

İŞBANK

INVESTOR PRESENTATION
2024 Q1

TÜRKİYE  BANKASI

100



Contents

Section

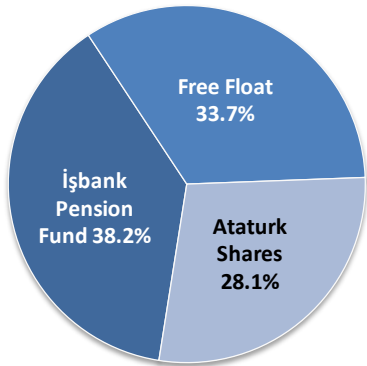
İşbank at a Glance

Financial Highlights

Appendix

İşbank at a Glance

Ownership Structure



- Stable ownership structure for many decades
- Wide-spread shareholder base

Leading Banking Franchise



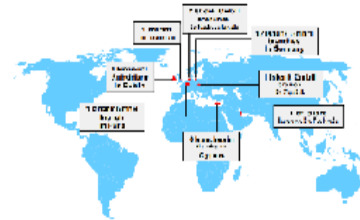
- **Largest branch network** among private banks: **1,061 branches** in Turkey covering all cities

- **Largest ATM network** in Turkey – **6,292 ATMs**



- **Financial supermarket** status with 21 financial participations

International Presence



- **22 foreign branches, 3 fully owned bank subsidiaries, 2 representative offices** in 11 countries

- Strong and deep-rooted cooperation with international institutions
- Effectively managed correspondent relations with a broad network nearly 1,000 banks throughout 119 countries.

Continuous Focus on Digitalisation

- Share of non-branch channels: **97.0%**



- **15.4 mn** digital customers
- **3.2 mn** Nays customers

The Largest Private Bank

Main Balance Sheet Items ⁽¹⁾	Market Share (%) 2024 Q1	Rank ⁽²⁾
Total Assets	11.3	1 st
Total Loans	10.7	1 st
TL Loans	10.5	2 nd
FX Loans	11.2	1 st
Consumer Loans ⁽³⁾	11.9	4 th
Non-Retail Loans	10.0	1 st
Total Deposits	12.0	1 st
TL Deposits	10.2	2 nd
FX Deposits	14.3	1 st
Demand Deposits ⁽⁴⁾	14.9	1 st
Shareholder's Equity	12.9	1 st
Other Products & Distribution Network		
Acquiring Volume ⁽⁵⁾	15.4	3 rd
Number of Credit Cards ⁽⁵⁾	12.8	3 rd
Issuing Volume ⁽⁵⁾	14.8	3 rd
Volume of Debit Cards ⁽⁵⁾	11.6	3 rd
Number of Branches	11.4	1 st
Number of ATMs	11.8	1 st

(1) Market share calculations are based on weekly BRSA data excluding participation banks. Total assets market share is based on monthly BRSA data.

(2) Ranking among private-sector banks

(3) Including retail overdraft accounts

(4) Excluding interbank deposits

(5) Market share calculations are based on Interbank Card Center (BKM) data.

Contents

Section

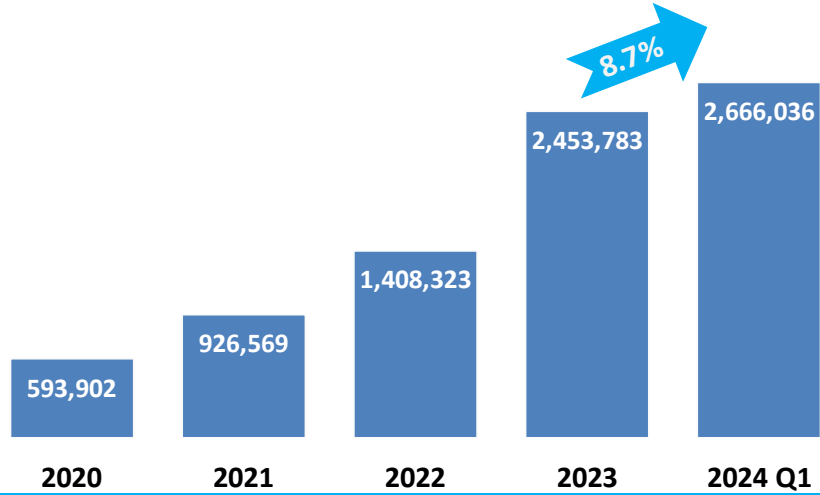
İşbank at a Glance

Financial Highlights

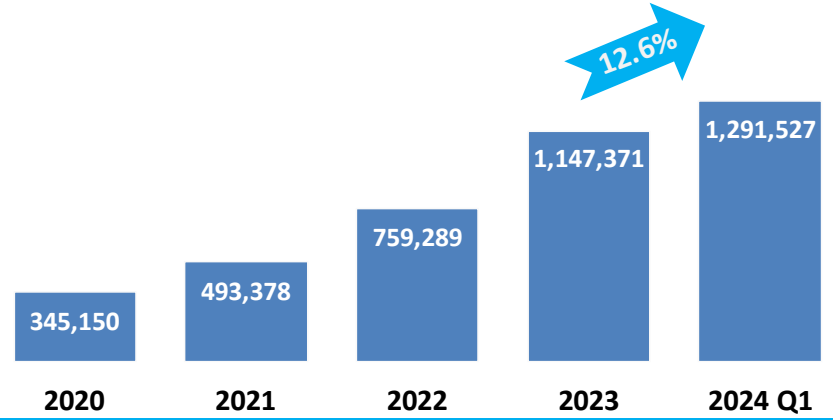
Appendix

Growth Performance

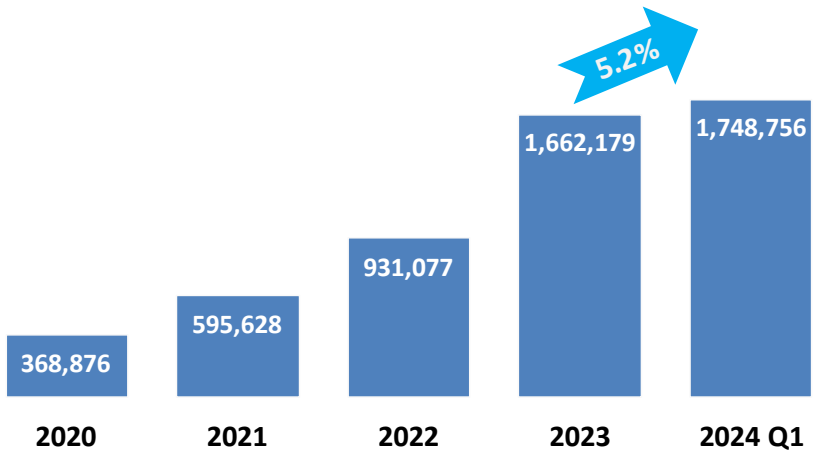
Total Assets (TL mn.)



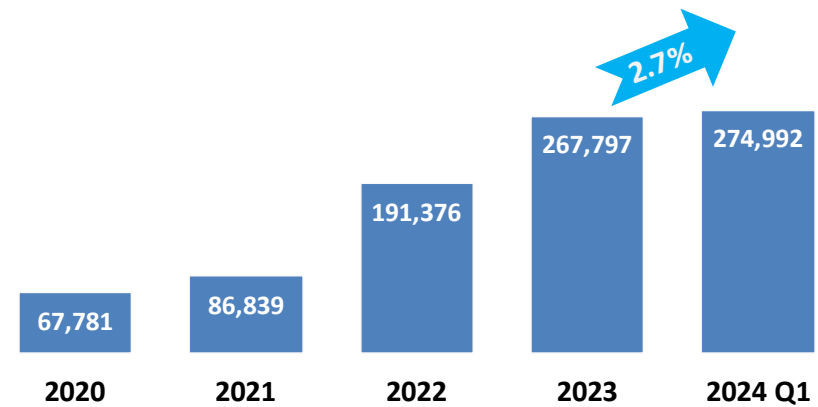
Loans (TL mn.)



Deposits (TL mn.)



Shareholders' Equity (TL mn.)

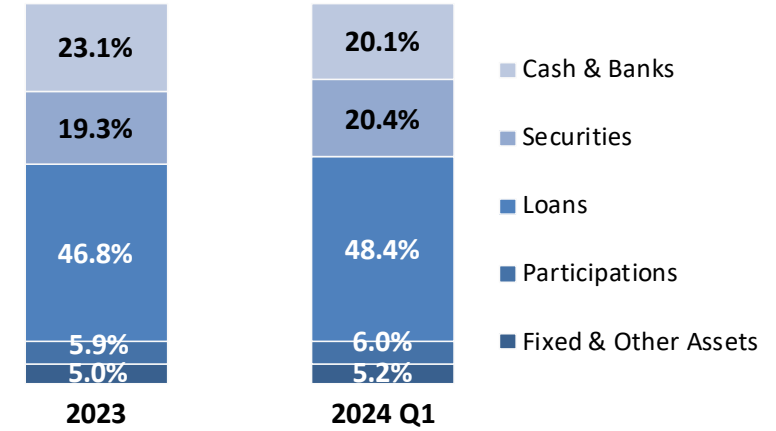


Asset Structure

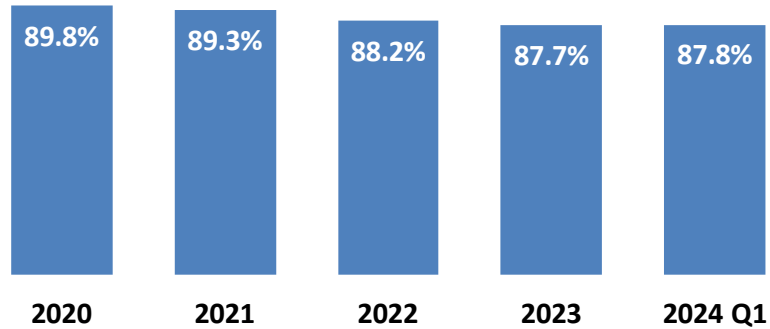
Main Balance Sheet Items

(TL mn.)	2023	2024 Q1	Change
Cash & Banks	566,762	535,879	-5.4%
Securities (Net)	472,418	542,634	14.9%
Loans	1,147,371	1,291,527	12.6%
Participations (Net)	144,453	158,644	9.8%
Fixed Assets (Net)	42,170	44,274	5.0%
Other Assets	80,609	93,079	15.5%
Total Assets	2,453,783	2,666,036	8.7%

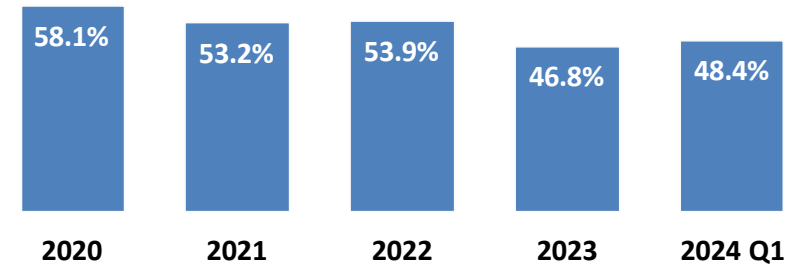
Asset Composition



Interest Earning Assets / Total Assets

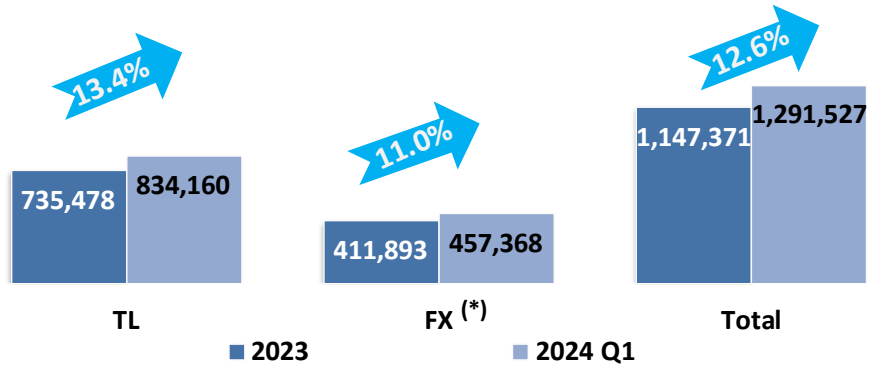


Loans / Total Assets



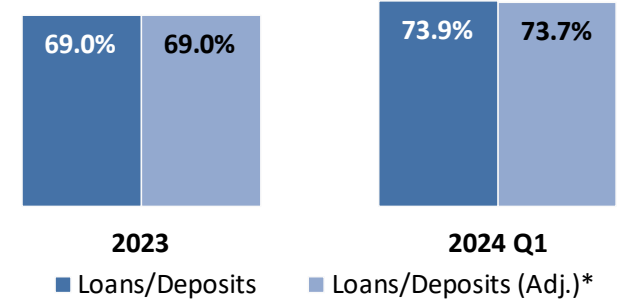
Solid Lending Franchise

Loan Portfolio QoQ Change (TL mn.)



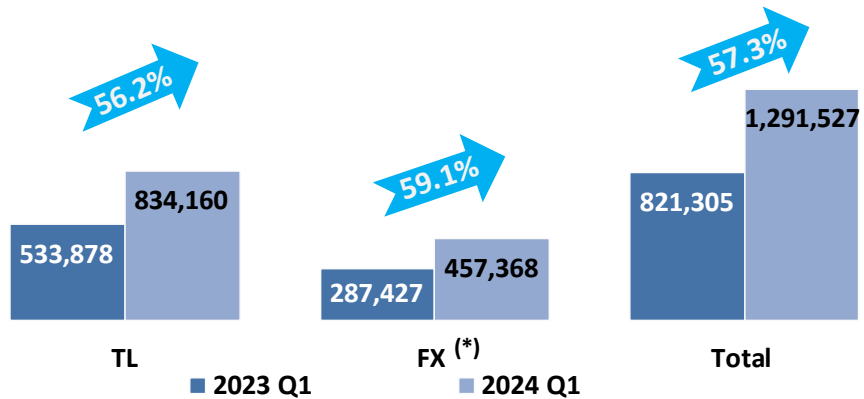
(*) 1.7% change in FX loans when adjusted for the change in exchange rate.

Loans / Deposits



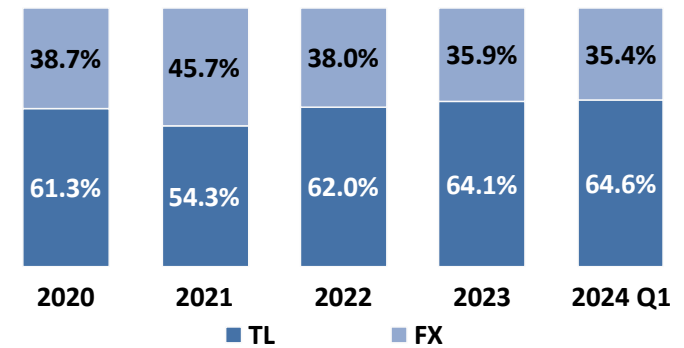
(*) TL securities issued added to deposits.

Loan Portfolio YoY Change (TL mn.)



(*) -5.4% change in FX loans when adjusted for the change in exchange rate.

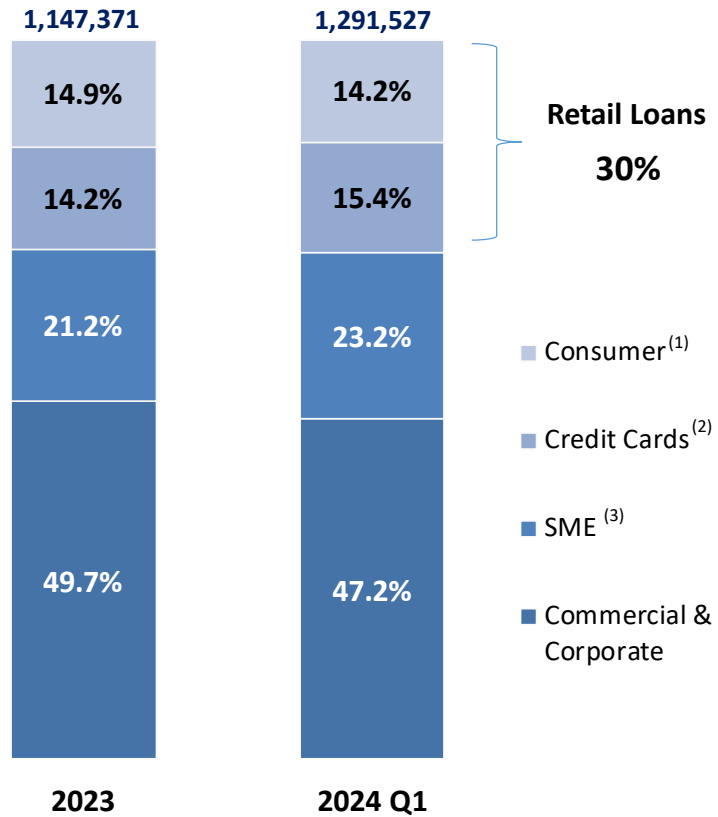
TL / FX of Loans



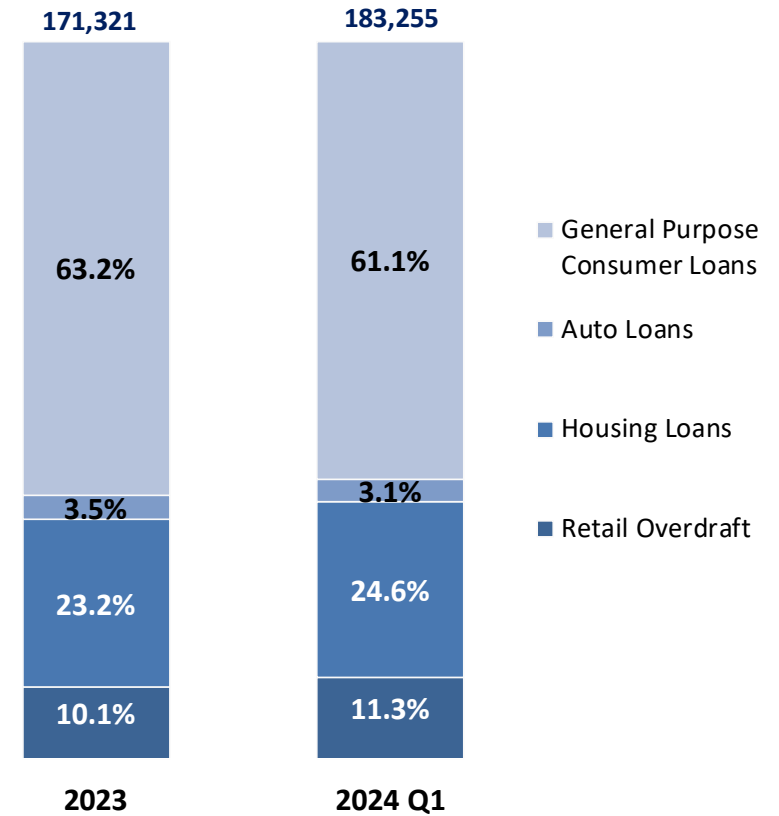
Diversified Loan Portfolio

... 53% comprised of retail and SME loans.

Total Loans (TL mn.)



Consumer Loans (TL mn.)



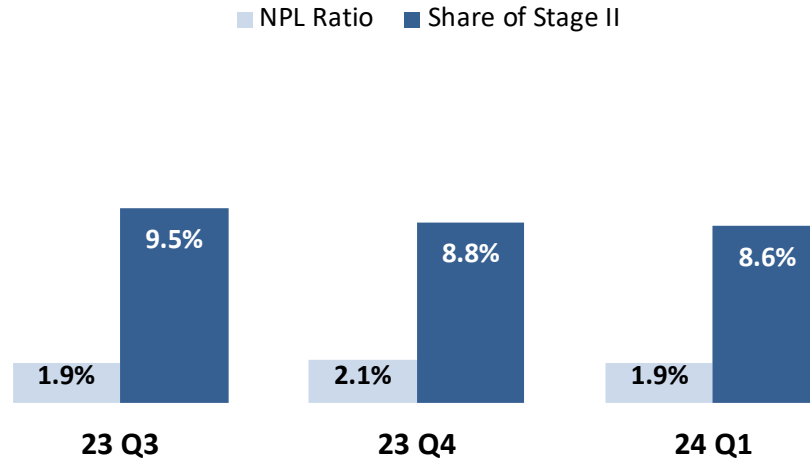
(1) Includes retail overdraft accounts.

(2) Includes retail credit card balances only.

(3) SME definition includes companies with number of employees < 250 and turnover or total assets <= TL 500 mn

Asset Quality

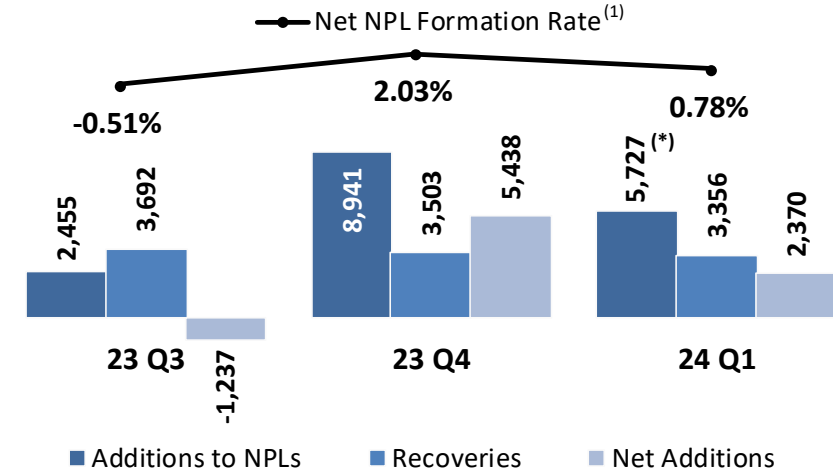
NPL Ratio & Share of Stage II



Coverage Ratios

		23 Q4	24 Q1
Performing Loans	Stage 1	0.4%	0.4%
	Stage 2	14.4%	13.8%
NPL	Stage 3	75.6%	75.7%

NPL Trends (Quarterly, TL mn.)



Net Cost of Risk⁽²⁾

Provisions (TL mn)	2023	2023 Q4	2024 Q1
Stage 1	1,366	227	638
Stage 2	4,078	-412	841
Stage 3	10,463	5,292	2,832
Reversals (TL mn) (-)	2023	2023 Q4	2024 Q1
Stage 1+2	1,418	101	244
Stage 3	5,332	1,698	2,320
Net CoR	96 bps	121 bps	56 bps
Currency Impact	32 bps	22 bps	23 bps
Net CoR (excl. curr. imp.)	64 bps	99 bps	32 bps

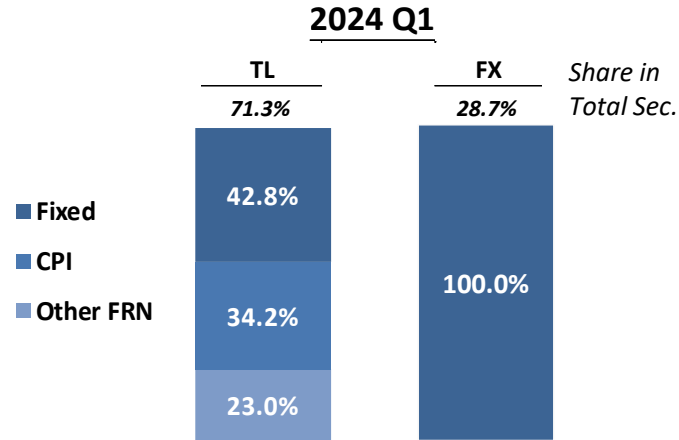
(*) Includes one big ticket file of 1,755 mn TL

(1) Net NPL Formation / Average Performing Loans

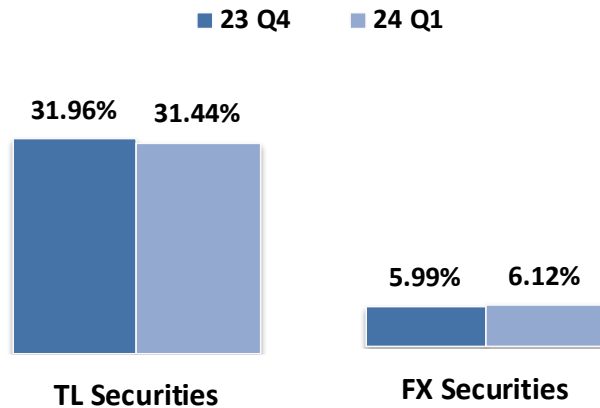
(2) (Stage 1+2+3 Expected Credit Losses - Reversals) / Average Gross Loans.

Securities Portfolio

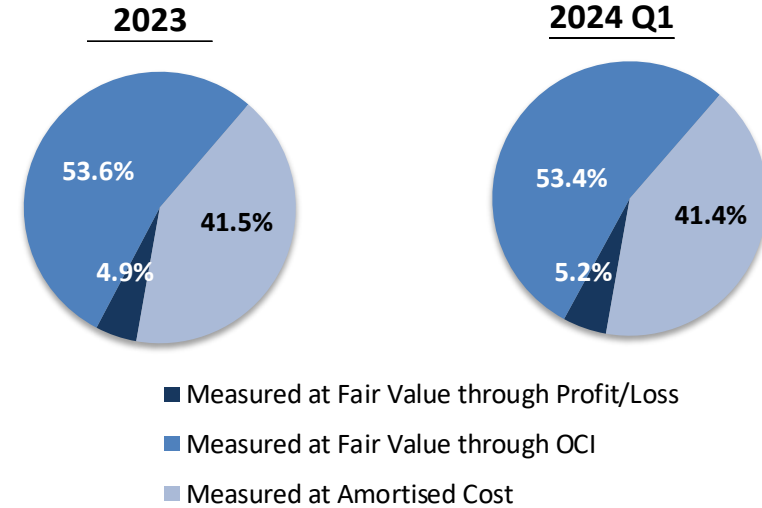
Breakdown of TL & FX Securities



Yield of Securities (Quarterly)



Classification of Securities



- Government bonds and treasury bills constitute 95% of total portfolio.
- Average durations
1.9 years for TL Securities
4.3 years for FX Securities

CPI Linkers (Quarterly)	23 Q4	24 Q1
Yield	62.37%	51.49%
Interest Income (TL mn.)	13,197	12,327

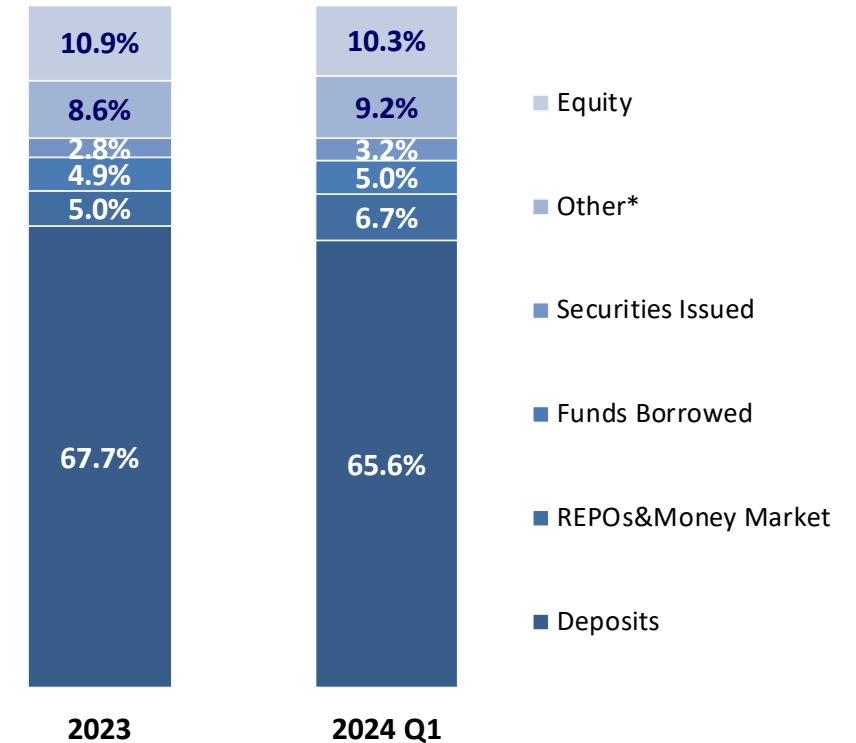
Strong Fund Generation Capability

Main Balance Sheet Items

(TL mn.)	2023	2024 Q1	Change
Deposits	1,662,179	1,748,756	5.2%
REPOs & Money Market	123,181	178,498	44.9%
Funds Borrowed	120,766	132,645	9.8%
Securities Issued	68,486	84,854	23.9%
Other*	211,374	246,290	16.5%
Equity	267,797	274,992	2.7%
Total Liabilities & Equity	2,453,783	2,666,036	8.7%

Largest funding base
among private-sector banks

Liabilities Composition

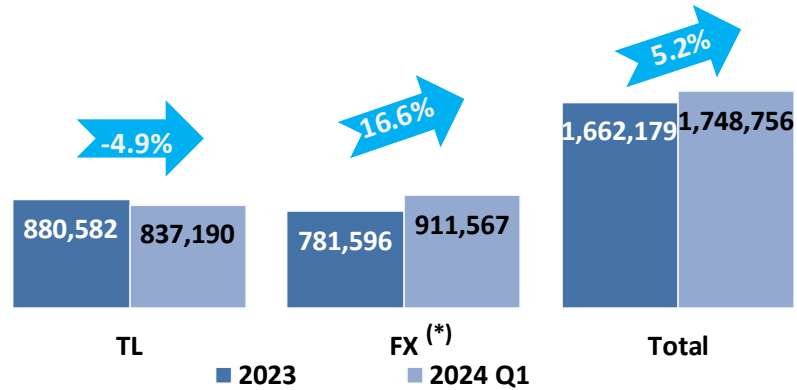


(*) Includes subordinated debt of USD 1.3 bn plus TL 2.3 bn as of 2023 and USD 1.3 bn plus TL 2.3 bn as of 2024 Q1.

Largest Deposits Franchise Among Private Banks

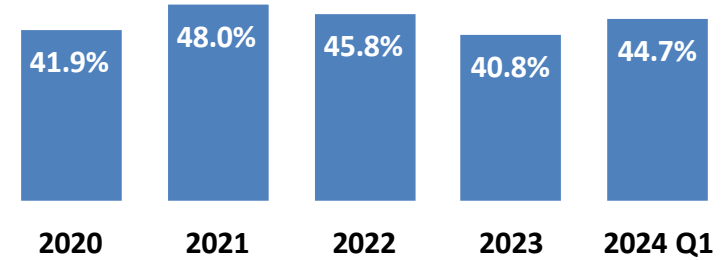
... a clear indicator of customer trust.

Deposits QoQ Change (TL mn.)

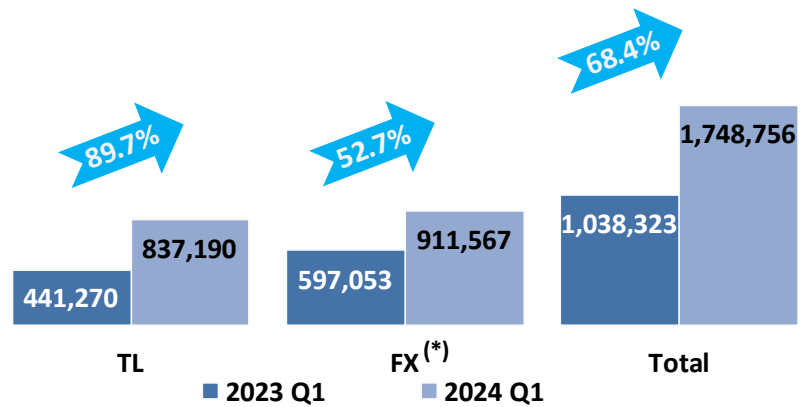


(*) 6.8% change in FX deposits when adjusted for the change in exchange rate.

Share of Demand Deposits (in Total Deposits)



Deposits YoY Change (TL mn.)



(*) -9.2% change in FX deposits when adjusted for the change in exchange rate.

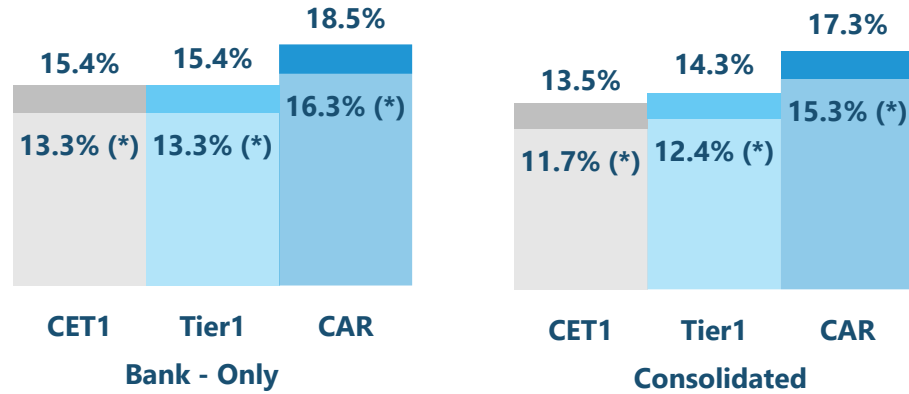
- Largest market share in total, FX, and demand deposits among private sector banks
- Largest demand deposit base ⁽¹⁾⁽²⁾
 - In total deposits: 44.7%
 - In TL deposits: 18.5%
 - In FX deposits: 67.9%
- Market share in demand deposits: 14.9%
- Savings deposits account for 65.0% of total deposits.

(1) Among peers.

(2) Excluding bank deposits.

Comfortable Capitalization

Capital Ratios (as of 2024 Q1)

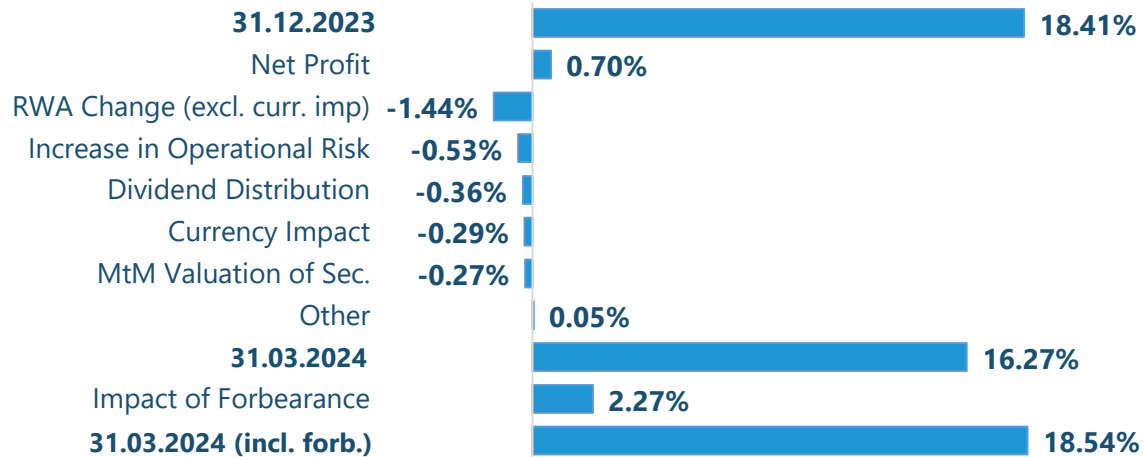


(*) Without the impact of BRSA forbearance measures.

Minimum Capital Requirements (2024,%)

	Bank-Only	Consolidated
CET 1 Ratio	7.07	8.58
Tier 1 Ratio	8.57	10.08
CAR	10.57	12.08

Change in CAR

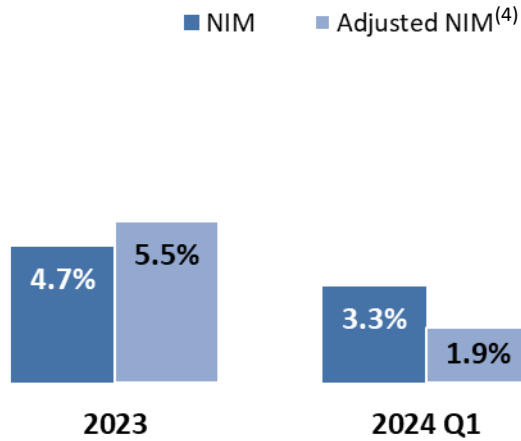


Excess Capital

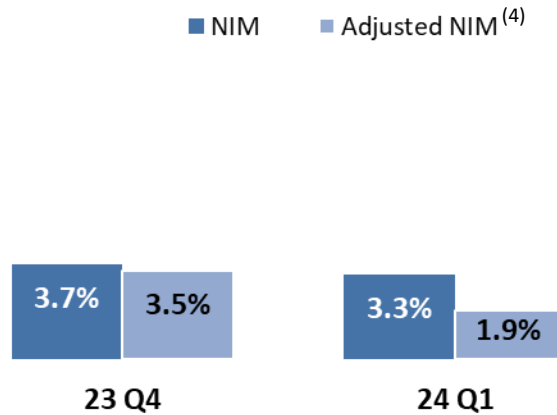
Excess Capital (TL mn)	Reported	Without Forbearance
Bank-Only		
CET 1 Ratio	156,051	125,270
Tier 1 Ratio	127,815	94,963
CAR	149,971	125,270
Consolidated		
CET 1 Ratio	107,931	73,235
Tier 1 Ratio	92,264	55,161
CAR	114,242	76,286

Margin & Spreads (1)

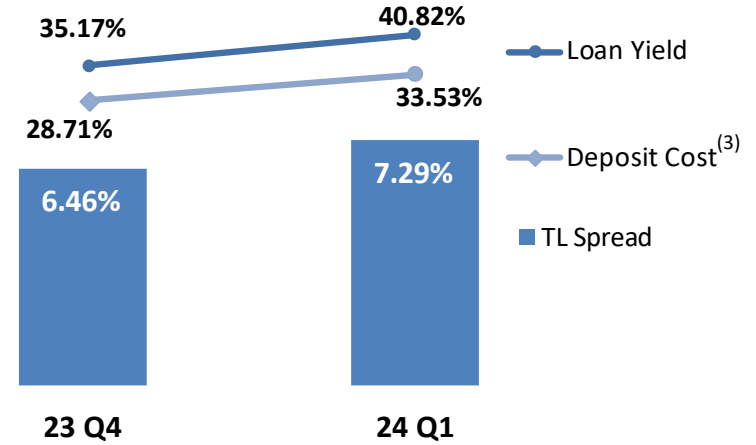
NIM (Cumulative) (2)



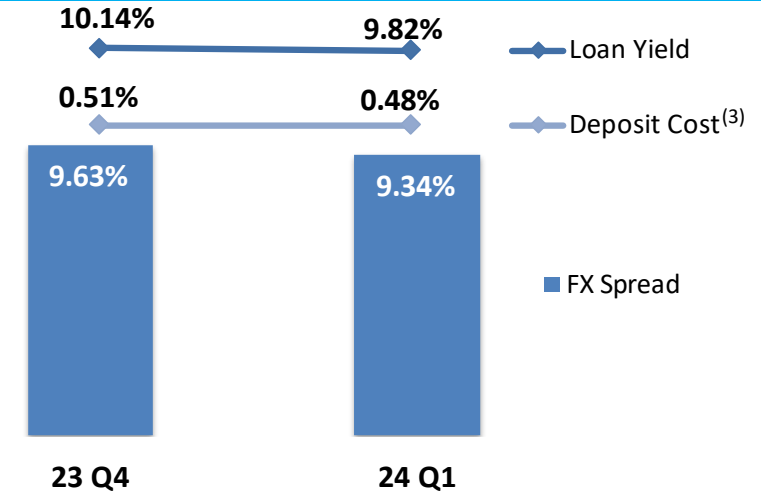
NIM (Quarterly) (2)



TL Spread (Quarterly)



FX Spread (Quarterly)



(1) Based on MIS Data

(2) Interest earning assets include Central Bank reserves.

(3) Including demand deposits.

(4) (Net Interest Income + Trading Income/Loss) / Average Interest Earning Assets

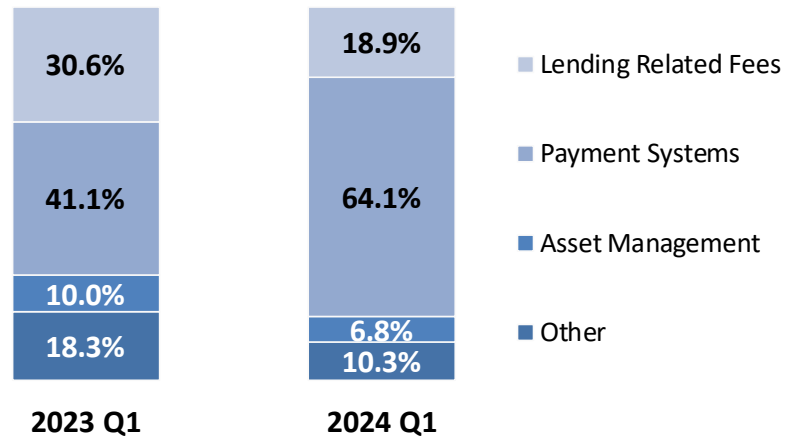
Fee Income Performance

Fees & Commissions Income (Net)

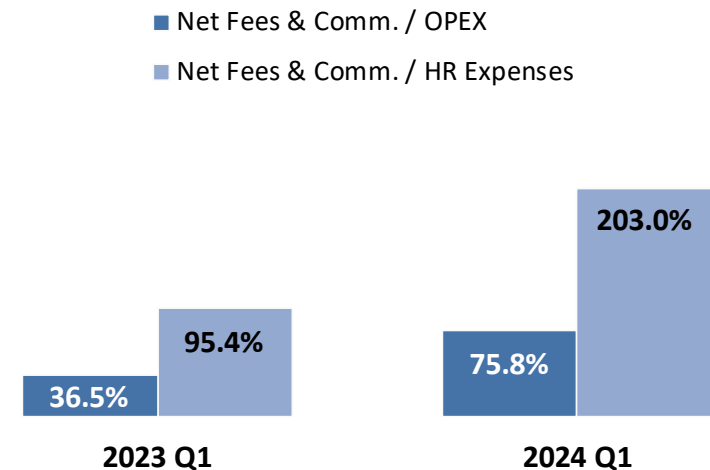
(TL thousand)	2023 Q4	2024 Q1	Δ QoQ	2023 Q1	2024 Q1	Δ YoY
Cash Loans	2,269,064	2,401,904	5.9%	1,166,189	2,401,904	106.0%
Non-Cash Loans	1,152,754	1,251,741	8.6%	719,490	1,251,741	74.0%
Payment Systems	10,611,688	12,411,088	17.0%	2,527,730	12,411,088	391.0%
Asset Management	1,033,453	1,319,549	27.7%	616,850	1,319,549	113.9%
Money Transfer	1,052,073	1,204,340	14.5%	647,366	1,204,340	86.0%
Bancassurance	859,402	757,927	-11.8%	424,667	757,927	78.5%
Total Fees & Commissions Income (Net)	16,852,437	19,371,481	14.9%	6,154,377	19,371,481	214.8%

• OPEX coverage of Net Fees & Commissions income is **75.8%** as of 2024 Q1.

Composition of Net Fees & Comm.

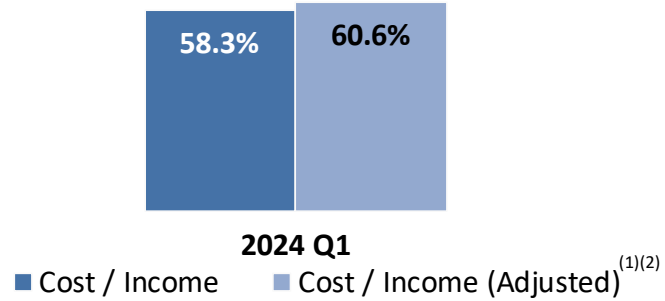


Fees & Comm. Income Coverage

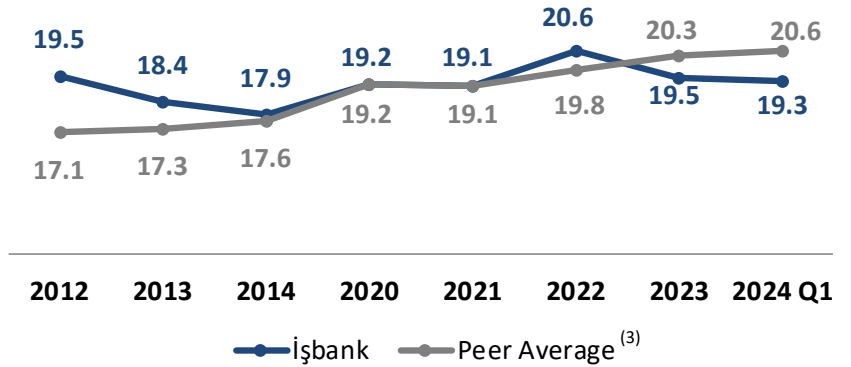


Effective Cost Management

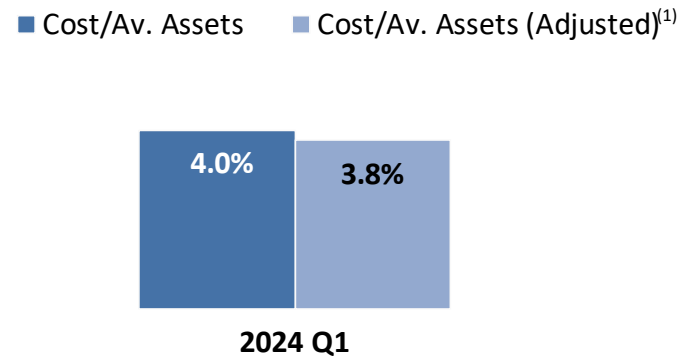
Cost / Income



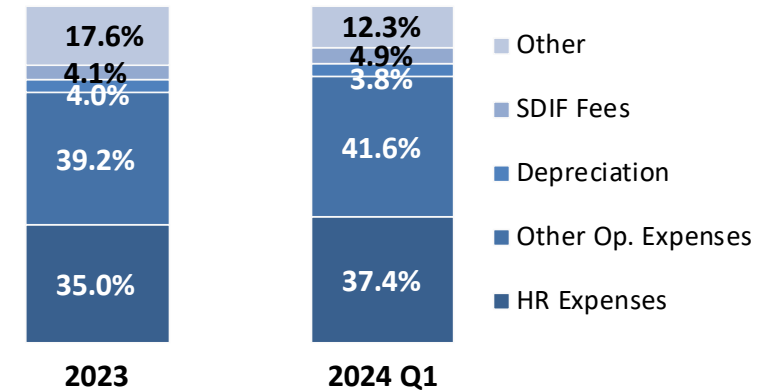
Employees per Branch



Cost / Average Assets



Cost Structure



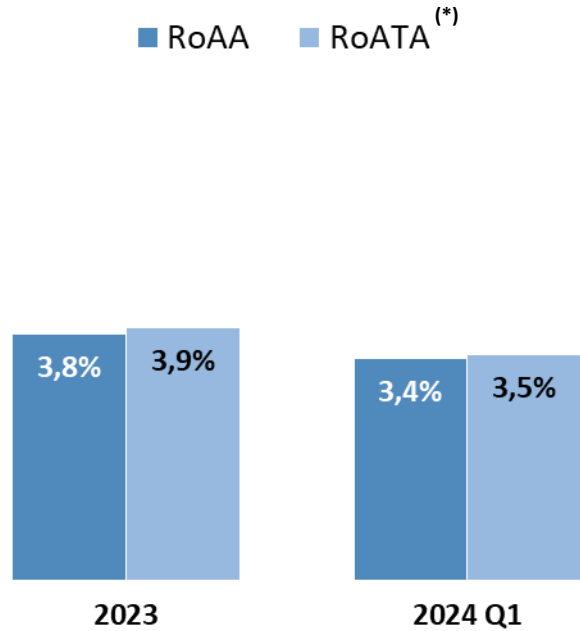
(1) Cost is adjusted for non-recurring and other items shown on Income Statement Highlights page of the presentation.

(2) Income figures include income from participations according to IAS 27.

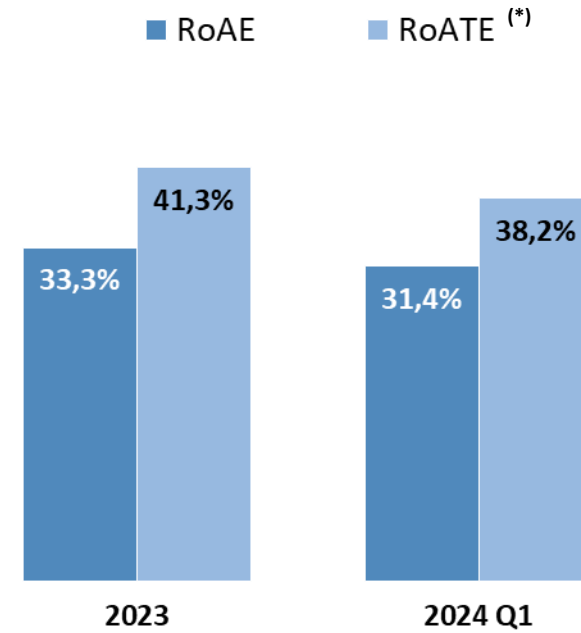
(3) Peer banks are defined as the closest 3 private sector banks.

Profitability Ratios

Return on Assets ⁽¹⁾



Return on Equity ⁽¹⁾

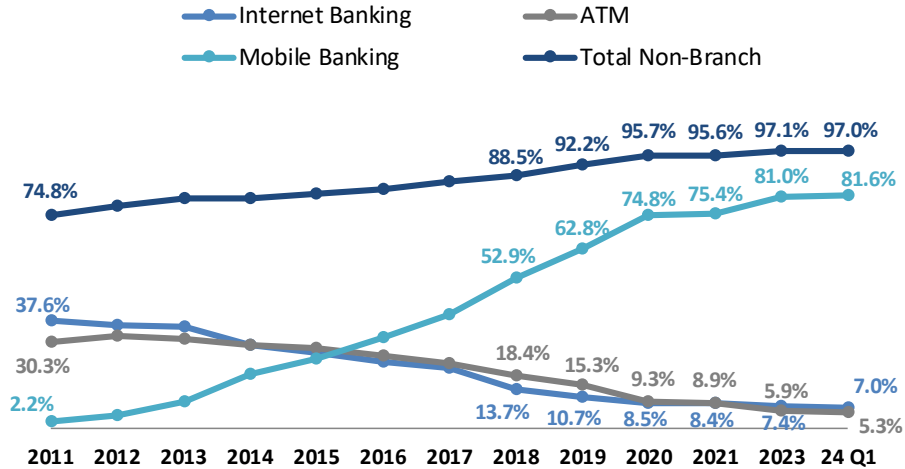


(*) Tangible Equity (TE) and Tangible Assets (TA) are calculated by the deduction of M-t-M valuation differences regarding Fin. Assets Measured at FV through OCI and real estates from shareholders' equity and total assets

(1) Calculations are based on trailing four quarters' data

Strong Focus on Digitalisation

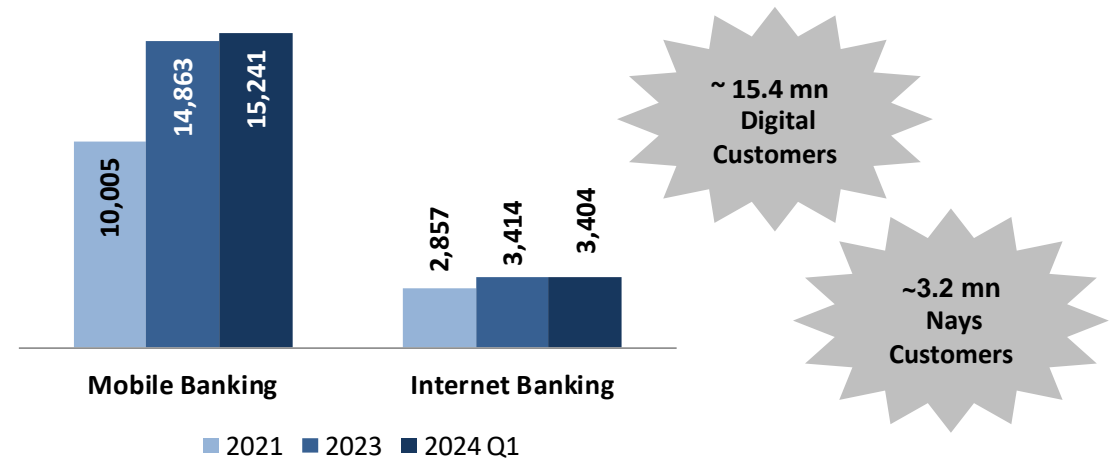
Evolution of Share of Transactions per Channel



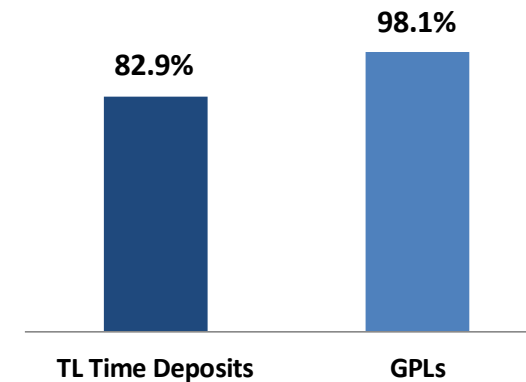
Mobile Banking Market Shares ⁽¹⁾

# Transactions	
Investment	20.8%
Credit Cards	14.6%
Money Transfer	10.6%
Payments	11.5%

Digital Banking – Number of Customers ('000)



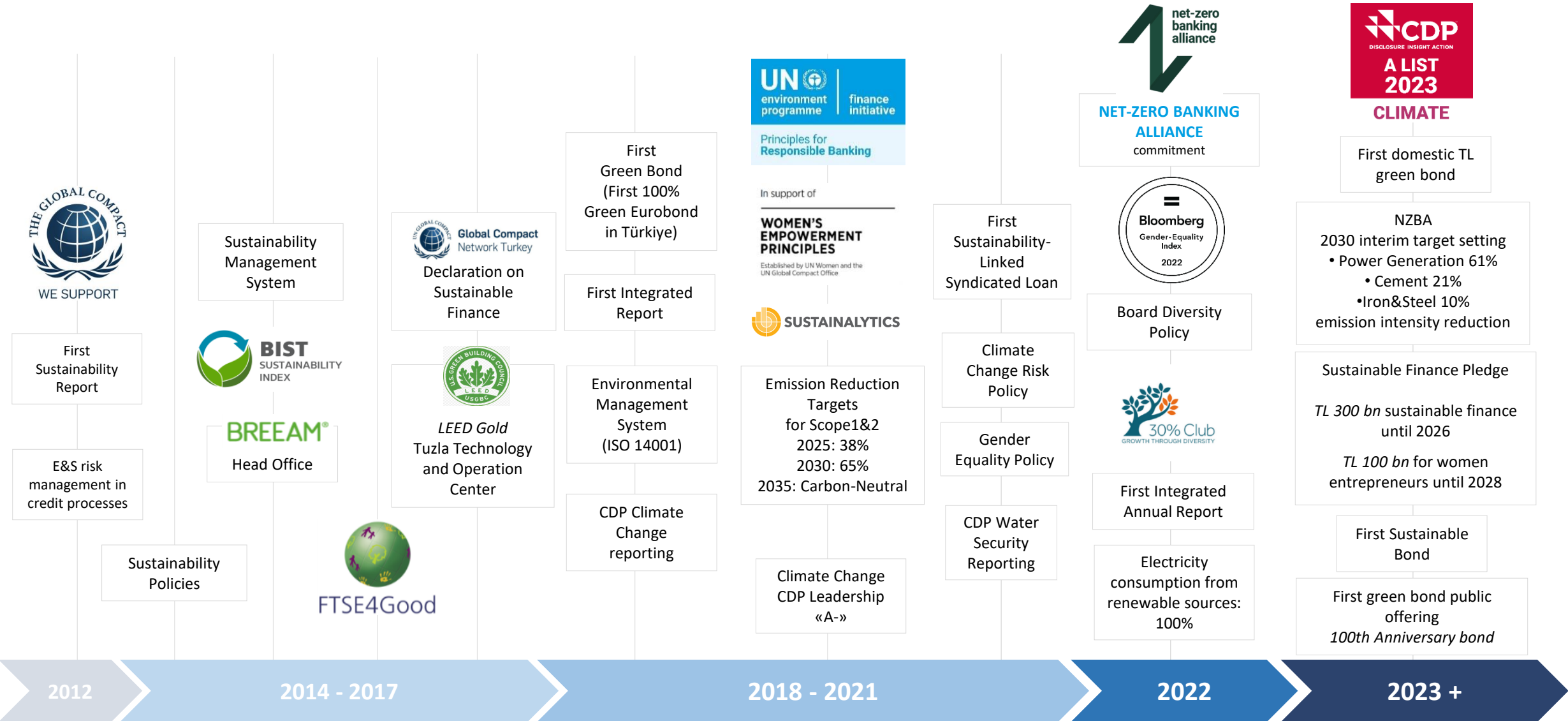
Share of Digital Channels in Retail Sales ⁽²⁾



(1) Source: The Banks Association of Turkey, as of 2023 Q4.

(2) Number of sales in 2024 Q1.

Sustainability - 1



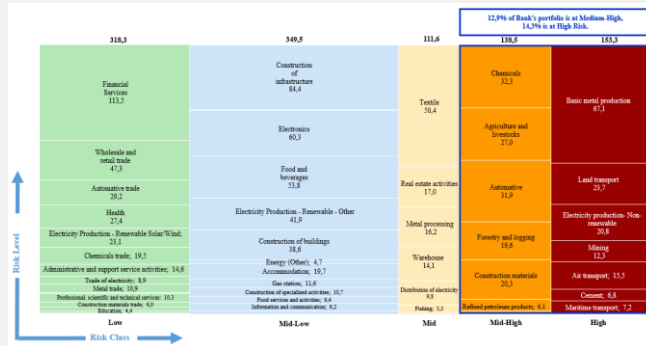
Sustainability - 2

Senior Level Commitment in Sustainability Governance

- Sustainability Committee - Sustainability Leader

Effective Management of Risks

- Ensuring the compliance of the Bank's activities and practices with the climate change strategy:
 - Governance: **Climate Change Risk Policy**,
 - Analysis: **Climate Change Risk Management – Climate Heatmap & Scenario Analysis**



- E&S risk analysis / due diligence
 - ↓
 - investment projects/ portfolio

Strong Support for the Transition to Net Zero Economy

- Our sectoral decarbonization targets within the scope of **Net Zero Banking Alliance** commitments:
 - By 2030 (base year: 2021)
 - 61% in **power generation**
 - 21% in **cement**
 - 10% in **iron&steel** emission intensity reduction
 - Phase out from financing of coal and coal-related activities by 2040
 - **Sustainable finance pledge** of TL 300 billion by 2026
 - ~ **TL 3.2 billion** sustainable investment fund
 - 6 graduate startups from **Workup4Future**, the acceleration program for impact startups that produce technology
 - 56 Agriculture Specialized Branches
 - Twin Transformation Journey of 100 SMEs



Sustainable Funding

- **Share of Sustainable Funding** in FX Wholesale Funding - 45%
- **First-ever domestic green debt instrument issuance in Turkish lira** - totalling TL 500 million
- **100th Anniversary Bond** – First green bond public offering

Gender Equality

- Gender Equality Policy
- Board Diversity Policy
- İşbank Women's Empowerment Declaration
 - TL 100 bn financing pledge for women entrepreneurs until 2028
 - Financial literacy training to 15,000 women in 5 years
- Collaboration with TÜRKONFED & UN Women - WeLead Project

Strong Employee Rights

- As of 31.03.2024;
 - Female employee rate 53.35%
 - Female in management rate 40.28%
 - Return from maternity leave rate 100%
 - Unionized employee rate 97.44%
 - Turnover rate 0.36%

Sustainability - 3

International Initiatives



In support of

WOMEN'S EMPOWERMENT PRINCIPLES

Established by UN Women and the UN Global Compact Office



ESG Rating & Indices



Climate Change
Global Leadership
«A»
Water Security
Leadership
«A-»



Low Risk



25 /1127 - Global Banks

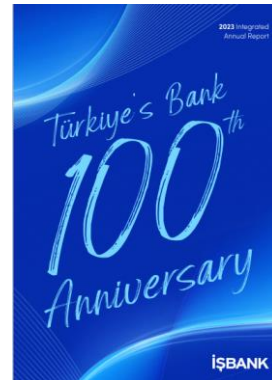


FTSE4Good

Reporting & Awards



Global Finance:
Best Bank for
Sustaining
Communities



Environment-friendly Buildings

- All locations covered by ISO 14001:2015
(As of 31.03.2024)
- Head Office Building - the BREEAM In-use Excellent certificate
- Tuzla Technology and Operations Center (TUTOM) - LEED Gold certificate
- Atlas Data Center - LEED v4 Gold certificate



Contents

Section

İşbank at a Glance

Financial Highlights

Appendix

Income Statement Highlights

(TL mn.)	2023 Q4	2024 Q1	Δ QoQ	2023 Q1	2024 Q1	Δ YoY
Net Interest Income	16,142	15,999	-0.9%	19,919	15,999	-19.7%
(-) SWAP Cost ⁽¹⁾	10,352	15,130	46.2%	1,790	15,130	NM
<i>Net Interest Income Incl. Swap Cost</i>	<i>5,790</i>	<i>869</i>	<i>-85.0%</i>	<i>18,129</i>	<i>869</i>	<i>-95.2%</i>
Net Fees & Commissions	16,852	19,371	14.9%	6,154	19,371	214.8%
Net Trading Gains/Losses	-1,091	-6,727	NM	763	-6,727	NM
Other Operating Income	2,405	7,392	207.4%	5,549	7,392	33.2%
Total Operating Income	34,308	36,036	5.0%	32,385	36,036	11.3%
(-) Released Free Provisions	0	4,000	NM	0	4,000	NM
HR Expenses	6,645	9,540	43.6%	6,452	9,540	47.9%
Non-HR Expenses	13,611	15,999	17.5%	10,393	15,999	53.9%
(-) Provision for Pension Fund	1,781	1,404	-21.2%	1,417	1,404	-0.9%
(-) Earthquake Related Cost	0	0	NM	684	0	NM
Total Operating Expenses	20,256	25,539	26.1%	16,845	25,539	51.6%
Operating Profit	14,052	10,497	-25.3%	15,540	10,497	-32.5%
Stage 3 Expected Credit Losses	5,292	2,832	-46.5%	1,561	2,832	81.5%
Stage 1+2 Expected Credit Losses	-185	1,479	NM	994	1,479	48.7%
Other Provision Charges	3,851	0	NM	2	0	-96.1%
(-) Free Provisions	3,525	0	NM	0	0	NM
Total Provision Charges	8,958	4,311	-51.9%	2,558	4,311	68.6%
Income from Participations	12,121	7,782	-35.8%	2,647	7,782	194.0%
Tax Provisions	-3,003	-80	-97.3%	2,727	-80	NM
Net Income	20,219	14,048	-30.5%	12,903	14,048	8.9%

NM: Not meaningful
(1) Based on MIS data

Payment Systems

- Broad Maximum Loyalty Programme with 449,736 Maximum Sales Points and 404,856 chains
- Pioneering and leading bank in e-commerce, online shopping and Mobile contactless payments
- 26 alternative payment methods accepted in over 50 countries in e-commerce
- Accepting the highest number of card brands in Turkey
- Continuous development to enhance the digital experience of customers
- Strategical enlargement in the card payment area

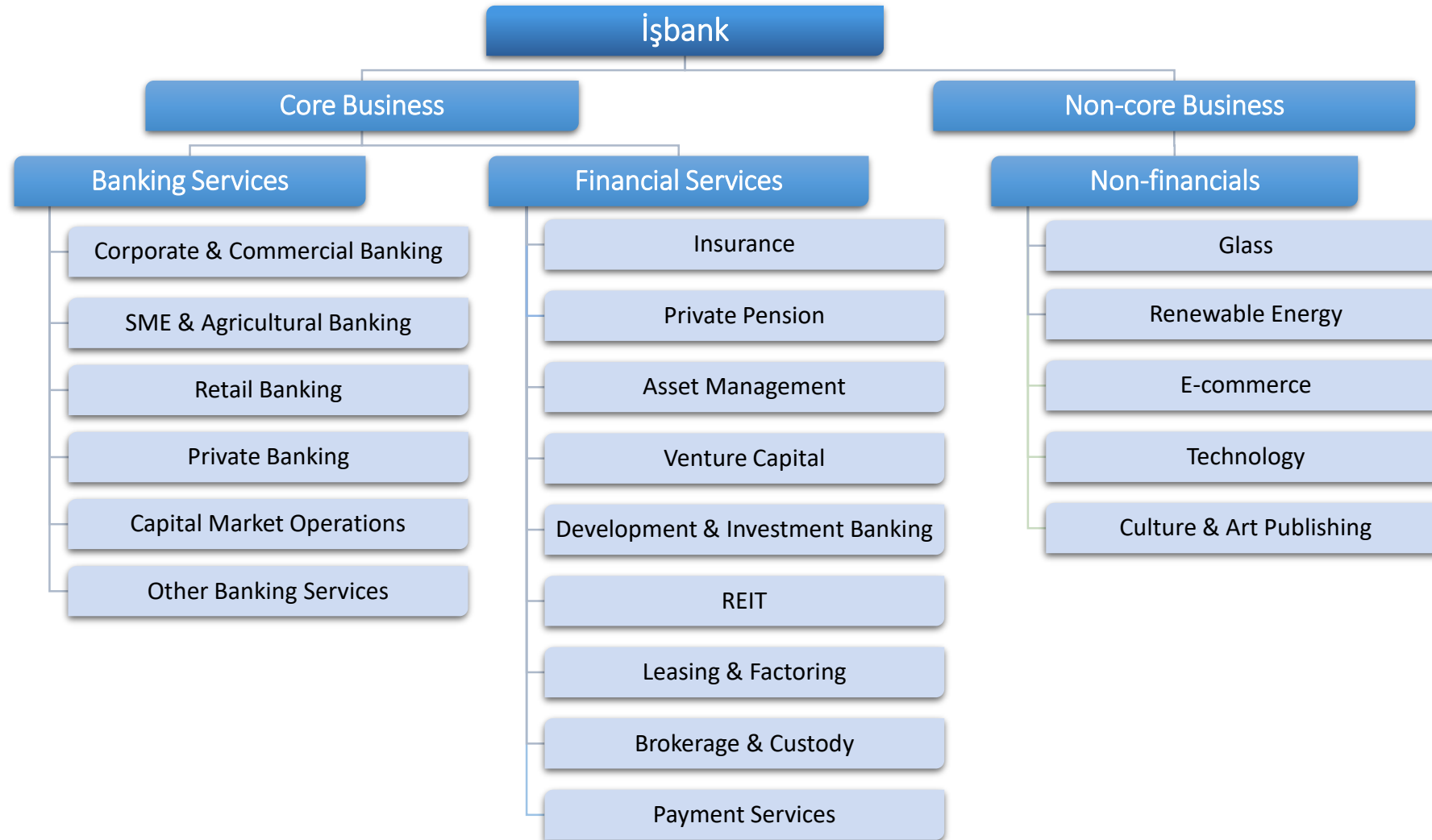


(TL million) ⁽¹⁾	2023 Q1	2024 Q1	Change
Issuing Volume	185,614	440,789	137.5%
Issuing Volume Market Share	14.5%	14.8%	28 bps
Acquiring Volume	212,701	491,700	131.2%
Acquiring Volume Market Share	15.1%	15.4%	33 bps
Balance	115,542	265,934	130.2%
Number of Credit Cards (000)	13,283	15,533	16.9%
Number of P.O.S. Terminals	620,595	676,303	9.0%

(1) According to Interbank Card Center data

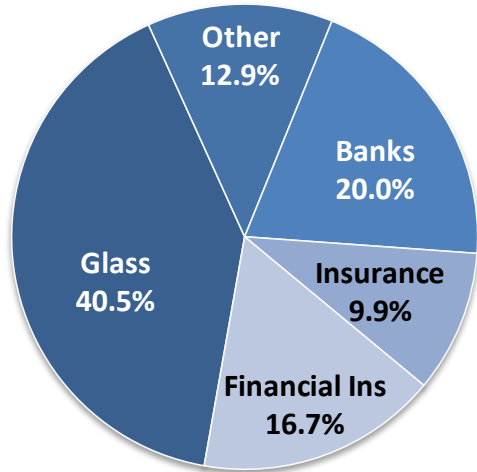
İşbank as a Group: Creating Synergies

... as one of the biggest conglomerates in Turkey.



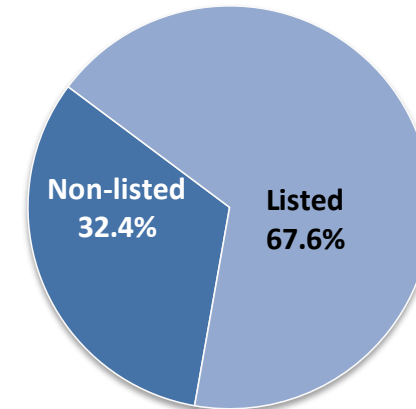
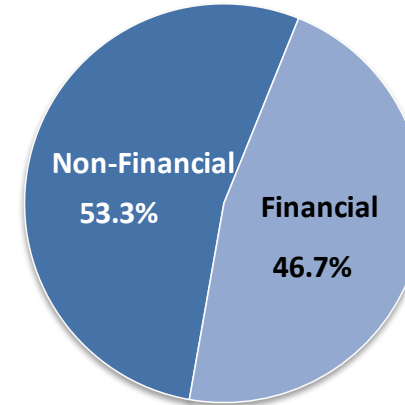
A Diversified Equity Participation Portfolio

Sectoral Breakdown



- As of March 2024,
 - İşbank has 17 participations.
 - Share of participations in total assets is 6.0%.

Participation Mix



Glass

General Information

- Şişecam is a leading flat glass, glassware, glass packaging and chromium chemicals producer in the domestic market.
- Backed by its vision, Şişecam expands its production operations into neighbouring countries.
- 51.06% share of Şişecam is held by İşbank.
- Selling its products to over 150 countries
- Operates in 19 countries with 25,132 employees³



Production (14 countries 46 facilities) ⁽³⁾

	Flat Glass		Industrial Glass			Glass Packaging	Glass Soda	Chemicals		Energy	Other
	Architectural	Auto Glass	Encaps.	Glass Fiber	Glassware			Chromium	Port M.		
Turkey	4	1		1	3	3	1	1		1	1
Bulgaria	1	1			1		1				
Italy	2							1			1
Germany			2								
Romania		1									
Slovakia			1								
Hungary			1			1 ¹					
Bosnia							1				
Russia	1	1			1	5					
Georgia						1					
Ukraine						1					
Egypt	1				1						
India	1										
USA							1		1 ²		
Total	10	4	4	1	6	11	4	2	1	1	2

Financial Information (Con., IFRS)

USD (Million)	2023/12	2022/12
Total Assets	9,893	8,791
Shareholders' Equity (includes non-controlling interests)	5,678	9,300
Net Sales	6,401	10,303
International Sales *	3,841	6,079
Gross Profit	1,766	3,295
EBITDA	1,325	2,668

*Includes exports and sales from production abroad.

Based on Siseecam's audited financial information prepared according to Turkish Financial Reporting Standards by application of IAS-29 inflation accounting provisions.

Global Position

- ✓ 5th largest flat glass producer
- ✓ Leader glassware producer
- ✓ 5th largest glass packaging producer
- ✓ 2nd largest soda and sodium bichromate producer
- ✓ Leader producer in basic chrome sulphate
- ✓ 4th largest chromic acid producer

¹ Greenfield Investment: Having been announced in June 2021, it will be fully operational in 2025 with 2 furnaces. ² Stockton Port Management – Port operation investment, planned to be gradually operational starting from 2027. ³ as of December 31st 2023

List of Financial Participations...

Company Name	Field of Activity	Bank's Direct Share(%)	Risk Group Share (%)	Assets (USD 000)	Shareholders' Equity (USD 000)	Market Share (%)	Basis for Market Share
Türkiye Sınai Kalkınma Bankası A.Ş.	Investment Bank	47.68	51.37	6,180,176	722,946	13,2	Total Assets
TSKB GYO A.Ş.	REIT	-	88.74	105,334	104,527	1.9	Market Value
İşbank AG	Banking	100.00	100.00	2,211,276	458,056	N/A	
JSC İşbank	Banking	100.00	100.00	471,108	82,009	N/A	
JSC Isbank Georgia	Banking	100.00	100.00	179,922	51,650	N/A	
Anadolu Anonim Türk Sigorta Şirketi	Insurance	-	64.31	2,143,186	536,539	9.3	Premium Income
Anadolu Hayat Emeklilik A.Ş.	Life Insurance & Private Pension	63.89	84.89	5,877,334	193,292	11.2/17.3 ⁽²⁾	Life Premium Income / Private Pension Funds Under Mngt.
Milli Reasürans T.A.Ş. ⁽¹⁾	Reinsurance	87.60	87.60	770,108	344,084	9.6 ⁽³⁾	Premium Income
İş Yatırım Menkul Değerler A.Ş. ⁽⁴⁾	Brokerage House	65.74	70.78	1,673,079 ⁽¹⁾	516,146 ⁽¹⁾	10.2 ⁽¹⁾	Transaction Volume
Yatırım Finansman Menkul Değerler A.Ş. ⁽⁴⁾	Brokerage House	-	98.42	167,402	21,080	2.2	Transaction Volume
Yatırım Varlık Kiralama A.Ş.	Asset Leasing	-	100.00	55,099 ⁽¹⁾	23 ⁽¹⁾	-	
İş Yatırım Ortaklığı A.Ş.	Trust Company	-	38.04	12,660 ⁽¹⁾	12,466 ⁽¹⁾	27.0 ⁽¹⁾	NAV
İş Portföy Yönetimi A.Ş.	Portfolio Mngt.	-	100.00	38,261	32,302	10.5	Funds Under Management
İş Finansal Kiralama A.Ş. ⁽⁴⁾	Leasing	30.43	60.88	1,464,646	229,142	12.3 ⁽¹⁾	Lease Receivables
İş Faktoring A.Ş.	Factoring	-	100.00	637,152	103,140	11.3 ⁽¹⁾	Factoring Receivables
İş Gayrimenkul Yatırım Ortaklığı A.Ş.	REIT	52.06	64.84	1,059,658	856,462	3.7	Market Value
İş Girişim Sermayesi Yatırım Ortaklığı A.Ş.	Risk Venture	-	56.78	70,412	70,264	-	
Efes Varlık Yönetim A.Ş.	Asset Mngt.	-	100.00	10,083 ⁽¹⁾	9,049 ⁽¹⁾	-	
Maxis Girişim Sermayesi Portföy Yönetimi A.Ş.	Portfolio Mngt.	-	100.00	13,751 ⁽¹⁾	9,831 ⁽¹⁾	4.0	Funds Under Mngt.
Maxis Investments Ltd.	Brokerage House	-	100.00	102,871 ⁽¹⁾	10,585 ⁽¹⁾	-	
Moka Ödeme ve Elektronik Para Kuruluşu A.Ş.	Payment Services	100.00	100.00	77,097	3,043	9.45	POS Transaction Volume
TOTAL				23,320,615	4,366,636		

(1) As of December 31 2023

(2) The private pension market share is calculated over the fund amount of the participants, including auto enrollment and state contribution.

(3) Calculated over the total premiums ceded to reinsurers by local insurance companies.

(4) Consolidated data

Disclaimer Statement

The information in this document has been obtained by Türkiye İş Bankası A.Ş. (“İşbank”) from sources believed to be reliable, however, bank cannot guarantee the accuracy, completeness , or correctness of such information. This document has been issued for information purposes only. The financial reports and statements announced by İşbank to the public and the relevant corporations are accepted to be the sole material. İşbank does not accept any liability whatsoever for any direct or consequential loss arising from any use of this document or its contents due to the misleading information in this document. All estimations contained in this document are the opinions of İşbank and can be subject to change without notice. This document can not be interpreted as an advice to the investors and İşbank can not be held responsible for the results of investment decisions made on account of this document. This document has been issued specially to the person, whom the document is concerned and may not be reproduced, distributed or shared with third parties for any purpose.

Investor Relations and Sustainability Division Contact Information

Nilgün Yosef Osman

Head of Investor Relations and Sustainability Division

Phone: +90 212 316 16 00

E-mail: Nilgun.Osman@isbank.com.tr

Özge Han Mercimekçi

Unit Manager

Phone: + 90 212 316 16 23

E-mail: Ozge.Han@isbank.com.tr

İşbank Investor Relations and Sustainability Division

Türkiye İş Bankası Head Office

İş Kuleleri Kule 1 34330 Levent/İstanbul - Turkey

E-mail: investorrelations@isbank.com.tr

For the soft copy of this presentation, please follow the QR code:

