II+III+IV)	Less than 3 Months (I)	3-12 Months (II)	1-5 Years (III)	More than 5 Years (IV)
Cash inflows from derivatives	1.488.505	14.839.744	2.453.253	10.672.594	1.713.897	-
Cash outflows from derivatives	-	13.351.241	1.832.678	9.828.089	1.690.474	-
31 December 2023 Contractual Maturities	Carrying Amount	Contractual Cash Flows (I+II+III+IV)	Less than 3 Months (I)	3-12 Months (II)	1-5 Years (III)	More than 5 Years (IV)
Cash inflows from derivatives	77.746	6.453.546	2.290.267	4.163.279	-	-
Cash outflows from derivatives	-	6.375.800	2.253.897	4.121.903	-	-

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### As at 31 December 2024

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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:

31 December 2024	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
<b>Financial Assets</b>								
Cash and Cash Equivalents	-	1,166,151	-	-	-	1,166,151	1,166,151	4
Financial Assets at Fair Value Through Profit or Loss	-	-	-	-	-	-	-	5
Financial Assets at Fair Value Through other comprehensive Income	-	-	-	3,468,578	-	3,468,578	3,468,578	7
Derivative financial assets	590,359	-	-	-	-	590,359	590,359	6
Finance lease receivables and non- performing lease receivables	-	-	26,423,573	-	-	26,423,573	27,615,050	9
Factoring receivables and non- performing factoring receivables	-	-	35,034,624	-	-	35,034,624	35,034,624	8
<b>Financial liabilities</b>								
Derivative financial Liabilities	254,193	-	-	-	-	254,193	254,193	6
Other liabilities	-	-	-	-	1,792,122	1,792,122	1,792,123	17
Lease Payables	-	-	-	-	4,816,406	4,816,406	4,228,457	19
Funds borrowed	-	-	-	-	52,362,319	52,362,319	55,672,967	16
Debt securities issued	-	-	-	-	27,396	27,396	27,396	18

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#### 38. ADDITIONAL INFORMATION ON FINANCIAL INSTRUMENTS (Continued)

(k) Fair value of financial instruments (Continued)

31 December 2023	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
<b>Financial Assets</b>								
Cash and Cash Equivalents	-	2.512.911	-	-	-	2.512.911	2.512.911	4
Financial Assets at Fair Value Through Profit or Loss	24.328	-	-	-	-	24.328	24.328	5
Financial Assets at Fair Value Through other comprehensive Income	-	-	-	2.228.384	-	2.228.384	2.228.384	7
Derivative financial assets	83.917	-	-	-	-	83.917	83.917	6
Finance lease receivables and non- performing lease receivables	-	-	23.220.714	-	-	23.220.714	20.644.658	9
Factoring receivables and non- performing factoring receivables	-	-	22.092.144	-	-	22.092.144	22.092.144	8
<b>Financial liabilities</b>								
Derivative financial Liabilities	5.837	-	-	-	-	5.837	5.837	6
Other liabilities	-	-	-	-	1.171.337	1.171.337	1.171.337	17
Lease Payables	-	-	-	-	6.455	6.455	6.455	18
Funds borrowed	-	-	-	-	39.461.307	39.461.307	42.337.645	16
Debt securities issued	-	-	-	-	3.745.276	3.745.276	3.879.036	19

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## Notes to the Consolidated Financial Statements

### As at 31 December 2024

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

#### 38. ADDITIONAL INFORMATION ON FINANCIAL INSTRUMENTS (Continued)

(I) 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 2024	Level 1	Level 2	Level 3	Total
Financial Assets at Fair Value Through Profit or Loss	-	-	-	-
Derivative financial assets	-	590.359	-	590.359
Financial Assets at Fair Value Through Other Comprehensive Income	3.455.406	-	13.172	3.468.578
<b>Total financial assests carried at fair value</b>	<b>3.455.406</b>	<b>590.359</b>	<b>13.172</b>	<b>4.058.937</b>
Derivative financial liabilities	-	254.193	-	-
<b>Total financial liabilities carried at fair value</b>	<b>-</b>	<b>254.193</b>	<b>-</b>	<b>254.193</b>
31 December 2023	Level 1	Level 2	Level 3	Total
Financial Assets at Fair Value Through Profit or Loss	-	24.328	-	24.328
Derivative financial assets	-	83.917	-	83.917
Financial Assets at Fair Value Through Other Comprehensive Income	2.220.926	-	7.458	2.228.384
<b>Total financial assets carried at fair value</b>	<b>2.220.926</b>	<b>108.245</b>	<b>7.458</b>	<b>2.336.629</b>
Derivative financial liabilities	-	5.837	-	5.837
<b>Total financial liabilities carried at fair value</b>	<b>-</b>	<b>5.837</b>	<b>-</b>	<b>5.837</b>

#### 39. INFORMATION ON SERVICES RECEIVED FROM INDEPENDENT AUDIT FIRMS

As at 31 December 2023, The Group's independent audit fee is TL 3.343 (2023, TL 1.050)

As at 31 December 2024, The Group's tax audit fee is TL 910 (2023, TL 365).

	1 January - 31 December 2024	1 January - 31 December 2023
Independent audit fee for the reporting period	2.125	828
Fees for tax consultancy services	910	365
Fee for other assurance services	1.218	222
Fee for other services other than independent audit	-	-
	<b>4.253</b>	<b>1.415</b>

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