

Sustainability Report 2015

İŞBANK



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Moving Towards Future Through Making Investments Today

For 91 years, we have been delivering work that contributes to our country's future and taking the pulse of the Turkish economy while we continue to take determined steps to become the pioneer in sustainability in Turkey.

At İşbank, we take great pleasure in sharing our Sustainability Report hereby with all our stakeholders to reflect the highlights of 2015 on our sustainability journey and the social and prospective work we delivered as well as the activities targeted for the future.



Chairman's Message

Esteemed stakeholders of İşbank,

Starting 91 years ago to create long-term value for the future, our journey maintains its pace even today.

For almost a century, we have continued to extend optimal support to all economic segments of our country no matter what the circumstances have been. We have never compromised on the principle of creating value for the society while allocating the resources entrusted to our Bank. We have successfully fulfilled our responsibilities not only economically but also, socially and culturally. In this respect, the existence of İşbank, almost at the same age as the Republic, should be deemed as one of the best examples of sustainable management in our country. We are pleased to see that this tradition of sustainability, a factor which differentiates İşbank since the day it was founded, has recently been acknowledged and assumed by other Turkish companies as well.

Sustainability requires a long-term financial perspective as well as continuous consideration for social and environmental factors. As we meet our current needs, we should always consider what impact this would bear on the conditions of future generations. The increasingly-obvious consequences of global warming on our daily life such as natural disasters, drought and famine - indicate that any steps to be taken for sustainability are urgent and critically important. Taking into account the international activities and efforts to this end, we continue to invest in a future focusing on human beings and the environment.

As Turkey's leading private bank, we fully integrate sustainability, with all components including the environment, economy, management and society, into our lending operations and other business procedures. We create value for our country and our people through efforts we deliver together with our stakeholders within the scope of the ten principles of the United Nations Global Compact Principles on human rights, labor, environment and anti-corruption. The long-term and comprehensive social responsibility projects we deliver, the financing we extend to renewable energy investments and the support we provide to female entrepreneurs are all indicators that İşbank fully internalized sustainability. In addition, the Sustainability Management System we launched in 2015 has enabled us to align our business processes with our sustainability priorities. Included in Borsa İstanbul's Sustainability Index, our Bank considers its sustainability attitude and vision as a long-term journey rather than a short-term project.

Opportunities brought along by technological advancements will be the primary tool for sustainable development in the future. This new axis called "Industry 4.0", which brings together industrial development with digital transformation, is expected to introduce R&D-based innovation into all services. Standing out as Turkey's largest private bank in 2015 with total assets of TL 275.7 billion, İşbank has long been working within an awareness of the added value created for all stakeholders by technological advancement and digitalization in banking. We have been extensively investing in financial technologies since the days when only TUBITAK (The Scientific and Technological Research Council of Turkey), METU

(Middle East Technical University) and İşbank had access to the Internet in Turkey. I am fully convinced that, in the future, we will further improve the present successful results we have achieved.

I would like to thank all our stakeholders on behalf of our Board and myself for their valuable contributions and the confidence they have in us.

Yours sincerely,

H. Ersin Özince

Chairman of the Board of Directors



CEO's Message

Esteemed stakeholders,

Being aware of the fact that sustainability is both a responsibility and an obligation for economic and social development, we proudly share our sustainability efforts in our fourth sustainability report.

İŞbank is a prominent organization standing out in the banking sector due to its strong financial indicators, the long-term and sound relations with customers and the responsible management approach enabled by a shareholding structure in which the employees are actual shareholders. Founded one year after the proclamation of the Republic, İŞbank is the only Turkish bank among the top 100 in the "Top 1000 World Banks" rankings by the Tier 1 capital.

Currently, we have access to all segments of the society thanks to our operations in 14 countries as well as widespread branch and ATM networks, enabling us to provide funding for trade, production and employment. We maintained our strong financial position and managed risks efficiently while serving the country's economy and all segments of the society in 2015, a year marked by relatively challenging conditions. As of 2015 year-end, İŞbank's cash loans amounted to TL 177 billion while the total assets increased to TL 275.7 billion.

At the heart of our sustainability approach is our vision to be the most preferred bank for customers, shareholders and employees by maintaining our leading, pioneering and trusted position as a regional financial power, a vision set in line with the long-term

goals of our Bank. We closely follow the rapidly developing and changing technological trends as well as the customer expectations and needs varying on the basis of these trends. Using our digital banking products we developed to meet changing needs and our innovative products and services that enable us to access all segments of the society, we aim to draw a prospective, sustainable road map for a resilient and stable economy rather than focusing on short-term objectives.

As we support economic development, we are aware that it is a must to consider environmental and social impacts. In order to reduce the effects of environmental impact brought along by climate change on economy and society, we believe all investors and the world of finance need to act in line with the principle of responsible investment. In this framework, we have adopted the Environmental and Social Management Strategy and use the Environmental and Social Risk Evaluation Tool in project finance deals. This model allows us to assess new investment projects in need of financing based on various environmental and social criteria. We strictly avoid extending loans to projects falling into certain risk categories under the model. On the other hand, we support low-carbon economy through the funds we provide to renewable energy projects. This contributes to meeting the rapidly increasing energy demand in our country and reducing dependence on imported energy. As of 2015 year-end, funds provided to renewable energy investments constituted approximately half of our total energy projects portfolio.

The Sustainability Policy we established within the scope of the multidimensional sustainability approach of İŞbank and the Sustainability Management System we incorporated into our business processes in 2015 helped us integrate our environmental and social concerns into our corporate operations and priorities. Listed in Borsa İstanbul Sustainability Index, our Bank will continue to manifest its long-term ambitions in sustainable banking.

We believe, an approach that ensures energy efficiency and economic profitability and reduces resource consumption to

support sustainable development is an element which will gradually become more important in the future strategies of our country. We have launched numerous efficiency projects at our Head Office buildings and branches in order to create a sustainable working environment equipped with office amenities to maximize employee satisfaction and reduce the environmental impact of our operations as much as possible. Thanks to our efforts to this end, our Head Office building obtained the international BREEAM In-use Excellent certificate. Furthermore, Tuzla Technology and Operations Center, which is commissioned in 2015 and employs around 1,200 employees, is designed as an office complex that takes energy and resource efficiency into account and aims to increase employee satisfaction.

Creating added-value for the economy and society, our Bank will write new success stories and fulfill its responsibilities in the best possible way in terms of the development of the country's economy, efficient allocation of resources and maintenance of sustainable growth in the upcoming period via its main business lines as well as social responsibility projects. Leading the banking sector, İŞbank, an important financial player in the region, will continue to present value to all its stakeholders in the long run.

I would like to thank all our stakeholders, specifically our employees, customers and shareholders, who contributed to our sustainability activities and performance in 2015.

Sincerely,

Adnan Bali
CEO

İşbank in Figures

Key Financial Highlights (TL million)		
	2015	2014
Total Assets	275,718	237,772
Loans	177,037	155,315
Deposits	153,802	133,551
Shareholders' Equity	32,035	29,311
Net Profit	3,083	3,382

Key Financial Ratios (%)		
	2015	2014
Interest Earning Assets (*)/Total Assets	91.3	92.3
Loans/Total Assets	64.2	65.3
Loans/Deposits	115.1	116.3
NPL Ratio	2.0	1.5
NPL Coverage Ratio	75.1	76.9
Demand Deposits/Total Deposits	22.6	22.0
Shareholders' Equity/Total Liabilities	11.6	12.3
Capital Adequacy Ratio	15.6	16.0

(*) Interest earning assets include TL and FC legal reserves.

Shareholding Structure (%)	
İşbank Personnel Supplementary Pension Fund	40.15
Free Float	31.76
Atatürk Shares (Republican People's Party)	28.09
Total	100



25,157

Total number of Employees



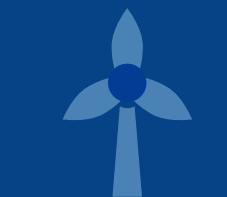
1,377

Number of Branches



6,596

Number of ATMs



810.3

million USD

Loans extended to renewable energy projects in 2015



607

MW

Installed power of the renewable energy projects financed in 2015



5,062

MW

Total installed power of the financed renewable energy projects as of the end of 2015



351.2

million USD

Loan agreements on sustainability signed with international financial institutions in 2015



23.8%

Share of SME loans within total loans



516,800

kg

Amount of paper recycled under the Paper Recycling Project by TEMA Foundation (2014-2015)



2,300

Number of ATMs with Audio Transaction Features for Disabled Customers



39th

Session of "İş'le Buluşmalar" (Meeting with İşbank) Meeting Series



62

Number of e-trainings for employees

İşbank's Vision, Objectives, Values and Strategy

Our Vision

To be the most preferred bank in Turkey by customers, shareholders and employees by maintaining our leading, pioneering and trusted position as the regional financial power.

Our Objectives

For our customers;

- » to be the bank that is the most preferred service provider in all the sectors and customer groups that we target
- » to provide our customers comprehensive, reliable and high quality service with our competent employees, extensive branch network and non-branch banking channels
- » to abide by our high business ethics and principles without compromise

For our shareholders;

- » to consistently increase the value of our shares
- » to operate with effective risk management

For our employees;

- » to be a preferred employer and to offer our employees programs and training opportunities that will foster their personal and professional development
- » to propagate of our customer focused approach among all our personnel
- » to support and encourage loyalty, assuming responsibility and creativity
- » to deploy an employee hiring, evaluation, appointment and advancement system that is based on competencies and performance and that is fair and trustworthy

In summary, İşbank's goal is "to consistently increase the value it creates for shareholders, as a bank that responds to customer needs quickly, effectively and with high-quality solutions and that encourages its employees to achieve a high level of performance in their jobs."

Our Values

Our values that represent our corporate identity, guide us to reach our vision and objectives, and that are internalized by our employees as their way of work and life, have been defined as "Leadership, that is powered by a Shared Mindset generated in Solidarity, and that is Trusted under all conditions with a strong Service orientation."

Our Strategy

Our strategy is achieving sustainable and profitable growth based on "the bank closest to customers" philosophy in an effort to fulfill our vision and objectives.

İşbank at a Glance

İşbank's Management Structure

A leading innovative organization, İşbank has been serving to develop innovative products, services and practices in line with global trends since its establishment. As of end-2015, the Bank operates in a total of 14 countries through its branches, subsidiaries and representative offices. İşbank has a total of 23 branches abroad including 16 branches in the TRNC, 2 in the UK, Iraq and Kosovo each and 1 in Bahrain as well as 1 representative office each in Egypt and China.

İşbank plays a crucial role in shaping the finance sector in Turkey through its personal, commercial and corporate banking products and services. Leading the sector in terms of shareholders' equity, İşbank maintained its top position among private banks by total assets, loans and deposits. The Bank benefits from the opportunities created by a growing Turkish economy in order to expand its customer network. İşbank serves all segments of the society through its widespread network of branches and Bankamatiks (ATMs) that provide access to financial services across Turkey as well as its digital banking channels.

Detailed information on İşbank's Board of Directors and Executive Committee and the Bank's organizational chart are available in the 2015 Annual Report¹ (p. 54).

Detailed information on İşbank's corporate governance structure is available in the 2015 Annual Report¹ (p. 70).

İşbank's policies developed in compliance with its vision, strategy and goals shape the Bank's entire operational efforts. The Bank's policies are regularly improved within the framework of corporate governance structure and corporate governance strategy, taking into account legal compliance.

Detailed information on İşbank's Policies is available on İşbank website².



İşbank's Committees

Committees operating at İşbank:

- » Audit Committee
- » Corporate Governance Committee
- » Corporate Social Responsibility Committee
- » Credit Committee
- » Credit Revision Committee
- » Remuneration Committee
- » Risk Committee
- » TRNC Internal Systems Committee

Detailed information on İşbank's committees and operations of these committees is available in the 2015 Annual Report¹ (p. 61).



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İşbank's Internal Audit, Internal Control and Risk Management Systems

Considering the sector it operates in, İşbank has to take into account various risk categories and efficiently manage the risks which the Bank and customers are exposed to in these categories. In this respect, the Bank manages risks in accordance with various regulations such as Capital Adequacy, Credit Risk, Asset-Liability Management Risk, Operational Risk, Consolidated Risk and Information Systems Management Policies. The risk management process and the functions within this process are among the prior responsibilities of the Board of Directors. The Bank's risk policies and their implementation procedures are set by the Board of Directors.

As per the relevant legislation, banks must establish an internal audit system covering all units, branches and consolidated subsidiaries. In this framework, the compliance of operations with the legislation, articles of incorporation, internal regulations and banking principles is audited by the Bank's inspectors.

İşbank's risk management, internal control and internal audit systems are structured parallel to the most advanced international

practices, in line with the principles and the organizational framework stipulated in national legislation. The internal systems are composed of the Internal Audit, Internal Control, Risk Management and Corporate Compliance Divisions. Divisions comprising the internal systems operate under the Board of Directors, while the effectiveness of the aforementioned divisions' work being overseen by the Audit Committee and the Board of Directors.

The Internal Control Division continuously checks and monitors the internal control operations which are delivered highly responsibly by İşbank employees. Risk management operations are delivered by the Risk Management Division. İşbank's Risk Committee prepares the consolidated and non-consolidated risk management strategy and policies of the Bank, submits them to the Board of Directors for approval and monitors practices. The Risk Committee works in collaboration with the Bank's executive systems in order to assess potential risks for the Bank and make suggestions on the measures and methods to be applied.

Compliance is an essential responsibility for the managers and employees at all levels of the Bank and its consolidated financial subsidiaries. Compliance functions and operations at the Head Office divisions, domestic and international branches and consolidated financial subsidiaries of the Bank are monitored by the Corporate Compliance Division, which reports to the Board of Directors via the Audit Committee.

The Corporate Compliance Division operates to provide maximum contribution to ensure that the compliance risk at the Bank and its consolidated financial subsidiaries is duly and efficiently managed and that the Bank's operations are always executed and managed in compliance with the relevant legislation, regulations and standards in terms of the structure and functioning of the Bank's said operations.

The Head of the Corporate Compliance Division, who is also the legal "Compliance Officer" of the Bank, fulfills the roles and responsibilities assigned to the compliance officer by the Law on Prevention of Laundering Proceeds of Crime and the legislation in effect on the basis of the said Law. İşbank's operations for the

prevention of laundering proceeds of crime and the financing of terrorism are duly and efficiently performed within the framework of the relevant legislation and regulations as well as the Bank's Policy and Compliance Program on the matter.

Anti-Bribery and Anti-Corruption at İşbank

İşbank keeps its ethical business approach in all fields of operation through its anti-bribery and anti-corruption policies and in compliance with zero tolerance principle.

Combating bribery and corruption is a matter that İşbank handles with utmost care. In all business processes, the Bank takes into consideration the fundamental principles and procedures included in the Anti-bribery and Anti-corruption Policy. The Bank also has a structure in place in which the Bank management can evaluate any complaints or opinions submitted in relation to the matter.

İşbank's Anti-Bribery and Anti-Corruption Policy aims to ensure that the Bank's employees as well as all business partners acting on behalf of or serving the Bank comply with the legal regulations on combating bribery and corruption.

İşbank does not tolerate bribery and corruption under any circumstances and severely punishes such acts as explicitly indicated in its current policies.

The Bank utilizes awareness-raising programs for employees to support its anti-bribery attitude and anti-corruption approach, both of which are integrated into its business processes through relevant policies. Efforts are in place to instill such awareness in recently recruited employees

while constantly improving the knowledge of experienced employees on the matter. During the "I Start My Career" trainings, the section titled "Discipline and Disciplinary Penalties" of the Collective Bargaining Agreement is handed out to the recently-recruited İşbank employees, emphasizing the requirement to comply with disciplinary provisions. Career training programs specifically designed for employees, who are promoted as managers, provide grounds for knowledge and experience exchange on detecting and preventing any irregularities and misconduct under the authorities and responsibilities of branch managers. Furthermore, members of the Bank's Board of Inspectors attend trainings on detecting and preventing any irregularities and misconduct.

In 2015, 1,372 employees received in-class training of 8,184 hours in total on risk, control, audit and legal matters. The content design of the said trainings aims to encourage compliance with the Bank's Anti-Bribery and Anti-Corruption Policy.

İşbank's Memberships

İşbank actively supports civil society efforts that accord with the Bank's vision and corporate values.

As of end-2015, İşbank has extended support to and has been represented in the following national and international initiatives through the Bank's various divisions and specifically the Senior Management.

- » AKUT Search and Rescue Association
- » European Association for Banking and Financial History (EABH)
- » European Financial Management and Marketing Association (EFMA)
- » European Association of Communication Directors (EACD)
- » The Research Institute of Banking and Commercial Law
- » The Interbank Card Center (BKM)
- » Bilkent University
- » Call Centers Association
- » Darüşşafaka Society
- » Turkish Marine Environment Protection Association (Turmepa)
- » Foreign Economic Relations Board of Turkey (DEİK)
- » Elginkan Community
- » The Bankers Association for Finance and Trade (BAFT-IFSA)
- » Financial Literacy and Inclusion Association (FODER)
- » Financial Managers Association (Finans Kulüp)
- » Global Relations Forum
- » Global Compact Turkey - Sustainable Banking and Finance Working Group
- » Economic Development Foundation
- » Istanbul Foundation for Culture and Arts (İKSV)
- » Credit Bureau of Turkey (KKB)
- » Association of Corporate Communicators
- » International Chamber of Commerce Turkey - Commission on Banking Techniques and Practices
- » National Education Foundation
- » METU Alumni Association
- » Advertisers' Association of Turkey
- » Association of Risk Managers
- » Information Systems Audit and Control Association (ISACA)
- » Turkish Foundation for Combating Soil Erosion, for Reforestation and the Protection of Natural Habitats (TEMA)
- » Turkish Historical Society
- » The Banks Association of Turkey - Ethics Commission
- » Ethics and Reputation Society
- » Working Group of the Banks Association of Turkey on the Role of Finance Sector in Sustainable Growth
- » The Institute of Internal Auditing - Turkey
- » Quality Association of Turkey (KalDer)
- » Turkish Institutional Investment Managers' Association
- » Turkish Human Resources Management Association (PERYON)
- » Turkish Industry and Business Association (TUSİAD)
- » Institute of International Finance (IIF)
- » Vehbi Koç Foundation

İşbank's Subsidiaries

İşbank Group is an integrated service group with a large number of subsidiaries operating in various sectors within the country and abroad.

As of 2015 year-end, İşbank holds shares in 25 companies directly, with the number of companies controlled by the Bank directly and indirectly standing at 106.

İşbank's Main Subsidiaries:

Financial

- » Anadolu Anonim Türk Sigorta Şirketi (Insurance)
- » Anadolu Hayat Emeklilik A.Ş. (Life insurance&private pension)
- » İş Finansal Kiralama A.Ş. (Leasing)
- » İş Gayrimenkul Yatırım Ortaklığı A.Ş. (REIT)
- » İş Yatırım Menkul Değerler A.Ş. (Brokerage house)
- » İşbank Germany (Banking)
- » İşbank Georgia (Banking)
- » İşbank Russia (Banking)
- » Milli Reasürans T.A.Ş. (Reinsurance)
- » Türkiye Sinai Kalkınma Bankası A.Ş. (Investment banking)

Non-Financial

- » Nemtaş Nemrut Liman İşletmeleri A.Ş. (Maritime transportation)
- » Türkiye Şişe ve Cam Fabrikaları A.Ş. (Glass)

Comprising 77% of İşbank's equity stake portfolio, Anadolu Hayat Emeklilik A.Ş., İş Finansal Kiralama A.Ş., İş Gayrimenkul Yatırım Ortaklığı A.Ş., İş Yatırım Menkul Değerler A.Ş., Türkiye Sinai Kalkınma Bankası A.Ş. and Türkiye Şişe ve Cam Fabrikaları A.Ş. are publicly held companies and their respective stocks are traded on BIST.

On August 3, 2015, 10.0035% shares held by İşbank Group within the shareholding structure of Avea İletişim Hizmetleri A.Ş. were completely sold to Türk Telekomünikasyon A.Ş., the controlling shareholder.

Detailed information on İşbank's subsidiaries is available in the 2015 Annual Report¹ (p. 44).





Sustainability at İşbank

İşbank's Sustainability Approach

Supporting the society and its components, İşbank plays an important role in shaping Turkey's sustainable future.

Economic, environmental and social risks in today's world make it impossible for the banking sector to act without considering the future.

Various issues such as crises arising from political instability around the world as well as underdevelopment, natural disasters and drought caused by climate change, coupled with the issue of food security, require action today rather than tomorrow. In this regard, İşbank shapes its efforts in the light of global trends, taking into the account the future of our country and society. Acting in line with its sustainable business approach, İşbank turns the said risks into opportunities and presents such opportunities to the society as an added value. Considering that today and tomorrow are inseparable, İşbank supports the society and people with its services and plays a significant role in shaping Turkey's future.

İşbank's work for the future and people is a strong proof that sustainability is a top

priority for the Bank. The Bank constantly improves its products and services, taking into consideration the triad of efficiency, saving time and technological development, all arising out of the evaluation of market dynamics and customers' demands. İşbank deems its customers to be the reason for its existence and always prioritizes a customer-oriented business approach. Thus, the Bank offers services to facilitate the lives of its customers through digital banking improvements.

Human resources and employee satisfaction have a vital role in İşbank's sustainability approach. The Bank continues to create an efficient work environment focusing on employee satisfaction, respects human rights and rejects all discriminating attitudes preventing equal opportunities.

As a part of its sustainability approach, İşbank aims to play an active role in the transition to low carbon economy and respond to the society's demands in the process of developing new products in

İşbank's work for the future and people is a strong proof that sustainability is a top priority for the Bank.

İşbank displays its long-term sustainability approach and vision through Policies on

- » Sustainability
- » Environmental and Social Impacts
- » Human Rights and Human Resources
- » Anti-Bribery and Anti-Corruption
- » Gifts and Hospitality

and applies them in its business processes.

Detailed information on İşbank's Sustainability Policies is available on İşbank website¹.



Stakeholder Communication

İşbank considers continuous communication with stakeholders to be an important element in developing the required policies and structuring operations according to needs.

Stakeholder communication is a two-way, transparent process overlapping with the Bank's goal to create a long-term contribution for the society. Therefore, the Bank exchanges opinions with internal and external stakeholders via various communication channels and focuses on evaluating the input from such contacts through different processes in its internal organization.

İşbank's main stakeholders are:

- » Customers
- » Shareholders and investors
- » Employees
- » Society
- » Non-governmental organizations
- » Public authority/Regulatory agencies
- » Sectoral unions, organizations and other sectoral stakeholders
- » Media and
- » Suppliers

Stakeholder communication is ensured through various channels such as meetings, satisfaction surveys, complaint/opinion/suggestion systems and events.

İşbank takes into account opinions and input received from stakeholder communication during the process of developing corporate social responsibility projects.

Stakeholder Group	Frequency of Communication	Method of Communication
Customers	24/7	Branches, Instant Banking (Bankamatik, Internet Branch, Telephone Branch and mobile banking channels), customer relations representatives, meetings, surveys measuring customer satisfaction and expectations, social media
Shareholders and investors	Annual and quarterly / when necessary	General Assembly meetings, investor meetings, analyst/investor days, roadshows, teleconferences, daily communication work by the Investor Relations Division, Investor Relations web page, Public Disclosure Platform, Information Society Services Platform established as per the Turkish Code of Commerce, Annual Report and investor presentations
Employees	Daily	Recruitment process, employee satisfaction surveys, training events, performance assessment, internal communication platforms, regular managers' meetings
Society	When necessary	Corporate social responsibility (CSR) projects, information and collaboration meetings, feedback mechanisms
Non-Governmental Organizations	When necessary	CSR projects, information and collaboration meetings, feedback mechanisms
Public authority/Regulatory agencies	When necessary	Reporting processes, meetings
Sectoral unions, organizations and other sectoral stakeholders	When necessary	Meetings and presentations, workshops, daily communication activities
Media	When necessary	Information communication, press meetings, special meetings, answering written questions
Suppliers	Daily	Daily communication with suppliers of goods and services, initiatives aiming at raising suppliers' awareness on sustainability

Materiality Assessment

In 2015, İşbank conducted a sustainability materiality assessment within the framework of the international Global Reporting Initiative (GRI) G4 Reporting standards. The GRI G4 disclosures were evaluated within the scope of the Bank's sustainability priorities and operations at all business units, the impacts of such operations and the objectives of the organization before setting the priority aspects. Stakeholder opinions from regular stakeholder communication have been considered in the evaluation process and integrated into prioritization efforts.

Material aspects for İşbank in the field of sustainability are as follows*.

Interaction among the material sustainability themes of the Bank vary in accordance with the field of operation. Retail banking operations primarily have an impact on personal customers. Corporate and commercial banking operations primarily have an impact on corporate and commercial customers, while they may

Economic Aspects	Environmental Aspects	Social Aspects
Corporate Governance	Emissions	Combating Bribery and Corruption
Customer Satisfaction	Energy and Resource Efficiency	Employee Rights and Employee Satisfaction
Financial Performance	Environmental Impacts and Risks	Equal Opportunities
Market Share	Responsible Products and Services	Human Rights
		Information and Customer Safety
		Social Impacts and Risks
		Social Responsibility

*: Material aspects are listed alphabetically.

have a secondary impact on locals through the operations of companies that receive funds. Operations within the organization have an impact on stakeholders such as employees, shareholders and investors while the corporate social responsibility efforts of the Bank touch the communities everywhere the Bank operates.

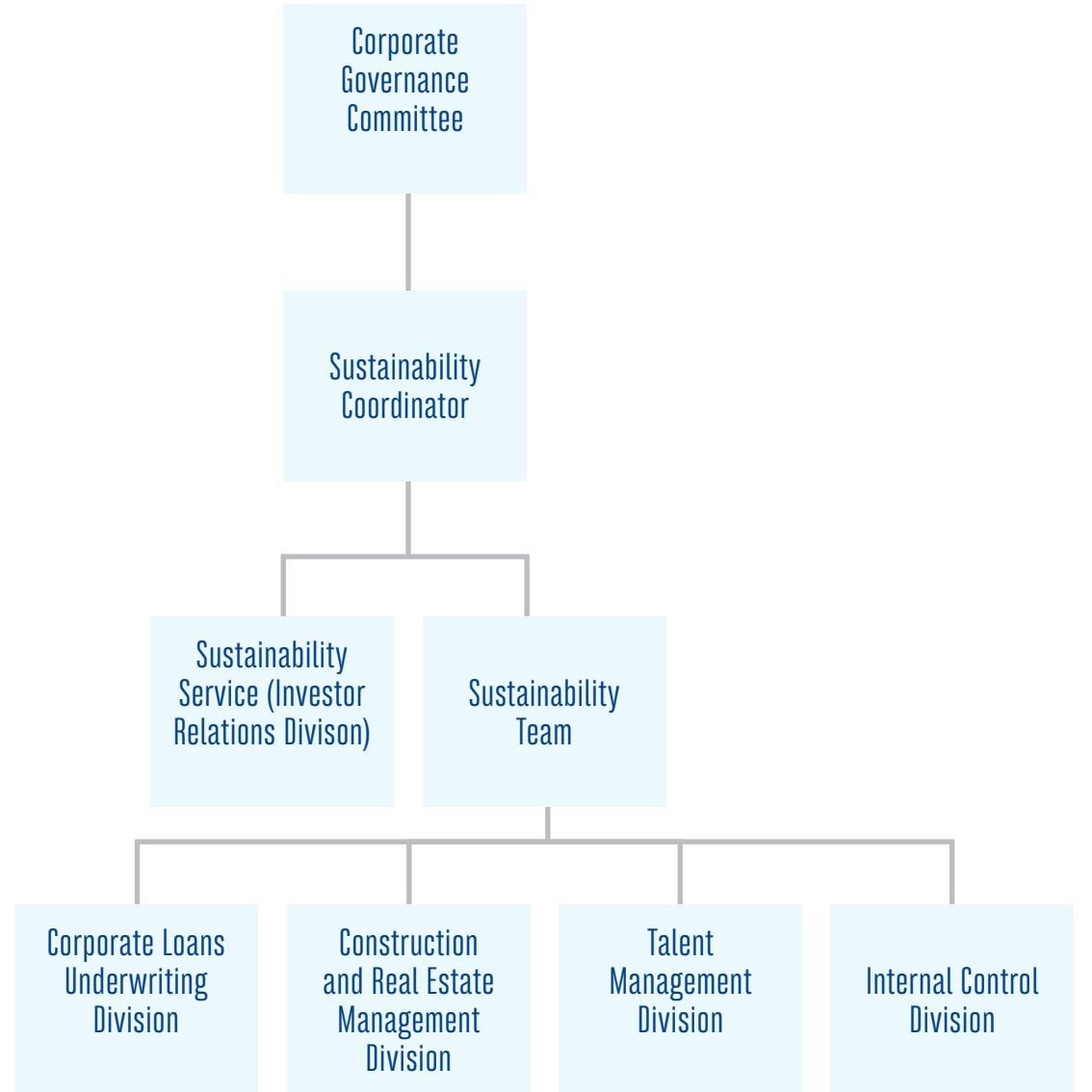
The report and material aspects cover İşbank's operations within Turkey. The Bank's affiliates and subsidiaries are not included in the scope of the report.

İşbank's Sustainability Management System

Established to support the economic development of Turkey, İşbank has always acted within a sense of social responsibility since the day it was founded. The Bank interprets sustainability as a way of doing business and has started a corporate structuring effort in recent years to integrate sustainability into daily operations and ensure that the concept of sustainability is handled systematically and holistically within the Bank. Under the efforts to establish a Sustainability Management System, the Sustainability Policy covering Environmental and Social Impacts, Human Rights and Human Resources, Anti-Bribery and Anti-Corruption, Gifts and Hospitality Policies as well as supplier management issues was adopted and launched in 2014. The aforementioned Policies include the framework and principles that ground all operations of the Bank on such matters.

The Sustainability Management System launched in 2015 integrates the aspects specified in Sustainability Policies into the Bank's operations to give sustainability operations a structure that can be monitored and improved. İşbank's Sustainability Management System includes various processes in order to assess the Bank's environmental impact, manage environmental and social risks from lending operations, improving internal capacity, controlling and auditing all efforts, planning of operations for the next period and developing strategies. Processes clearly define the roles, responsibilities and required business steps for each relevant matter. Furthermore, İşbank produced a Sustainability Management System Handbook, which includes the Bank's sustainability approach, its organizational structure for Sustainability Management System and the summary of the process documents comprising the system. The Handbook serves as a detailed guidance document for use by relevant employees during the application of system requirements.

İşbank's Sustainability Organization



İşbank's sustainability organization is shaped by the goal that the sustainability approach is adopted and owned by all İşbank employees from top to bottom. The Head of Investor Relations Division serves as the Sustainability Coordinator in order to establish coordination among the executive organs for sustainability operations performed under the Corporate Governance Committee. Having members from different divisions, the Sustainability Team ensures the management of sustainability efforts and efficiency in information flow.

Prepared on the basis of data collected in relation to the Bank's sustainability efforts during the reporting period, the sustainability report is approved by the Sustainability Coordinator and the Corporate Governance Committee.

Borsa İstanbul Sustainability Index

Thanks to its long-term sustainability approach and its efforts in the field of sustainable banking, İşbank is included in the BIST Sustainability Index consisting of the companies listed in Borsa İstanbul and evaluated for their corporate sustainability performance on the basis of certain criteria.

Sustainability Indicators

While setting the performance targets of the Head Office and branches in line with the Bank's strategy, its sustainability approach is taken into consideration as well. Goals in the context of sustainability cover the maintaining and improvement of service quality, business continuity and occupational health and safety in line with the objective of satisfying İşbank's customers, shareholders and employees.

In 2016, efforts to ensure that sustainability goals are adopted better by the employees through the use of current and new performance indicators and to measure improvement will be continued.

A photograph of a man and a young boy sitting cross-legged on a grassy lawn. They are both looking at a tablet device held by the man. The man is wearing a light blue polo shirt and khaki shorts, while the boy is wearing a plaid shirt and khaki shorts. The background shows a park-like setting with trees and a clear sky.

For Our
Customers

Throughout its history, which is as long as that of the Republic, İşbank has always positioned the updating of the services it has offered in line with current requirements and the continuous delivery of excellent services at the core of its banking vision since its establishment.

Arising out of the Bank's principled and consistent business approach that it has been displaying since its establishment, "İşbank Banking" opens the door to a new era in the sector even today.



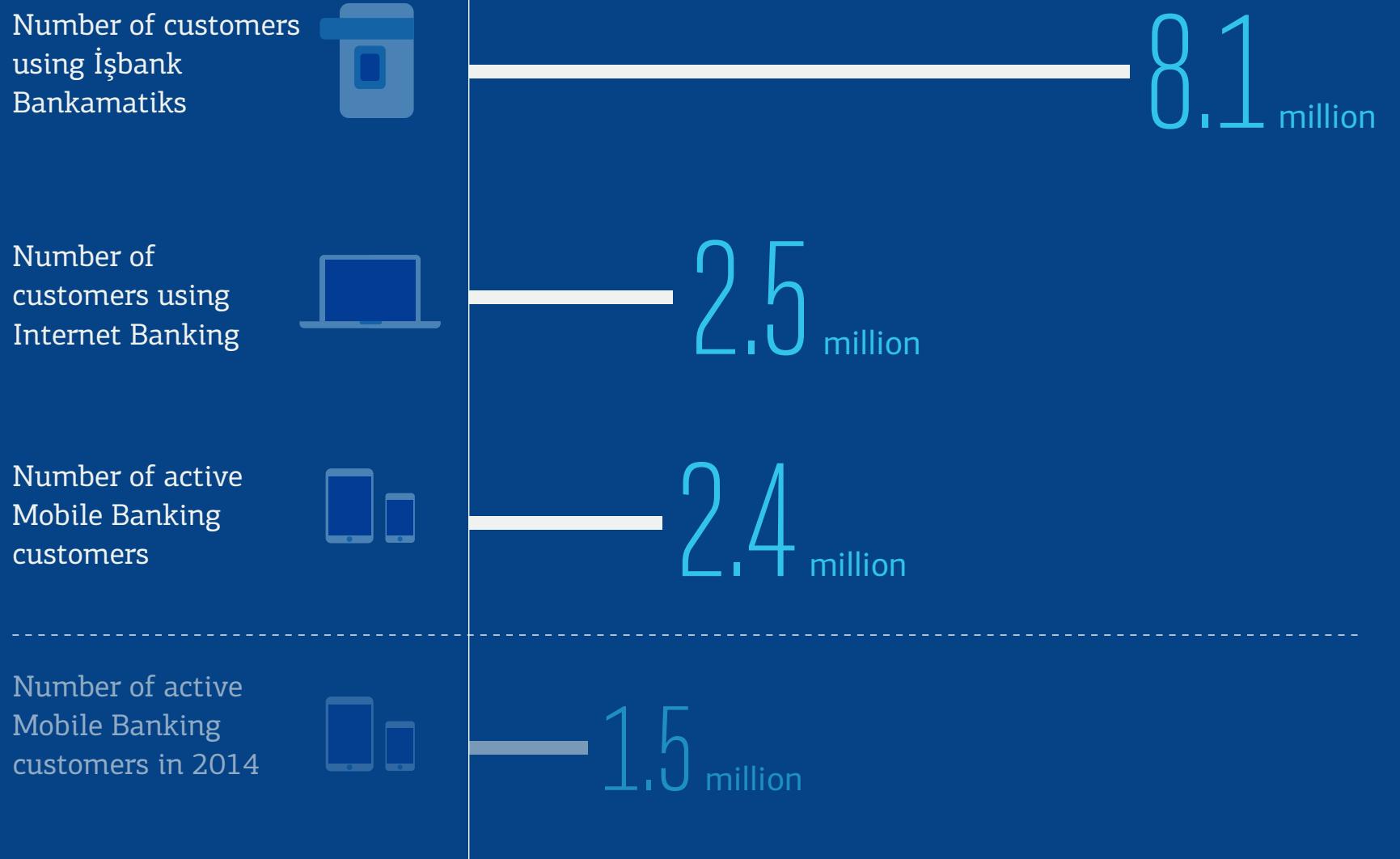
A New Era in Banking Digital Transformation

Maximized use of mobile phones and mobile devices in the last decade has led to a significant change in customers' preferences and behaviors. This increased involvement of mobile devices in our lives brings along many new needs and creates opportunities for new fields of implementation that will meet such varied needs. İşbank launched the "Digital Transformation Program" in 2015 in order to meet the change in customer expectations rapidly, ensure convergence on physical and specifically digital medium and define the digital transformation journey in business models.

The Digital Transformation Program aims to establish a structure which is offering a customer experience that continuously learns by using the customer analytics, is "smarter", understands customers' needs at all contact points and solves their problems. Based on work for the mentioned purposes, İşbank offers value propositions tailored for the needs of customer groups and intends to create "a living ecosystem" using its business partners as a strength in digital transformation.

Digital Banking in Figures

in 2015



6,582

Number of
Bankamatiks
(ATMs) in Turkey



82%

Share of digital banking transactions
in total comparable transactions

19%

Share of mobile banking
transactions in total
comparable transactions
as of end of 2014



24%

Share of mobile banking
transactions in total
comparable transactions

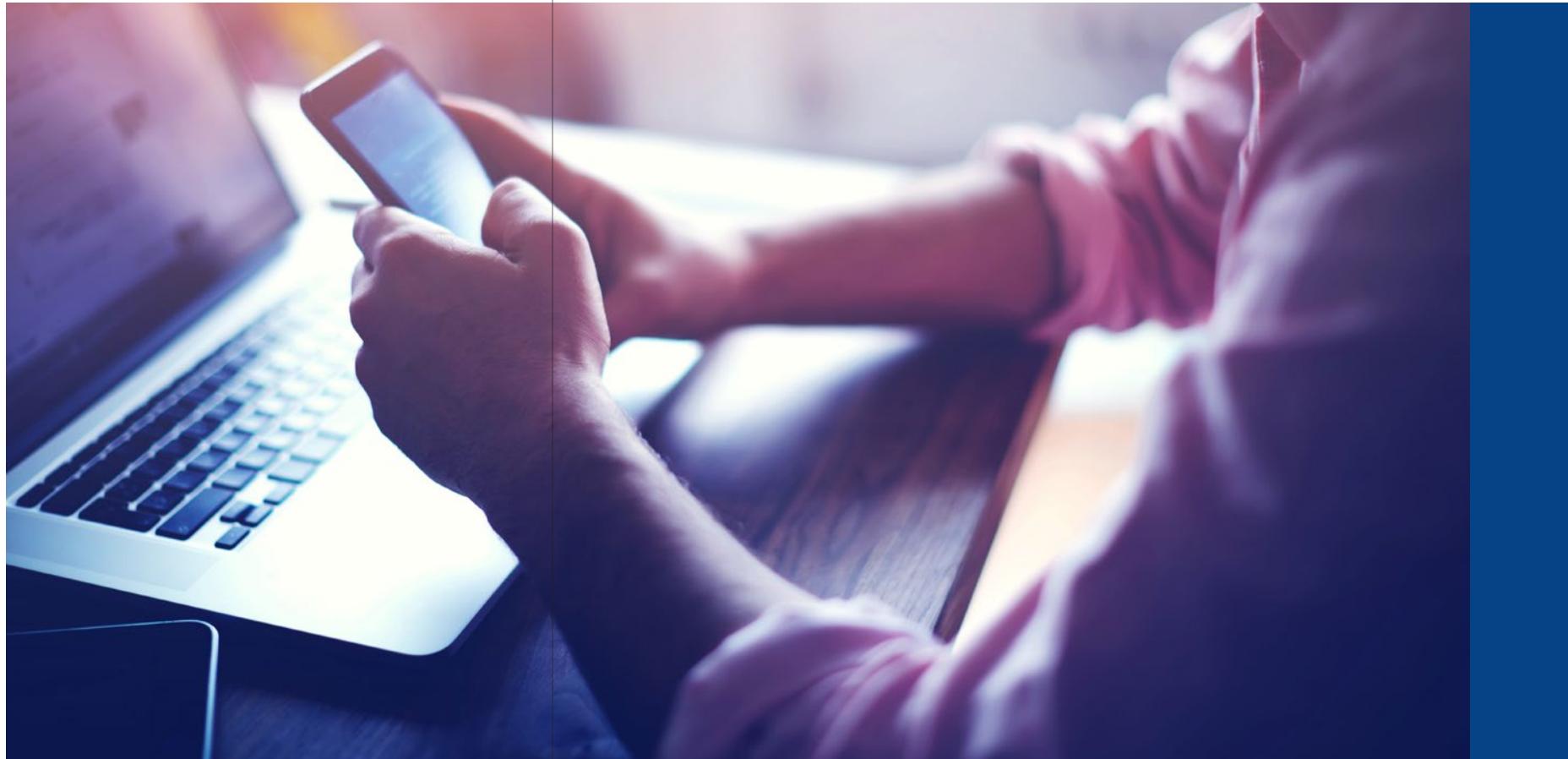
Practices Standing Out in 2015

İşCepMatik

In 2015, İşbank further improved and enriched its digital banking practices that it has long been diversifying. Developed in order to enable the customers to easily fulfill their banking needs using the convenience of technology without losing time, based on the assumption that time will be the most valuable asset in the future, the products and services that stood out in the given period are summarized below.

Sosyal Hesap (Social Account)

İşCep users are provided with the opportunity to save their mobile phone contacts in the "Social Account Contacts" that is exclusive to the "Social Account" application and simultaneously get SMS or instant notifications from these contacts and request remittances of any amount to a specified account for organizations such as dinners, gifts and so on. Likewise, İşCep users who are sent requests can easily send money from the accounts they specified for Social Account and thus rapidly participate in organizations.



İşCep Apple Watch Application

Offered simultaneously with the launch of the product in Turkey, the application allows monitoring updated exchange rates, accessing information on the closest Bankamatik and branch and obtaining information on the nearest Maximum Card campaigns according to location.

Anında Kredi (Instant Loan)

The "Instant Loan" product was launched in 2015 to ease customers' lives and cater to their cash needs most rapidly and easily in order to provide a positive customer experience. Offered on the Personal Internet Branch as of June and on İşCep as

of September, the "Instant Loan" product makes loans available for customers 24/7 without visiting any branches or submitting documents including weekends and public or religious holidays. "Instant Loan" is highly favored specifically by customers who do not have the opportunity to visit branches during working hours. The share of "Instant Loan" within all personal loans stood at 6% at year-end.

NakitNet

NakitNet, a web-based loan platform developed in order to offer fast financial solutions to İşbank customers during shopping, provides loans in a couple of minutes during shopping to customers

purchasing products at stores and dealers of retail firms contracted with the Bank. NakitNet allows for the completion of all processes including loan application, allocation, use and signing of loan documents at the sales point and makes loans with a maturity of up to 36 months available without visiting the branch at all. NakitNet offers personal customers a new long-term payment option at points of sales.

Internet Banking for SMEs

İşbank offers applications and facilities catering to all customer groups, thus diversifying its digital banking services. Using the personal Internet branch, İşbank's SME natural person merchant customers can not only utilize personal menus but also perform commercial transactions such as POS financial provisions and viewing member merchant account statements. SME customers, on the other hand, can enjoy features of the commercial Internet branch which facilitate the lives of commercial users such as multiple money transfers, checks and promissory notes, POS, commercial loans, salary transactions and direct debit system.

Easy Access to e-Government

İşbank Retail Banking Internet Branch allows users to access the e-Government Gateway, the one-stop-shop for electronic services offered by public institutions and organizations, without need for an e-Government password.

Fırsatla Application

Customers can use the Internet branch to join the "Fırsatla" application, which allows them to match their Facebook and/or Twitter social media accounts with their customer records at the Bank and enjoy the exclusive campaigns and opportunities offered by the Bank.

İşbank received many awards in 2015 thanks to the innovative approaches it adopted in digital banking applications.

At Stevie International Business Awards 2015, "Touch ID Login to İşCep" application received the "Golden Stevie" award in the category of "Best New Product/Service in Customer Services", "İşCep" application received the "Silver Stevie" award in the category of "Best New Product/Service in Financial Services", İşbank Private Banking website (privia.com.tr) received the "Bronze Stevie" award in the category of "Bank Website",

At Web Awards 2015, İşbank Private Banking website (privia.com.tr) received the "Best Bank Website" award in the category of "Banking".

At the Altın Örümcek 2015 jury voting, the Retail Banking Internet Branch received the first prize in the category of "Internet Banking" and the Bank's corporate website (www.isbank.com.tr) won the third prize in the category of "Corporate Website", while the Bank's corporate website (www.isbank.com.tr) received the "Public's Favorite" award in the categories of "Corporate Website" and "Best Mobile Website" at the Golden Spider 2015 public SMS voting.

At MMA Smarties 2015, İşbank's promotional campaign for "Touch ID Login to İşCep" received the silver award in the category of "Mobile App" in Turkey and the bronze award in the category of "Product/Services Launch" in MMA Smarties-EMEA region.

Retail/Private Banking

İşbank delivers services in consideration of both the needs of its customers arising in different stages of their lives and the future through products supporting the society and nature.

Life Stage Banking

İşbank's service approach is based on supporting customers at every stage of their life cycle. Within the framework of the life stage banking approach, the Bank offers services for children, young people, adults and the pensioners.

Providing tailored services for children, young people and pensioners, the Bank aims to be their life stage bank, to offer solutions catering to their needs and to establish long-term relations with customers.

Products Tailored for Children

Children's accounts offer products like the Children's Account and the "Kumbara Fonu (Money Box Fund)" Account which include various features for children between the ages of 0 and 18. The Children's Account serves as a TL currency demand deposit account while the "Kumbara Fonu (Money Box Fund)" Account contributes to the future of children as a mutual fund account. Available for customers between the ages of 12 and 18, the First Signature Account

is a deposit account that children can open and transact with on their own behalf. Children having a First Signature Account can enjoy basic banking transactions such as shopping with their debit card, paying bills, sending remittances, buying funds and using Internet and mobile banking contact points. This also serves to equip children with the competence to manage their own accounts and develop a habit of saving money.

Products Tailored for Young People

İş'te Üniversiteli Banking Service Package aims to respond to all financial needs of young people. İş'te Üniversiteli Credit Card sets the first step in the credit card relation which will continue and develop for a lifetime. İşbank maintains the relations it establishes with young people when they are students and continues to update customer card limits following graduation. İş'te Üniversiteli, İşbank's brand under which it delivers its banking services for university students, also organizes and delivers various campaigns and events that appeal to young people.

Products Tailored for Pensioners

Under the Package for Pensioners, İşbank continues to offer high added value, personal banking services to customers, whom it delivered a wide range of personal products during their active working life, after they retire. The Package for the Pensioners includes a rich selection of personal banking products and services for people retired from SGK (Social Security Institution). Customers who are paid their pensions via İşbank can enjoy exclusive opportunities such as complimentary MaxiPuan and exemption from annual card fee for their credit cards, exclusive interest rates for their term deposit accounts and free remittance/EFT at specific contact points.

Value-Added Products for the Community

Müzekart (Museum Card)
Giving special care to reflecting social responsibilities in its line of operations, İşbank delivered a first-of-its-kind practice in the sector when all Maximum credit cards were equipped with Müzekart features in 2013. This allows İşbank credit card holders to pay free visits to more than 300 museums and archaeological sites affiliated to the Ministry of Culture and Tourism of the Republic of Turkey for a period of one month each year. This unique service by İşbank not only distinguished Maximum Card from others in the sector but also enabled the Bank to have the pride of contributing to the protection, promotion and entrustment to future generations of the cultural heritage of our country as well as offering an unprecedented value proposition to customers.

TEMA Credit Cards

Maximum TEMA Card holders contribute to TEMA Foundation, which delivers activities to protect natural assets, and to the efforts to protect the environment while they enjoy installments and MaxiPuan collection opportunities offered by the Maximum world as well as special campaigns and all other privileges offered to other credit card holders. The contributions are calculated at a certain rate over each shopping transaction using the card but are not deducted from the benefits the customers obtain from the card and are then transferred to TEMA Foundation via İşbank's own resources. This contribution to TEMA Foundation is used by the Foundation in activities for combating soil erosion and for reforestation, for instilling a love for trees, forests and nature in people, for protecting and improving the status of natural assets, human health, ground cover, waters and forests and for raising further awareness and training individuals on such matters.

Maximum TEMA Card is a card supporting TEMA Foundation and stands out with its environmentally friendly features including the production process. These plastic

cards are made of recycled materials used for the first time in Turkey, with all paper materials used for the card being obtained without causing any harm to nature and the ecological life. As it is the case with all İşbank credit card owners, Maximum TEMA Card holders can also request to get their credit card statements via e-mail to prevent paper waste.

Performing business development operations to support the activities of TEMA Foundation, İşbank provides its corporate customers with Maximum TEMA Corporate Credit Card, which has all the features that Maximum TEMA Card incorporates.

Environmentally-Friendly Housing Loan

İşbank extends full support to initiatives to improve energy efficiency and encourages its customers to do the same. Under the Environmentally-Friendly Housing Loan, the Bank extends a total of USD 75 million it obtained from the European Bank for Reconstruction and Development and the Clean Energy Fund to finance the housing loans to be used by customers who would like to buy a flat in buildings with high

energy efficiency. In this framework, İşbank aims to increase demand in green buildings and therefore encourage nature-friendly buildings in the construction sector.

Urban Transformation Loans

The Urban Transformation Project is a project contributing significantly to the housing stock of our country in terms of sustainability since it aims at the construction of reliable buildings that are equipped with social and recreational areas and are in compliance with legislation in terms of energy efficiency.

The Law No. 6306 on Transformation of Areas under Disaster Risk, which entered into force in 2012 upon its publication in the Official Gazette aims at renovating buildings that pose a risk in cases of natural disasters, have completed their life span and are not environmentally friendly. It is provided in the Law No. 6306 that loans to be taken from banks in order to finance the renovation of such buildings shall be interest-backed loans. On this matter, İşbank turned out to be the first bank to sign a protocol with the Ministry of Environment and Urbanization of the Republic of Turkey in relation to extending

İşbank considers raising savings awareness within the society and encouraging savings practices as a part of sustainable development.

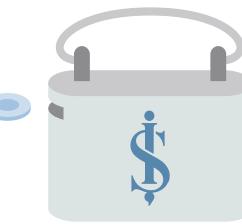


Savings Products

İşbank believes that financial planning at an individual scale contributes to the development of the society. Considering that raising the savings awareness within the society and encouraging savings practices through a prospective view are parts of social development and sustainable development, the Bank maintains its leading position in savings products in 2015. İşbank strongly retains the practice of giving out money boxes to its little customers to raise an awareness of savings within the society, a practice originally launched back in 1928.

Kumbara Fonu (Money Box Fund)

The savings approach İşbank initiated via money boxes is now reinforced with the Money Box Fund, a fund established in line with changing needs. The Money Box Fund makes a significant contribution in instilling and improving long-term investment awareness. An instrument for both investing in our children's future and adopting a stable management and long-term investment strategy, the Money Box Fund is one of the most preferred investment instruments that parents opt for. The size of the Money Box Fund stood at TL 380.8 million as of the end of 2015.



The size of the Money Box Fund
380.8
million TL

The Money Box Fund allows regularly investing in our children's future, starting with small amounts today, and has an outstanding role in improving the savings culture in our country.

Üstü Kalsın (Keep the Change)

Üstü Kalsın is a service that aims at encouraging customers to make savings without changing their spending habits. The service allows for rounding the total debt in the account statement up to a preferred upper limit so that the difference in between can be transferred to an investment fund. It has proven that credit cards, mainly offering opportunities in shopping, can also be used as a savings instrument that makes savings possible.

An innovative credit card practice marking the first of its kind in Turkey, Üstü Kalsın encourages customers to make small savings while shopping with their credit cards. As of the end of 2015, the total value of investment funds purchased under Üstü Kalsın service stood at TL 51.9 million.

The total value of investment funds purchased under Üstü Kalsın service
51.9
million TL

Gold Deposit Account

İşbank plays an important role in the development of gold banking in Turkey through the efforts to bring physical gold such as gold bullions, bracelets, necklaces, half and quarter-gold coins, historically named as "under-the-mattress" savings, into the economy via banks. Pioneering gold banking in Turkey starting from 1997, İşbank offers a diverse range of gold products to its customers and continues to develop new products in line with the Bank's projections and the customers' demands.

The gold deposit account allows customers to make gold savings without bearing

the risk of physical storage and liquidate their gold whenever they want. Customers can enjoy the Gold Remittance facility to transfer gold in grams among various Demand Deposit Gold Accounts in the Bank.

Gold banking allows customers to place monthly regular gold purchasing orders from their TL currency demand deposit accounts or İşbank credit cards and make regular gold savings in their demand deposit gold accounts.

Under the protocol signed with Istanbul Gold Refinery, "Gold Meetings at Branches" practice was launched as of June 7, 2012. By December 2015, "Gold Meetings" were held in 1,077 branches.

İşbank maintains its top position in the sector in gold deposit accounts and has a market share of 17.3% as of the end of 2015.

TEMA Environmental Flexible Fund

Marking a first in the sector, TEMA Environmental Flexible Fund enables environmentally aware companies to evaluate their savings on the long run and

to support environmental activities. TEMA Environmental Flexible Fund is one of the most unique investment instruments in the sector and the resources allocated to TEMA Foundation via this fund are used to extend sustainable financing support to environmental projects. Using some of its assets, the fund invests in companies that integrate environmental management systems into all stages of production and underlines the projection that environmentally aware companies will attain more successful financial results in the long run.

The fund is managed by the expert staff at İş Asset Management taking into account the financial and environmental criteria and provides customers with the opportunity to support environmentally aware companies and environmental projects while investing.

Private Pension

The Private Pension System enables getting additional income during retirement by making savings at times when individuals have income. Savings are managed by professional asset management companies. The system is supported with advantageous state contributions and is also subject to

audits. The share of accounts sold by İşbank within the total number of private pension accounts of Anadolu Hayat Emeklilik (Anadolu Life Insurance & Private Pension) rose to 80% in all sales and to 92% in sales completed during 2015.

As of November 20, 2015, Anadolu Hayat Emeklilik was crowned the first private pension company to have more than 1 million contributors with an exact number of 1,001,598 contributors. The company maintains its lead in terms of the number of contributors in the sector since July 3, 2015. Total number of contributors at Anadolu Hayat Emeklilik stood at 1,026,467 as of 2015 year-end while the company's market share was 17%.

İşbank maintained its leading position in 2015 through its personal banking practices, products and service quality.

İşbank received the Global Gold award in the category of "Best Use of Technology in Banking, Financial Services and Insurance Sales Activities" for its sales operations driven by its innovative CRM infrastructure in the 2015 Stevie Awards, one of the most prestigious awards in the international business world. The Bank was also

considered in the "New Marketing Solutions" category for the 2015 Stevie Awards and received the Bronze award for its Marketing Optimization application.

In the Customer Satisfaction Index of Turkey published by the Turkish Society for Quality (KalDer), Maximum Card retained its leading position in "customer satisfaction" in the credit cards sector and became the brand that most satisfied its customers in 2014 and it received an award in 2015. Adding a new title to the 4 previous titles among the card programs of private banks, Maximum Card was selected as the best card program for a fifth time in total.

At the "Crystal Apple Creativity Festival", one of the most remarkable organizations in Turkey, the Bank was awarded not only the Crystal Apple but also the Silver and Bronze awards for more than one creative product including the Private Pension, Personal Loan and Instant Loan products in addition to Maximum, Maximiles and İştir Universiteli brands.

At the Effie, Turkish Advertising Event Competition organized by the Association of Advertising Agencies and the Association of Advertisers', İşbank was given the Bronze

Effie Award in the category of "Bank-Card Payment Systems" for its advertisement campaign called "Maximum Cinema Session".

Furthermore, the Bank received two Bronze Stevie Awards in the categories of "New Product or Service Introduction of the Year" and "Best New Product or Service of the Year - Media & Entertainment Service" for the "Maximum Cinema Session" communication, which announced the privilege of Maximum cinema sessions launched in February under the main sponsorship of Cinemaximum.

Commercial/Corporate Banking

Always standing by the industrialists and merchants, in order to contribute to the development of Turkish economy in line with its establishment philosophy, İşbank continued its support without any interruptions in 2015. As of the end of 2015, corporate and commercial banking loans constituted 49.7% of the total loan portfolio of the Bank.

Corporate and commercial banking loans



Sector-Specific Specialized Banking

İşbank adopts a "problem-free and sustainable growth" strategy in its services to cover sectoral needs taking into account sustainable development.

İşbank develops products specifically tailored for sectoral needs within the scope of its tailored service approach.

Products and services for agriculture and tourism sectors take into consideration the "problem-free and sustainable growth" strategy. To this end, the sector-specific specialized banking operations are a significant element in establishing long-term and more efficient relations with customers.

Through agricultural banking services available at 14 branches for farmers, İşbank delivers the fastest and most accurate

sector-specific loans and other banking products to farmers. Plans are under way to improve these tailored services further in the upcoming period. The amount of cash commercial loans extended to farmers reached TL 1.9 billion as of the end of 2015.

İşbank started to use the Agricultural Loans Assessment System (TARDES), which was launched by Kredi Kayıt Bürosu A.Ş. (Credit Bureau) in 2014, in order to get all branches to perform the most accurate assessment of financial needs pertaining to a wide range of agricultural activities such as dairy and cattle farming, apiculture, mixed plant production, orcharding and greenhouse cultivation. In this framework, the requirements of all agricultural loans of the Bank were revised and new products are still added to the product range.

Tailored services for the tourism and agriculture sectors, two sectors contributing greatly to the development of the country's economy, are summarized below:

Agricultural Loans

In addition to loans for the financing of inputs (diesel fuel, fodder, fertilizer, seeds and so on) required by farming customers, the Bank extends various agricultural loans to satisfy investment needs such as tractors, farming land, greenhouse building and modernization and purchasing of livestock. All producers registered in relevant producer registries such as the Farmer Registry and Apiculture Registry can use loans that conform to their own type of production.

İmece Card

Offering farmers repayment maturities in line with their harvesting periods as well as providing a 0% interest advantage with maturities up to 6 months, İmece Card allows farmers to meet their needs for agricultural input on advantageous

conditions at many member merchants such as contracted sectoral unions and cooperatives, chambers of agriculture, fuel companies and firms selling other agricultural inputs.

Corporation and Investment Loans for Tourism

In addition to seasonal preparation loans allowing flexible repayment in line with the income generation periods of the sector, İşbank offers insurance, corporate business card and various cash management products to its customers in tourism sector within the scope of tourism support and tourism tariff packages. The amount of cash commercial loans extended for the tourism sector reached TL 4.2 billion as of the end of 2015.

SME Banking Services

İş'le Buluşmalar Meetings

Held in various cities in cooperation with Dünya Newspaper since 2008, İş'le Buluşmalar sessions host successful and experienced speakers specialized in their respective fields and aim to support the commercial development of attendees in addition to coming up with solutions for their commercial needs. The 39th session of "İş'le Buluşmalar" was held in Izmir in March 2015. About 700 participants attended the meeting, the main theme of which was "Creativity and Innovation in Competition".

Exclusive services to SMEs, the backbone of the Turkish economy, continued in 2015.

İş'te KOBİ - The Website for SMEs

İş'te KOBİ¹ is a web portal offering users a wide range of written and visual contents such as current news, articles, sectoral reports, exclusive video interviews and expert comments. The number of subscribers to İş'te KOBİ website exceeded 76 thousand as of the end of 2015. The website exclusively allows the subscribers to ask written questions to experts of 17 different fields ranging from tax to business law, foreign trade to entrepreneurship, technology to farming and animal husbandry, thus benefiting from free consultancy services. More than 8 thousand SMEs have been provided with free

consultancy services so far. Furthermore, as of the end of 2015, more than 10 thousand companies used the SME Market section of the website, which allows the member enterprises to promote their businesses easily and free of charge.

Thanks to the innovative SUNUMATİK application, İş'te KOBİ provides member SMEs with the opportunity to prepare efficient company promotion presentations in Turkish and English without worrying about foreign language competence and computer skills. The number of SMEs preparing presentations using SUNUMATİK and efficiently promoting their companies, products, services and campaigns in both the domestic and international markets reached almost 5 thousand by the end of 2015.



Banking Practices for Female Entrepreneurs

Having faith in women's ability to make a difference in economy, İşbank aims to reach a great number of female entrepreneurs through products and services tailored for them. The Bank makes efforts to support female entrepreneurs for all their business needs as well as the loans it extends to them. In this framework, the Bank sponsors training events for female entrepreneurs and provides consultancy over İş'te KOBİ website.

İşbank sets the required backdrop for female entrepreneurs to attain their goals and aims to make sure qualified female workforce finds its rightful place in business life. In 2015, KOSGEB Applied Female Entrepreneurship Trainings were held in Kayseri, Bursa and Samsun in cooperation with KOSGEB and TOSYÖV. Female entrepreneurs attending the training gained insight into basic entrepreneurial subjects such as testing their entrepreneurial skills, exercises for developing business ideas and creativity, market research, production, management and financial plans. The attendees received certificates at the end of training.



1

Specifically formulated for female entrepreneurs on İş'te KOBİ website, "Kadın Girişimci"¹ (Female Entrepreneurs) page shares current news and articles on female entrepreneurship, videos on success stories and exclusive interviews with experts in addition to information on the special products and services of İşbank for female entrepreneurs. Furthermore, female entrepreneurs subscribing to İş'te KOBİ can ask online questions to experts on the same page and exclusively enjoy free consultancy services on entrepreneurship.

For long years, İşbank has been providing considerable financing support to many female entrepreneurs from its own resources. Moreover, the Financing Program for Female Entrepreneurs was launched in 2014 and has since been facilitating access to financing, a specific problem mentioned by female entrepreneurs - the rising stars. Coupled with other relevant products and services offered together with financing, this program contributes to the sustainability and growth of female businesses. Under the program, female entrepreneurship loans are extended to:

G4-4, G4-8, G4-EC7, G4-EC8, G4-S01, G4-FS7



- » Natural person female merchants,
- » Companies with a female shareholding structure of 51%,
- » Female businesses with at least one woman holding one of the top executive positions and has a minimum female shareholding structure of 20%.

For extending these loans, funds from international financial institutions such as European Bank for Reconstruction and Development and Overseas Private Investment Corporation, which provide funding for female entrepreneurs, are also used in addition to the Bank's resources. (See International Funds for a Sustainable Future)

Program on Finance and Advice for Women in Business

İşbank is one of the stakeholders in the "Program on Finance and Advice for Women in Business", a joint initiative with the EBRD, Delegation of the European Union to Turkey, Ministry of Labor and Social Security of the Republic of Turkey and Turkish Employment Agency extending financial and technical support to facilitate female entrepreneurs' access to finances and render them more competitive. Frankfurt School of Economics provides consultancy support to the Bank for the purposes of the program. The Bank's current status regarding female businesses was

determined together with the consultancy firm. It is planned to create an e-training to raise awareness on female businesses among employees.

Financing Renewable Energy Projects

İşbank supports low-carbon economy through the funds it provides to renewable energy projects.

İşbank attaches great importance to the economic, social and environmental impact of its efforts when financing the energy sector. In terms of credit risk, renewable energy projects constitute 45% of the total energy projects portfolio. Solely considering the production projects portfolio, the share of renewable energy projects in risk balance stands at 58%.

↻ 45%

The share of renewable energy projects in production projects portfolio

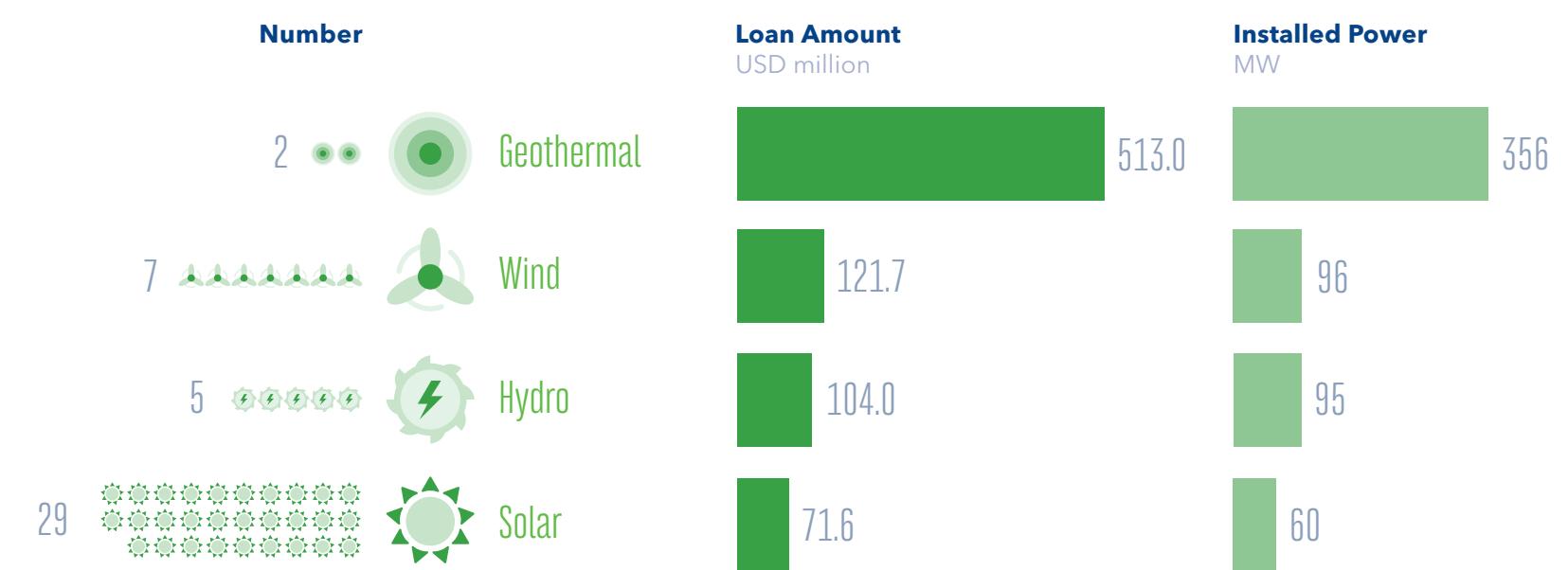
↻ 58%



in 2015
607 MW
installed power

43 number of
renewable energy
projects

810.3 million
USD



International Funds for a Sustainable Future

İşbank considers its cooperation with international financial institutions to be a milestone for investing in the future.

Cooperation with international financial institutions stably

continued in 2015. In 2015, the Bank signed loan agreements with international financial institutions amounting to USD 351.2 million with a focus on sustainability and sustainable development. Loans under these agreements are extended in order to meet the funding needs of small- and medium-size enterprises including female businesses and those businesses operating in priority development cities and to finance renewable energy and energy efficiency projects.

Funds from international financial institutions are used to support entrepreneurs and thus contribute to projects that will strengthen Turkey's future. Therefore, collaboration with international financial institutions maintains its significance for İşbank.

International Financial Institution	Date of Signature	Amount	Maturity (years)	Purpose of Extending Loans
European Investment Bank (EIB)	30.10.2015	\$221,200,000	10	Financing SMEs and businesses with 250 - 3,000 employees
European Bank for Reconstruction and Development (EBRD)	30.03.2015	\$60,000,000	7	Financing energy efficiency projects for residential buildings
European Bank for Reconstruction and Development (EBRD)	30.03.2015	\$15,000,000	15	Financing energy efficiency projects for residential buildings
European Bank for Reconstruction and Development (EBRD)	30.03.2015	\$55,000,000	5	Financing female entrepreneurs
European Bank for Reconstruction and Development (EBRD)	19.12.2014	\$12,500,000	5	Financing female entrepreneurs
European Bank for Reconstruction and Development (EBRD)	19.12.2014	\$90,000,000	5	Financing energy efficiency projects
European Bank for Reconstruction and Development (EBRD)	19.12.2014	\$25,000,000	5	Financing of working capital and investments in agricultural sector
Overseas Private Investment Corporation (OPIC)	10.12.2014	\$220,000,000	14	Financing SMEs and female entrepreneurs
European Investment Bank (EIB)	09.05.2014	€200,000,000	10	Financing of the loans to be extended to residential buildings that fall into the scope of Law No. 6306 and conform to the EIB criteria, in order to improve earthquake safety and energy efficiency in residential buildings
European Bank for Reconstruction and Development (EBRD)	18.12.2013	€50,000,000	12	Financing energy efficiency and renewable energy projects
European Investment Bank (EIB)	04.12.2013	€150,000,000	8	Financing SMEs and businesses with 250 - 3,000 employees
KfW	01.10.2013	€17,640,000	3.5	Financing small-size enterprises in 49 provinces of Turkey
European Bank for Reconstruction and Development (EBRD)	09.05.2013	€25,000,000	7	Financing female businesses
European Bank for Reconstruction and Development (EBRD)	09.05.2013	€15,000,000	7	Financing energy efficiency projects
European Bank for Reconstruction and Development (EBRD)	09.05.2013	€10,000,000	7	Financing of working capital and investments in agricultural sector
Proparco	01.03.2013	€50,000,000	10	Financing of loans extended to residential buildings conforming to domestic energy efficiency criteria in Turkey

A young boy with short brown hair is smiling broadly while riding a small bicycle in a forest. He is wearing a colorful helmet, a green long-sleeved shirt under a bright green vest, blue pants, and white knee pads. He is also wearing elbow pads and gloves. The forest background features tall pine trees and a dirt path.

For Our
World

Environmental and Social Risks

As an integral part of İşbank's deep-rooted corporate culture, respect for nature, the society and human beings is the source of the Bank's sense of responsibility.

İşbank's diverse customer portfolio covering every field and every segment of the economy enriches the Bank while increasing the Bank's environmental and social risks simultaneously. Financed projects, potential for environmental risk and environmental pollution arising from climate change pose financial risks for İşbank due to all kinds of negative impact they may have on people in the area as well as having the potential to give rise to consequences that may affect the Bank's reputation. Therefore, both environmental and social risks are evaluated meticulously through various processes as part of İşbank's risk management approach.

İşbank reflects its environmental and social awareness in internal operations and lending processes via miscellaneous practices and mechanisms.

Loan Evaluation Process – ERET

In the lending process, İşbank systematically measures and evaluates the possible environmental and social impacts of the projects it will finance.

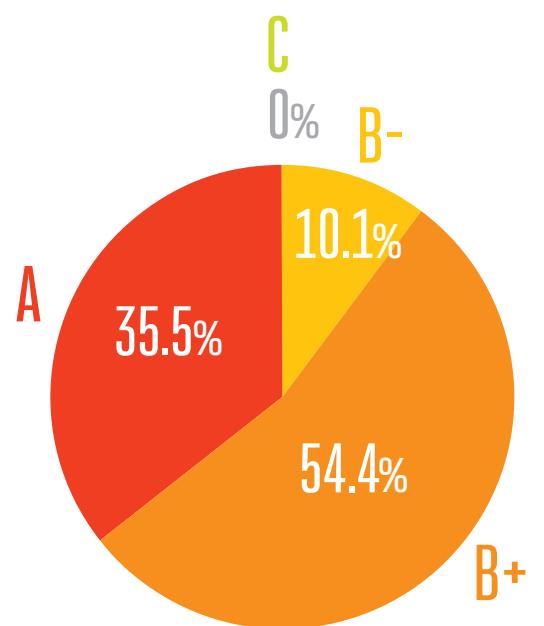
The new projects by corporate customers that are evaluated within project financing and apply for loans with a value of more than USD 10 million are included in the evaluation and monitoring system of the Environmental and Social Management Team. Such projects are evaluated under 26 different headings through a special environmental and social risk measurement model called the Environmental and Social Risk Evaluation Tool (ERET). During the evaluation process, each project is given a score in consideration of factors such as the risk factors, probability/frequency and manageability of risks. In 2015, the model was rendered richer through the addition of new criteria focusing on social impact.

Each project is assigned an appropriate action plan in line with the risk category calculated automatically at the end of

The minimum liabilities for each project in line with the ERET risk category are provided below:

Project's ERET Category	Minimum Liabilities
C	Checking environmental permissions and approvals
B-	Measures pertaining to the control and management of environmental risks in addition to C liabilities
B+	Structured processes (Environmental and Social Management Plan) regarding the control and management of environmental risks in addition to B- liabilities
A	Preparing the detailed Environmental and Social Evaluation Report and appointing an Environmental Advisor in addition to B- liabilities

In 2015, two of the projects evaluated via the ERET model were rejected due to environmental reasons and the ERET risk level breakdown of the 15 financed projects are provided below.



ERET Category Distribution
(Percentile in the Scaled
Portfolio According to Financing
Amount in 2015)

The main commitments İşbank received from investors in order to eliminate, minimize or compensate for the negative environmental and social impacts in projects the Bank financed in 2015 as well as the benefits obtained are provided below.

- » To abate and offset carbon emissions, afforestation efforts were carried out, indigenous species are preferred while planting trees, trees are carried to appropriate spaces in the project site as much as possible and endemic species are protected.
 - » Investors are asked to prioritize the negotiated purchasing of land, prepare a resettlement plan and develop compensatory and income-generating social responsibility projects.
 - » Additional work such as cumulative impact analysis and ecosystem analysis is carried out while paying special attention to the taking of additional measures to this end in environmental and social management plans.
 - » Required plans and assignments on occupational health and safety are prepared, implemented and meticulously monitored.
 - » Commitments are made to ensure that fluids extracted in geothermal projects are absolutely re-injected to protect surface water as well as to reserve the quality and sustainability and to prevent negative impacts through the use of tailing impoundments during the testing stage.
 - » Instruments such as stakeholder participation plan and complaints mechanism are devised and employed in order to consider the project-related views of employees, locals and other stakeholders and eliminate their discomfort.
- Compliance of companies with the project-based Environmental and Social Management Plans and the said commitments are monitored through regular field visits during both construction and operation stages. Warning notices are issued to non-compliant companies.

Unfunded Operations

In the delivery of all products and services, İşbank acts in compliance with the legislation and regulations in Turkey and the international agreements to which Turkey is a party. Under the "İşbank Exclusion List", İşbank monitors the operations that are prohibited and restricted by the national legislation and/or the international agreements to which Turkey is a party and turns down loan applications for such operations without giving them any consideration. Furthermore, hydroelectric power plant projects with an installed power of less than 25 MW are not evaluated since they cause severe harm to nature and restrict access to water resources in the geographical areas where they are developed.

There are plans to expand the scope of İşbank's Environmental and Social Management process. Primarily, the project loan demands of commercial customers which are not classified in the scope of project financing are intended for inclusion in evaluation.

Planned Future Work

Environmental and Social Impacts Policy and the accompanying Exclusion List of İşbank are available at İşbank website.



TEMA Foundation Paper Recycling Project

İşbank has collaborated with TEMA Foundation to alleviate the operational workload caused by the destruction of paper wastes in individual branches and to provide a proper system for paper disposal practices. A project has been prepared with TEMA regarding the disposal of outdated documents pending for destruction. With the project, a sapling is planted on behalf of İşbank for every 100 kg of paper donated to TEMA.

This practice eliminated previous methods which were not environmentally friendly such as the incineration of outdated documents, thus contributing not only to paper recycling but also to afforestation efforts in our country thanks to the saplings planted for the purposes of the project.



36%

The amount of paper wastes donated in 2014 and 2015 increased by 36% in comparison to the two previous years and reached a total of 516,800 kg

Paperless Banking

The Bank relies on the paperless banking approach to mitigate the direct and indirect negative impact on the environment. The Bank enriches its paperless banking practices each and every day, making use of all possibilities offered by technology.

- » Content and design work to reduce the Banking Services Agreement to 5 pages from 30 pages is still going on. Calculations indicate that TL 511 thousand will be saved from every 1 million agreement printed in branches and TL 521 thousand will be saved from every 1 million agreement printed in the head office.
- » In order to encourage the reduction of unnecessary paper consumption, printed documents that are produced within the Bank but used no longer are not printed anymore. Furthermore, documents eligible for electronic use are not printed anymore, either, with their electronic versions made available on the Bank's portal.
- » İşbank also provides employees with access, on its intranet page, to the electronic version of the Technical Subjects Book Set, which is comprised of 5 books and sent to each branch, region and head office division one set during exam periods in order for employees to take the internal exams to study. The book set is no longer sent to the libraries of branches, regions and the head office in hard copies. On the other hand, the book sets are still forwarded to employees in hard copies if they specifically place a request for printed versions.

İşbank adopts the paperless banking approach in its internal practices.

improvement of about 7% is expected in the archives of branches.

Planned Future Work

İşbank shows effort to reduce printed account statements sent to customers. The effort aims at sending via e-mail the credit card, overdraft account, commercial overdraft account and/or member merchant account statements that are currently sent to customers in print although these customers have their e-mail addresses registered in the Bank's system. The project will both lead to paper savings and increased operational efficiency.

Efficiency Efforts

İşbank optimizes resource utilization through the efficiency practices it has developed and delivers its operations to achieve efficiency and profitability.

In 2015, İşbank carried out various efforts in terms of efficiency.

Efficiency work is delivered through renovation efforts in currently-used buildings as well as preferring practices that will minimize environmental impact and ensure energy efficiency during the construction of the data center that will be commissioned.

Efficiency Practices in Service Buildings

İşbank Head Office Tower 1 (Head Office Building) in Levent, Istanbul, has *BREEAM In-use Excellent* certificate.

The Head Office Building incorporates an advanced building automation system as well as heating, air conditioning and ventilation systems. The advanced building automation system features smart detectors with microprocessors which automatically start working in cases such as fires, breakdowns and short circuits in addition to the fire detection and alarm mechanism comprising a self-activated digital announcement system in cases of emergency. 15,000 separate points within the building are checked separately for factors such as temperature and humidity to ensure maximum ambient comfort and operational power economy in offices.

Automatic, computer-controlled air conditioners on office floors adjust the ambient temperature to secure optimum comfort. Air quality sensors perform measurements in the building automation

system, with the air being taken through double filters to ensure the most efficient ventilation system and adjust the outdoor air rate for each person in a way to provide optimal comfort. The outdoor air rate at the Head Office Building is above the European and American standards defined in ASHRAE 62-2004 Standard. The system functions on a minimum fresh air of 30%. A large portion of heat in the air coming out of the system is recovered and fed into the system through heat recovery devices to ensure maximum comfort and consume minimum energy.

Environmentally-friendly refrigerant gases that do not cause any harm to ozone layer are used in the cooling systems at the Head Office Building. Furthermore, moisturizing units that increase comfort are deployed in air conditioning systems.

Lighting systems are digitally turned off from the building automation center at pre-set time frames and can be turned on by employees using local keys out of the working hours. Special care is given to using the LED technology in the lighting system during comprehensive renovation work at the Head Office Building.

Efficiency work at branches are extended over time. In this framework, LED lighting fixtures, water-saving faucets and Class A air conditioning systems with highly efficient inverter technology are used in all renovated or new branches.

Tuzla Technology and Operations Center (TUTOM)

Tuzla Technology and Operations Center (TUTOM)¹, İşbank's new operations center launched in the last quarter of 2015, is a campus designed in consideration of energy efficiency and equipped with smart building technologies.

TUTOM is designed under a green building vision and is expected to get a LEED v3 Gold certificate. At TUTOM,

- » All air conditioning plants in offices has the heat recovery feature.
- » Rain water is collected and used in garden irrigation and toilets.

» High-efficiency equipment and materials are preferred during the selection of all technical equipment and machinery.

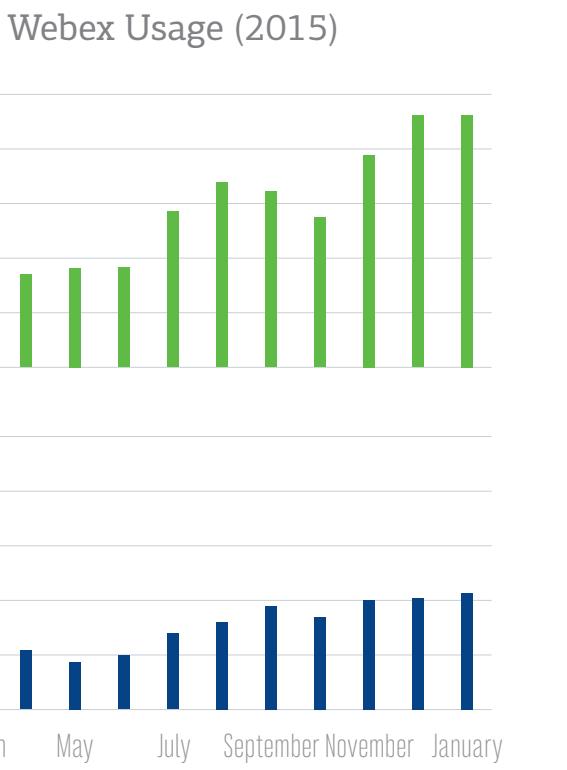
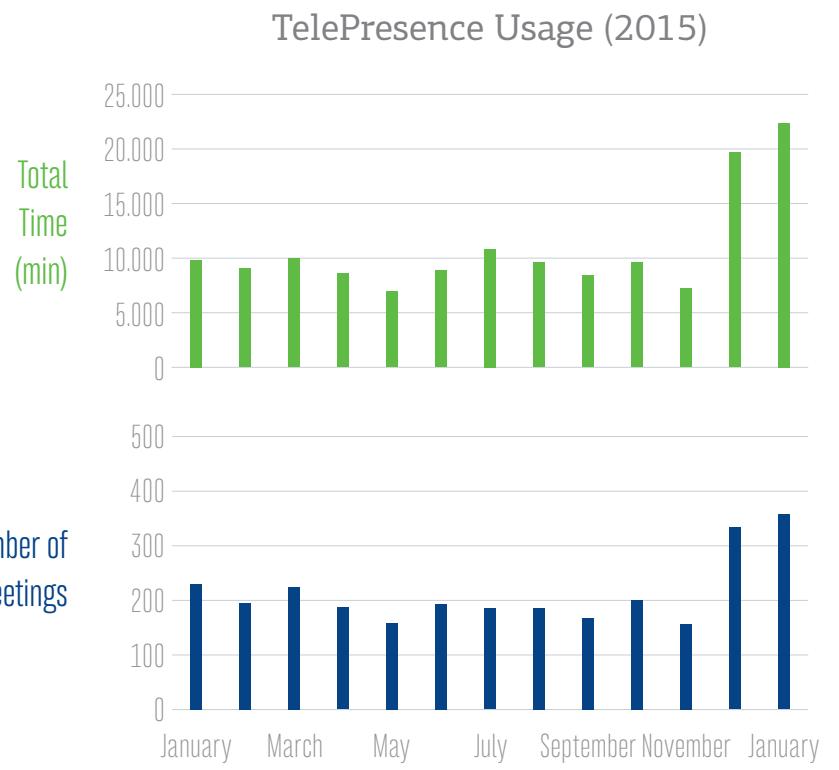
» Lighting system is supported by daylight sensors. Furthermore, LED lighting fixtures are used at points of concentrated usage such as offices to minimize power consumption.

The New Meeting Model: Video Teleconferences

4 new TelePresence devices are commissioned and 3 old-generation TelePresence devices are reactivated to make video teleconferencing possible in order to reduce costs of traveling between the Head Office and TUTOM for internal meetings, prevent time loss for this

purpose and reduce carbon footprint due to travels following the moving of some divisions from the Head Office Building to TUTOM. Video teleconferencing has become significantly common after TUTOM building became operational. In 2015, the use of WebEx, an online meeting platform,

increased by about 20% while the use of TelePresence more than doubled.



TL 3,843,132 The savings amount created through the meetings held on the WebEx platform

TL 5,010,509 The savings amount created through the meetings held via TelePresence technology

In 2015, a total of 1,683 meetings were held on the WebEx platform, creating a savings amount of TL 3,843,132 when compared to holding these meetings physically. In addition, a total of 2,428 meetings held via TelePresence technology brought along a savings amount of TL 5,010,509.

ATLAS Project

A decision was made to renew İşbank data center considering the recent technological developments, needs and environmental factors. Launched in order to enforce this decision, the ATLAS Project involved the construction of a new data center and the moving of the current data center at the Head Office Building to this new center.

The project prioritizes energy efficiency and resource efficiency as well as resource recycling practices. The data center is specially designed in consideration of energy efficiency and is expected to reduce power loss rates. In addition to all operational and security capabilities it has, the new data center building is designed as a highly energy efficient and environmentally sensitive structure in consideration of the LEED Gold certificate standards. Furthermore, the building is expected to qualify for the LEED v4 Gold certificate, which will be issued for a data center for the first time in Turkey, in addition to Uptime Institute Tier IV Design, Tier IV Facility and Tier IV Gold Operational Sustainability certificates.

A collage of four professional business people in suits, smiling and working at a desk. The first two panels show a woman and a man in dark suits, the third panel shows a man in a blue suit, and the fourth panel shows a woman in an orange suit. They are all smiling and appear to be working together on documents.

For our
Employees

İşbank Human Resources Policy

İşbank not only updates its policies and business processes to maintain the quality of work at all times, increase employees' motivation, and improve operational and economic efficiency but also continuously renovates and improves the physical infrastructure of the Head Office, branches and technical services. Considering all efforts to this end as an investment into the future, İşbank seeks to fulfill the requirements of time from both the technological and humanitarian points of view and offer its employees a sustainable working environment where labor peace reigns.

İşbank also endeavors to create a modern working environment where human rights are respected, and social justice and employee rights constantly improve. Having a widespread network of branches, İşbank attaches great importance to regional recruitment in all locations it serves.

From compensation policies to recruitment processes, İşbank adopts an egalitarian and anti-discrimination attitude in all human resources practices.

The equality approach of İşbank is shaped by a vision that involves senior management as well as all employees. Adopting the principle of transparency in human resources practices, İşbank shares basic processes such as recruitment, performance and career management, management of employee personal rights and resignation with employees in an up-to-date, open and clear manner. The Bank stands against all kinds of discrimination in recruitment and employment processes and supports all relevant initiatives in the business world.

The compensation of employees is performed in line with the Bank's Remuneration Policy, a product of the equality vision. The Remuneration Policy

enters into force in line with a Board of Directors Resolution and covers the Bank's managers and employees at all levels. At İşbank, it is essential that the compensation of employees is determined in compliance with the ethical values, internal balances and strategic objectives of the Bank and in relation to İşbank's long-term performance. It is the Remuneration Committee under the Board of Directors that is responsible for roles and operations regarding the monitoring and auditing of remuneration practices.

İşbank acknowledges its employees' freedom of association and right to collective bargaining, thus setting a precedent in Turkey. İşbank employees are members of the Union of Banking, Finance and Insurance Workers (BASISEN). A Collective Bargaining Agreement is signed between the Bank and BASISEN every two years. The financial and social rights of employees are determined under the Collective Bargaining Agreement in consideration of market conditions.

Compensation upon recruitment is set equally on the basis of business titles and without discriminating genders. The current Collective Bargaining Agreement expired on

Occupational Health and Safety Practices

March 31, 2016 and the process for a new Collective Bargaining Agreement to apply from April 1, 2016 is now under way.

Under the Collective Bargaining Agreement signed with BASISEN, employees enjoy healthcare assistance as per the principles laid down in the Implementing Regulation on Healthcare Assistance at İşbank.

Occupational Health and Safety (OHS) is a matter İşbank handles with due diligence regarding its employees, whom the Bank considers to be a family. To İşbank, the Bank's OHS efforts are not merely legal obligations but important arrangements to prevent occupational accidents and diseases and establish an occupational health and safety culture within the Bank.

Human Resources Management Division is responsible for compliance with OHS legislation and for the efforts to give occupational health and safety culture within the Bank a more common basis. To plan and coordinate the OHS activities at İşbank, the Bank established an Occupational Health and Safety Unit that reports directly to the Directorate General. Moreover, Occupational Health and Safety Committees are established in 27 buildings where more than 50 employees work. In addition, occupational safety experts and occupational physicians are employed at the Head Office building and the buildings where OHS Committees are established.

As of the end of 2015, the representation rate of İşbank's total human resources in OHS Committees stood at 30%. Systematic risk analyses for occupational health and safety are performed at all buildings where employees are assigned. Improvement measures covering all employees are taken on the basis of findings from risk assessment efforts.

Regular trainings within the Bank serve as a means to continuously improve the OHS awareness of employees. In 2015, 1,595 employees attended in-class Occupational Health and Safety Trainings totaling 6,380 hours. In addition, all employees were provided with 4 hours of OHS e-training. 2,502 employees completed a total of 10,008-hours e-training on Occupational Health and Safety.

Constant Interaction with Employees

Employee Satisfaction Surveys

İşbank employs systematic surveys to regularly measure employee engagement and satisfaction as well as human resources practices and employees' satisfaction with managers. Measurement results are used for efforts to improve human resources practices and guide managers on their personal and managerial development. First launched in 2009, the survey was conducted for a seventh time in 2015.

Negative Feedback Line

Interacting with employees is of great significance to İşbank. The Bank provides employees with an opportunity to give feedback on their opinions and complaints through various complaint and grievance mechanisms. Employees are able to convey their opinions and demands on personal issues such as family and health via the Human Resources Information System. All complaints, opinions and suggestions by the employees represent significant feedback in terms of the Bank's decision-making processes.

Negative Feedback Line is an important communication channel based on the mutual trust between employees and the Bank. Negative Feedback Line allows for the reporting of violations identified in relation to all legislation, principles, policies and procedures from İşbank's banking practices to service delivery, ethical principles to policies and procedures as well as the reporting of deficiencies to correct, change or improve in relation to the field of operations of the Bank. Negative

Feedback Line is accessible online on the Bank's system and enables the Bank to make room for its employees to submit all issues without any concerns, including but not limited to reporting breaches regarding acts that they consider to be suspicious or misconduct as well as their opinions on points to improve. Issues raised by employees on the Negative Feedback Line can only be seen by a limited number of senior managers defined in the system. Negative Feedback Line is a communication channel where the privacy and confidentiality of the reporting employee are given utmost care while the issue raised is being assessed. Employees reporting to the Negative Feedback Line in good faith never experience a negative treatment for such reporting.

Events for Employees

İşbank aims to strengthen the feeling of "us" and employee motivation through various events for employees.

In 2015, İşbank maintained its policy to support events to increase the motivation and engagement of employees.

Under the Human Resources practices, İşbank holds events and activities to:

- » Strengthen the sense of belonging, its strongest cultural trait,
- » Improve its brand perception as the preferred employer,
- » Increase employee motivation.

Based on this vision, "İş Theater Community" has been established to use the artistic activities İşbank employees pursue outside the office as a uniting element and strengthen sense of corporate belonging. The Community continued to stage plays in the 2015 season. In 2015, the play named "Spring Equinox", an adaptation of William Shakespeare's "A Midsummer Night's Dream", was staged seven times, with the proceeds from ticket sales being donated to charities. The staging of the play will continue in 2016.

İşbank also holds sports events for employees to reinforce the feeling of "us" among its employees. The Bank encourages its employees to participate in team sports organizations within and outside the Bank, thus contributing to uniting human resources for a common cause. To this end, the tournament now called "İş'te Turnuva", which originally started back in 1974 with football games played on soil, hosts basketball, women's volleyball, men's volleyball, chess, tennis and table tennis games and continues to grow further each year. In 2015, 1,264 athletes in 7 branches attended "İş'te Turnuva". The closing ceremony for the tournament was held at Çamlıca facility with the participation of the families of athletes as well as employees.

Sports events boosting the spirit of unity of the workforce are also facilitated through Corporate Teams. In 2015, İşbank Men's Volleyball Team played in Fonex Corporate League of Men's Volleyball for the first time and ranked the third to win the bronze medal. The corporate tennis team competed in Istanbul Tennis Champions Cup and ranked the third in overall rankings. The chess team participated in Corporate Games-Istanbul for the third time and won

the title. The chess team also won the championship title in the 9th Interbank Chess Tournament by TCMB (Central Bank of the Republic of Turkey). The Bank's football, basketball and women's volleyball teams represented İşbank in various corporate organizations.

Attaching significant importance to adding value to the social lives of its employees, İşbank organizes campaigns offering various privileges and advantages to the Bank's employees at contracted merchants and also holds "Hobby Workshops". In January and June 2015, various workshops were announced to employees.

In addition to sports and theater events for employees, İşbank Turkish Folk Music choir is established in 2015. The choir held its first concert at Çamlıca facility in June

2015 during the closing ceremony for İş'te Turnuva. Around 800 guests attended the concert that the Turkish Folk Music choir performed at İş Sanat (İş Art) stage at the end of 2015.

İşbank: The Bank Revealing the Potential of Employees

Assessing Employee Performance

Performance Management Practices at İşbank aim at measuring the contribution of employees to business outcomes as well as revealing their strengths, points to improve and potential talent. In line with this understanding, Performance Management Practices cover planning, monitoring and feedback activities throughout the year. Performance measurement supports personal and professional development and thus contributes to improving employee motivation and engagement.

At İşbank, employee performance is assessed once a year on the basis of competencies set in line with business titles and of goals measuring contribution to business outcomes. On the other hand, performance scorecards produced via the balanced scorecard method constitute the basis of managers' performance assessment. Performance assessment of employees having titles that are not associated with any performance

scorecards is conducted by assessment managers at the beginning of the performance period over the goals which are set in compliance with the terms of reference of employees and are shared with the employees before being defined in the system. Out of 22,457 employees for whom performance assessments were completed in 2015, 11,187 (50%) were male and 11,270 (50%) were female. Out of the said 22,457 employees, 9,517 (42%) held supervisor and managerial titles while 12,940 (58%) held other titles.

At İşbank, a "Sample Set of Goals" are prepared with the business units and shared with all employees each year in order to guide managers in setting the goals and make sure the right goals are targeted for the right positions. Employees have access to articles, presentations and other supporting documents to improve the efficiency of performance assessment process on the "Employee Assessment Platform" available on the Bank's corporate portal.

Assessing Manager Performance

It is an essential element of İşbank's culture to ensure the Bank's managers rise through the ranks. The Bank considers this tradition to be an investment in the future of both the employees and the organization.

Since its establishment, İşbank has been appointing employees rising through the ranks at all executive positions. At İşbank, executives are not appointed from outside the Bank. Successfully sustained thanks to the planning and development of the workforce on a long-term and strategic approach and constantly improved, this culture allows the future middle and senior managers of the Bank to rise through the ranks.

Each year, İşbank's senior management reviews all data and information on managers (performance assessment of managers, assessment results in reports on managers issued by the Board of Inspectors, administrative resolutions, information on rewards and fines, employee satisfaction survey results, goal accomplishment rates, performance scorecard results, loan risk assessments, and so on) obtained from various sources and an annual assessment is performed.

Talent Management through Training Programs Applicable for All Talents

Through the wide range of trainings it offers, İşbank aims to improve and support employees' talents within an understanding of "continuous learning".

İşbank considers training activities to be precious, since the Bank believes each employee is a "talent". In training and development activities, İşbank aims to improve and support employees' talents within an understanding of "continuous learning" in order to maintain the Bank's leading role and values in the sector. Convinced that investing in the future is only possible through investing in employees, İşbank positions a people-oriented approach in the heart of its training design processes.

İşbank offers its employees various learning and development opportunities throughout their careers within the perspective of "continuous development", a concept that has already become an integral part

of the Bank's corporate culture. In this framework, employees find the opportunity to attend various career trainings as well as academy programs designed in line with business needs. In line with the training requests from employees, the Bank enables employees to have access to a diverse range of learning opportunities via online platforms such as "Training Catalogue" and "Development Campus" and plans its activities in a way to satisfy the training needs of its employees.

In previous years, the Bank received the BEST 2014 award, one of the world's respected training awards for corporations given by The Association for Talent Development (ATD), thanks to its efforts to improve the continuous learning culture within the organization and its innovative applications creating a difference in the field of training.

In 2015, total training hours per person stood at 24.6 hours. Total training hours per person is affected by the training received by the private security personnel.



Total Training Hours per Person

26.4
hours



Men

22.9
hours



Women

İşbank supports training opportunities with distance learning applications.

İşbank complements in-class training events with alternative development tools and ensures that development continues on various platforms via corporate tube ("İştube") and corporate wiki ("İşpedia") applications as well as online books, online guides, e-games and regular information e-mails.

 **62**
different
e-trainings

 **141**
videos

 reached around
20,000
employees

In 2015, 62 different e-trainings were delivered to employees, with the 141 videos available on "İştube" and around 20,000 employees viewing the videos. The number of employees logging into İştube for the first time was 5,945 in 2015. Total number of views increased by 38% on a year-on-year basis and stood at around 73 thousand.

Manager Development Programs

A far-reaching leadership culture focusing on "continuous development" is significant in terms of sustaining İşbank's competitive power in the banking and finance sector. Current executives and executive candidates are supported with different and structured instruments in order to establish such a culture and entrust it to the next generation of executives to position İşbank's leadership as a brand.

Under the Leadership and Management Development, processes and development programs varying in line with the target audience are applied.

» İşbank collaborates with the Harvard Business School (HBS), one of the most prestigious business schools in the world and enables Division Heads to attend the "HBS Advanced Management Program". Furthermore, all requesting managers can have access to the Harvard Manage

Mentor, the distant learning tool of the school, throughout the year.

- » The Bank also collaborated with Boğaziçi University to launch the "Marketing Academy" in order to bring in a management perspective as an important element of the Bank's strategy and promote marketing information to managers.
- » The "Development Academy" is designed and launched in order to equip the Head Office managers with a branch perspective and contribute to an improved quality of service to branches as well as to branch empathy at the Head Office.
- » Regarding field management, an orientation and development program to support the executives, who are first-time branch managers, in their career development and prepare them for business and processes stipulated by their new terms of reference is implemented. On the other hand, the submanagers at branches, who serve as potential branch managers, are offered a development program

that integrates various development approaches to prepare them for the managerial positions they are candidates for.

» Open for the participation of both branch managers and Head Office managers, "İşbank Series of Management Development Seminars" bring together experts from Turkey and the world with the Bank's managers to exchange their opinions.

These seminars equip participants with different sets of knowledge and skills in the face of challenges they will encounter in the business world. This makes a positive contribution to the leadership skills and managerial abilities of managers and potential managers as well as setting the basis for establishing networks among participants working in different branches, cities and markets. The exchange platforms created by such network of relations allow for the sectoral know-how to be delivered into the organization of the Bank, the managers of which has historically come up through the ranks, creating - in return - a positive impact to improve the efficiency of general ways of doing business.

Planned Future Activities

Supporting the making of more accurate decisions through the current technology and analysis methods and attaining innovation that will create added value are only possible through end-to-end analysis of large and varied data. In this framework, İşbank plans to launch a development program that focuses on application of information and data analytics differentiated on the basis of roles in order to improve the competencies of the Bank in the field of "Data Analytics".

In 2016, İşbank will start delivering training events at the new TUTOM Training Center. The new training campus will offer a modern learning medium to support new generation learning opportunities. It will host İşbank employees in "Life Workshop" halls where employees will have fun while learning and in "Training Branch" halls where employees will have branch experience without actually assuming their roles. In parallel with the change in the in-class training concept, the infrastructure of the portal where employees access learning opportunities will be renewed and it will be equipped with a level of quality that will enable Bank employees to access new generation learning tools wherever and whenever they wish.



For the
Society

Corporate Social Responsibility

İşbank continues to invest in the future of society through corporate social responsibility projects that it considers as an integral part of its principal operations.

Social Responsibility Approach Based on Creation of Lasting Value

Pursuant to the planning completed by the Social Responsibility Committee, which operates under the Board of Directors, İşbank carried on the projects that create social added value in 2015.

İşbank, which maintains a highly reputable corporate culture in line with the principles of the Republic of Turkey, views corporate social responsibility activities as inseparable from the Bank's main business activities. The Bank closely follows society's needs and expectations, ranging from culture to arts, and thereby continues with its social responsibility efforts in a long-term, integrated, wide-ranging, and sustainable fashion. Pursuant to the planning completed by the Social Responsibility Committee, which operates under the Board of Directors, the Bank implemented projects and initiatives that

create social added value in 2015. Viewing social responsibility related activities as a way to intelligently contribute to the future of Turkish society, İşbank undertook efforts in this area under the guidance of the Corporate Social Responsibility Committee and the supervision of the Board of Directors.

The İşbank Corporate Social Responsibility Committee:

- » determines policies,
- » evaluates demands, project proposals and terms of contribution,
- » creates success and supervision criteria, and
- » monitors the results.

İşbank's Corporate Social Responsibility Approach

Our Mission

Contribute to social progress through social responsibility activities structured in a long-lasting, far-reaching and sustainable framework.

Our Strategy

İşbank's corporate social responsibility activities are carried out in accordance with a strategy molded at the center of the basic principles spelled out below²:

- » contribute to the advancement of our country's people and to enhance their quality of living,
- » aim to preserve and further the social values created by the Republic,
- » support bringing up generations that espouse the principles of Atatürk, and which will play a role in advancing our society to the level of contemporary civilization,
- » provide opportunities for the progress of Turkish art and culture, and to promote the same across the world,
- » bring our people together with world art and culture,
- » undertake a pioneering role in protecting the environment and raising environmental awareness among people.

Our Priorities

In line with the current needs of our country and our people, İşbank attaches priority to the following fields in its social responsibility initiatives:

- » education
- » environment
- » arts and culture

² The principles set out under the Corporate Responsibility Implementation Guidelines released by the İşbank Board of Directors resolution dated November 7th, 2007 and numbered 33785

İşbank's efforts in the areas of education, environment, art and culture continued in 2015.

Education

Chess

The Main Sponsor of Turkish Chess Federation

To transform chess into a common, mass and easily accessible sport in the country, İşbank collaborated with the Turkish Chess Federation (TCF) in December 2005 and became a sponsor for chess across Turkey.

The sponsorship process initially aimed at popularizing chess specifically among children, transforming it into an easily accessible sport, eliminating issues regarding chess training, transforming it into a popular and in-demand sport and improving success in this field by accessing a higher number of skilled children.

Following the completion of İşbank's 10th year as the main sponsor of TCF,

- » the number of licensed chess players increased to 629,931 from 30,000,
- » the number of chess coaches rose to 75,863 from 2,000,
- » the number of chess tournaments increased to 4,260 from 400,
- » and the number of chess clubs rose to 2,104 from 600.

The number of medals won in international tournaments stood at 312.

So far,

- » 15 world championship titles, 25 world runner-up titles and 28 world third-place titles,
- » 44 European championship titles, 43 European second-place titles and 39 European third-place titles

have been won.



İşbank encourages interaction with stakeholders through the social responsibility activities it conducts.

Main Sponsor of Northern Cyprus Chess Federation

In parallel with the main sponsorship of the TCF, İşbank became the sponsor of Northern Cyprus Chess Federation (KKSF) in 2013 to pursue the same goals. Following the sponsorship agreement, chess earned itself a place in primary schools in the TRNC one day a week as an educational branch.

Establishing İşbank Chess Classes in Primary and Secondary Schools

Chess classes are established at schools in order to make chess a more accessible sport in primary and secondary schools, to encourage children to play chess, to attract teachers' and parents' attention to this sport and to eliminate any lack of materials in schools with limited opportunities.

In 2015, 3,000 chess classes were opened and the total number of chess classes in schools reached 14,841.

Issuing Chess License Cards at İşbank Branches

Licenses allocated to players by TCF have the form and features of Bankamatik cards since 2007 in order to establish a prospective relationship with players and their families under the support extended to chess. License cards allocated are:

- » Electron Bankamatik Card for players over 18,
- » Maestro "First Signature" Bankamatik Card for players between 12 and 18,
- » and non-magnetic, plastic cards for players under 12.

Playchess.com

In 2008, İşbank entered into a collaboration with Playchess, the world's largest online chess platform with some 250,000 registered users. As a result, the content on the website was translated into Turkish and the site became accessible through tsf.org.tr.

More than 7,000 licensed chess players who log on to Playchess.com from Turkey can now play online chess via the website, free-of-charge.



İşbank Chess Festival for Children Under 8

To present children with an entertaining environment they can enjoy with their families, "İşbank Chess Festival for Children Under 8" has been held every year since 2006, following the end of academic year.

The Festival has also been organized in Ankara and Izmir every year since 2014 thanks to the huge interest it has received. Furthermore, for the first time in 2015, the festival was also organized in the TRNC. A total of 726 little players attended the festival.

Turkish Youth Chess Championship (U12)

Turkish Youth Chess Championship (U12) was held in Manavgat, Antalya in 2015. 1,570 players between the ages of 7 and 12 from Turkey's 65 provinces as well as the TRNC attended the championship.

Turkish Youth Chess Championship (U18)

Turkish Youth Chess Championship (U18) was held in Konya in 2015. 296 young chess players, ages 13-18, from 37 cities in Turkey and the TRNC participated in the championship.

İşbank Chess League

Chess games continued in the İşbank Turkish Chess League. In the 2014-2015 season, Beşiktaş Gymnastics Club won the championship title in the İşbank Chess League.

İşbank Chess League is the top flight of chess in our country and one of the major leagues in Europe.

"81 Students from 81 Cities" Project

Under a mission to ensure "equal opportunities in education", Darüşşafaka Society offers full scholarships for high quality and contemporary education in its boarding schools providing education from the fifth grade up to high school graduation for children in need who have lost one or both of their parents.

In the 2008-2009 education year, İşbank collaborated with Darüşşafaka to launch the project "81 Students from 81 Cities", one of the most comprehensive and long-term education projects in the country. Each year, İşbank dedicates itself to cover all education expenses of 81 successful students, one from each province, who pass the exam held by Darüşşafaka Education Institutions, starting from the fifth grade until their high school graduation.

İşbank not only extends financial support to these children but also contributes to their social development through various events and activities.

"One Million Books, One Million Children" Campaign

At the end of the 2007-2008 education year, İşbank launched the "One Million Books, One Million Children" campaign, one of the most significant book campaigns organized so far in Turkey.

The campaign aims to:

- » Support the development of children's cognitive and cultural skills,
- » Support the emergence of a curious generation that loves reading books,
- » Contribute to the establishment of close communication at an early age between children and İşbank.

The 8th of the campaign was held at the end of the 2014-2015 education year, with a total of 10 million books being rendered accessible for children.

For the purposes of the project, books were gifted to children who brought their school reports to İşbank branches in Turkey, TRNC, Georgia, Iraq, England and Kosovo as well as İşbank Germany and İşbank Russia. As it had been the case in previous years, a certain number of books were printed in Braille for visually handicapped children and sent to the libraries of schools for visually handicapped students. Furthermore, books were gifted to students studying at Regional Boarding Secondary Schools and children living in the Homes of Affection affiliated to the Directorate General of Services for Children.

Visits were paid to students who studied at private education centers and did not have the chance to visit İşbank branches as well as students who had to take a break from school to receive treatment in hospital.

Book Donations to Schools and Public Libraries

As a part of the Bank's corporate social responsibility initiatives in education, İşbank donates books published by the İş Bankası Kültür Yayınları publishing house to schools and public libraries around Turkey. In 2015, more than 12 thousand books were donated to 1,289 schools and libraries.

Golden Youth Awards

Every year since 1971, a number of students equal to the age of the Bank who are successful in the university entrance exam are awarded under the "Golden Youth" program. To date, more than 3,000 students have received Golden Youth awards.

Environment

81 Forests in 81 Cities

"81 Forests in 81 Cities" Project was launched in 2008 in collaboration with TEMA (Turkish Foundation for Combating Soil Erosion, for Reforestation and the Protection of Natural Habitats) and Ministry of Forestry and Water Affairs.

The project aims at protecting the environment and raising society's and children's awareness on the environment. Under this project, 2,205,000 saplings were planted on a land of 1,500 hectares in all provinces and 35,200 saplings were planted on a land of 22 hectares in the TRNC. Expected to continue for a five-year period following the planting, maintenance efforts for the planted saplings continued in 2015. The survival rate of saplings as of the end of 2015 is 82%.

Art and Culture

İş Bankası Kültür Yayınları

İş Bankası Kültür Yayınları is a publishing house that was established in 1956 by Hasan Âli Yücel, a former Minister of Education, and continues publishing by providing rich content and high quality printing services to customers.

Kültür Yayınları attracts much attention with the works, and thereby has become an indispensable publishing house, first and foremost for researchers, but also for all readers.

In 2015, more than 2.5 million books published by Kültür Yayınları united with the readers.



İş Sanat Concert Hall

İşbank's exhibition and performance arts activities have been held under the roof of İş Sanat since 2000. İş Sanat is a most important arts platform in Turkey, where leading artists from Turkey and the world perform, children's plays are staged, and poetry readings as well as exhibitions are held.

İş Sanat makes efforts to take Turkey's artistic life forward and the events organized by İş Sanat are considered to be Istanbul's most prestigious. Standing out as the only platform in Turkey and in the

İş Sanat Art Galleries

İşbank has been opening art galleries since 1976 to exhibit the Bank's collection items.

Paintings, sculptures and ceramic works of both masters and promising artists are currently exhibited at İş Sanat Kibele and İzmir Art Galleries. İşbank's Art Collection is expanding each and every day thanks to the works donated by artists exhibiting at the Bank's galleries.

In the 2014-2015 season, Kibele Art Gallery hosted a total of 21 thousand visitors for the exhibition "Letters from Bedri Rahmi Eyüboğlu and His Contemporaries - We Used to Write Letters" in addition to the retrospective exhibitions of Özdemir Altan, Fevzi Karakoç and Muzaffer Akyol. During the same season, İzmir Art Gallery hosted 7 exhibitions displaying many works of painting, printing and ceramics, all deeply treasured and enjoyed by visitors.

Mimar Sinan Fine Arts University Laboratory of Art Works Conservation and Restoration

Restoration efforts required for pieces from the İşbank collection are carried out at the Laboratory of Art Works Conservation and Restoration. Furthermore, 30 students study at the Art Works Conservation and Restoration BA program established in the university during the 2013-2014 education year.

Türkiye İş Bankası Müzesi (İşbank Museum)

Opening its doors to visitors in November 2007, İşbank Museum tells the Bank's deep-rooted corporate history as well as the story of economic development of Turkey through documents, banking instruments, communication tools, photos, advertisement and promotion materials and films. The collection at the museum is composed of three-dimensional objects which have been used since the foundation of the Bank, reflect the evolutionary stages of the Republican Period and are an integral part of daily life. Pieces in the collection are collected from İşbank branches and added to the collection under conservation conditions that match international museology norms in order for them to be entrusted into the future in a sound form.

So far, the Museum has hosted the following exhibitions.

- » "History on Glass: From 1935 until Today"
- » "The Grand Bazaar in 10 Steps"
- » Alexandria and Hamburg: The First Two Branches as İşbank Opens Up to the World 1932
- » "The Story of a Money Box"

The centennial of Çanakkale Victory, an important milestone in world history, was commemorated through a special exhibition at the Museum. The stories of the land battles and naval battles are told in separate sections in the exhibition curated by Savaş Karakaş and advised by Prof. Haluk Oral. The exhibition opened its doors on March 7, 2015 and hosted more than 102 thousand visitors until August 15, 2015.

- » Towards the Republic - The Way to Freedom and Independence (1919-1923)
- » "Atatürk and the Republic in Photographs - A Nation in the Making (1923-1938)"
- » "From Depths to Trenches: Çanakkale 1915"



cultural site in Turkey located by the banks of Birecik Dam in Nizip district of Gaziantep. Archaeological finds from excavations are exhibited in Zeugma Open Air Museum. The "House of Muses" founded in 2007 is one of the excavation sites at the Ancient City of Zeugma, each of which is a separate project site. İşbank has considered that excavation work at the ancient city will provide significant contributions for the protection of our country's cultural heritage and thus assumed the sponsorship for excavation at the "House of Muses" for a period of five years starting from 2012.

İstanbul Foundation for Culture and Arts - The İstanbul Music Festival

İşbank sponsored the concert "Magdalena Kožená, Emmanuelle Haïm & Les Solistes du Concert d'Astrée", put on at Hagia Irene Museum during the 43th İstanbul Music Festival by İstanbul Foundation for Culture and Arts, of which the Bank is a member of the Board of Trustees.

Zeugma Ancient City "House of the Muses" Excavation Sponsorship

Excavations that started in 1987 have been going on since then at the Ancient City of Zeugma, a most significant historical and

İşbank delivers services in line with the society's needs and operates with a business approach prioritizing people.

Services for the Disabled

Internet for Everyone

We Listen to You

In 2015, İşbank continued its efforts to facilitate the access of disabled customers to banking services.

In 2015, the number of Bankamatiks enabling visually-handicapped customers to do audio transactions exceeded 2,300. Efforts continue to increase the number of Bankamatiks that are suitable for use with wheelchairs and available for service to facilitate accessibility of disabled customers.

Visually-handicapped customers can use the İşbank Internet branch on computers that have narrator software installed. Customers using the iOS version of İşCep can perform audio transactions on İşCep application when they turn on accessibility mode on their mobile phones.

İşbank provides free Internet access in certain branches and more than 5 thousand Türk Telekom WiFi hotspots.

'İşCep' is the first brand to offer exclusive and free Internet service to its customers at Türk Telekom WiFi hotspots.

Placing customer needs and expectation at the heart of service processes through a customer-focused service approach, İşbank reflects in all operations its strategy to be "the bank that is closest to its customers".

İşbank listens to customers on a 24/7 basis via its Telephone Branch, Call Center, websites, Internet Branch, social media accounts or letter or fax, with the principle of customer satisfaction. İşbank's Customer Relations Team works studiously to respond to shared opinions, suggestions and complaints at an appropriate speed and with appropriate content. As a reflection of this approach, İşbank received the gold award in the category of "Customer Services Team of the Year" in Banking and Finance Sector at the 2015 Stevie Awards.

Bringing together working life and social life under the same roof, social media is an important element for İşbank in its efforts to strengthen customer relations. In 2015, the Bank operated a total of 40 social media accounts on 8 different platforms. The Bank ensures one-on-one and speedy communication with its followers through Maximum, Maximiles, Instant Banking and İş'te Üniversiteli brands and the interactive contents exclusive to each brand.

İşbank displays the same environmental and social sensitivity in its relations with suppliers.

Products that cause the least adverse effects on the environment are preferred. In the procurement process, this assessment is made on the basis of criteria such as the emission values and fuel consumptions of vehicles and energy efficiency levels of products such as white goods; with efficient products being the main preference. Furthermore, recyclable paper is used in the production of some printed products.

In the selection of suppliers, İşbank prefers businesses fulfilling their responsibilities in terms of occupational health and safety. The Bank's supply approach is shaped within the framework of universal working conditions.

About the Report

The fourth sustainability report by İşbank presents the sustainability performance of the Bank for the one-year period between January 1, 2015 and December 31, 2015.

2015 Sustainability Report aims to provide current information to all stakeholders including but not limited to investors, shareholders, customers, employees, business partners and non-governmental organizations on the sustainability efforts of İşbank. The report is issued in accordance with the Comprehensive level requirements set forth in the G4 Reporting Guidelines by the Global Reporting Initiative (GRI). The report also includes G4 Financial Services Sector Disclosures.

This report also represents the annual Communication on Progress 2015 within the scope of the UN Global Compact, which İşbank is a signatory of. The UN Global Compact - Communication on Progress 2015 is provided on page 97-99.

In the upcoming years, İşbank plans to report its sustainability performance and operations on an annual basis as it has been the case so far.

Appendix 1. Environmental Data*

İşbank views electricity, natural gas and water usage in addition to carbon emissions as significant environmental aspects. In order to keep resource usage under control, consumptions are measured and monitored on a regular basis.

* Includes the Head Office buildings located in İstanbul.

Carbon Footprint

Breakdown of scope (tons) ¹	2013	2014	2015
Scope 1	3,504	2,770	3,431
Scope 2	14,361	14,280	19,799
Scope 3	-	-	-
Out-of-scope ²	-	-	-
Total carbon-equivalent emissions (tCO ₂ e)	17,865	17,050	23,230

¹ GHG emission results have been calculated using the GHG Protocol Corporate Accounting and Reporting Standard.

² GHG not covered by the Kyoto Protocol, HCFC-22

Emission Ratios per Employee, Consolidated Assets and Revenue

	2013	2014	2015
Emission per employee (tCO ₂ e/total number of employees)	3.513274	3.441645	4.282028
Emission according to total consolidated assets (tCO ₂ e/USD thousand)	0.000156	0.000142	0.000204
Emission according to consolidated net profit (tCO ₂ e/USD thousand)	0.010463	0.009813	0.017797
Number of employees (Head Office buildings in İstanbul)	5,085	4,954	5,425
Total consolidated assets (USD thousand)	114,375,924	119,737,784	113,612,207
Consolidated net profit (USD thousand)	1,707,389	1,737,432	1,305,295

Resource Usage	2013	2014	2015
Electricity (KWh)	31,061,752	29,624,209	34,913,010
Natural gas (m³)	1,237,672	1,022,875	1,325,969
Water Footprint			
Water (m³)	2013	2014¹	2015²
Mains water (Blue)	67,365	58,970	112,466
Waste water (Grey)	33,683	47,678	4,028
Spring water (Green)	0	66,498	12,271
Total	101,048	173,146	128,765

¹ In the report of the World Water Forum 2014, new criteria (co-efficients) were set by adding spring water (green) to measurements in Istanbul. Calculations for 2014 are reported in line with the related co-efficients. Total actual consumption for 2014 is 125,468 m³.

² For 2015, total consumption values are presented for each breakdown item without the use of coefficients

	2013	2014	2015
Amount of mains water used (m³)	67,365	58,970	112,466
Number of employees	5,085	4,954	5,425
Area of usage (m²)	207,087	200,534	367,903
Amount of mains water used per employee (m³/employee)	13.25	11.90	20.73
Amount of mains water used per area of usage (m³/m²)	0.33	0.29	0.31

Relative increase in 2015 compared to 2014 in resource usage, hence carbon emissions, was affected by the transfer of Head Office divisions to TUTOM Facility. Head Office divisions that are located in different districts of Istanbul and undertaking operational activities have been gradually moved to TUTOM Facility starting from the 3rd quarter of 2015. In this process, operations and resources usage took place concurrently in both the buildings that are phased out and TUTOM Facility.

In addition to the consumption values presented above, additional resource consumption data is shown in the tables below.

Consumption in Vehicle Fleet (Head Office Vehicles)	2015
Diesel Consumption	211,174
Gasoline Consumption	11,901
Paper Consumption	
Paper Consumption (Tons)	8,520

Appendix 2. Human Resources Data

Number of Staff	2015
Women	12,864
Men	12,293
Total	25,157

Breakdown of Staff on Age Groups*	2015
0-30	6,013
31-45	18,320
46-65	811
66+	3
Total	25,147

Breakdown of Staff on Education	2015
Middle School	95
High School	4,410
Graduate School (for 2- and 3-Years)	555
University	19,100
Master's Degree	988
PhD Degree	9
Total	25,157

Head Office/Branch/Region Breakdown of Staff	2015
Head Office	6,362
Branch	18,089
Region	706
Total	25,157

*Breakdown of age groups does not include 10 Board Members.

Geographical Breakdown of Staff	2015
Turkey	24,877
Abroad	280
Total	25,157

Gender Breakdown of Board Members	Women	Men
Chairman		1
Deputy Chairman	1	
Member	1	8

Gender Breakdown of Committee Members	Women	Men
Gender breakdown of Audit Committee Members	1	1
Gender breakdown of TRNC Internal Systems Committee Members	1	1
Gender breakdown of Credit Committee Members	1	2
Gender breakdown of Credit Revision Committee Members	2	2
Gender breakdown of Corporate Social Responsibility Committee Members	2	3
Gender breakdown of Corporate Governance Committee Members	1	2
Gender breakdown of Risk Committee Members	3	3
Gender breakdown of Remuneration Committee Members		2

Number of Staff Recruited During the Period	
Women	
Men	
Total Recruitment	1,716

Appendix 3. Loan Portfolio Data

Loan Portfolio 2015	TL Thousand	%
Corporate and Commercial Loans	88,036,505	49.7
SME Loans ¹	42,203,323	23.8
Consumer Loans ²	36,402,557	20.6
Credit Cards ³	10,394,235	5.9
Total Loans	177,036,620	100.0

¹ SME definition includes companies with turnover or total assets <= TL 40 million and number of employee < 250.

² Includes retail overdraft accounts.

³ Includes retail credit card balances only.

UN Global Compact - Communication on Progress 2015

Brought up on the agenda for the first time during the World Economic Forum in 1999, the Global Compact aims to bring together business leaders, companies, the United Nations, labor unions and non-governmental organizations in line with the “Millennium Development Goals” announced by then UN Secretary-General Kofi Annan. The ten principles comprising the United Nations Global Compact are brought to the world's attention at the UN Headquarters in 2000, making a call on the civil society and public agencies as well as actors from the private sector to contribute to global sustainability efforts within the framework of these principles.

The principles of the Global Compact are grouped under four main areas, namely human rights, labor, the environment and anti-corruption. Under the Global Compact initiative, participating companies are expected to comprehend, support and apply these principles.

Extending unconditional support to initiatives aiming to bequeath a more livable world to future generations, İşbank declared its support and commitment to the Global Compact before the United Nations on March 7, 2012. In different sections, this report refers to the Bank's efforts under the Global Compact and the improvement it achieved during this reporting period. Summary table and index are provided below.

Principle	İşbank's Approach	Additional Information Available in Section	Page
Businesses should support and respect the protection of internationally proclaimed human rights.	İşbank always seeks to ensure full compliance with national and international norms regulating human rights, specifically the Universal Declaration of Human Rights by the UN, and employs the required practices.	For Our Employees	43-50
Businesses should make sure that they are not complicit in human rights abuses.	İşbank supports the protection of human rights in the business world.	For Our Employees	43-50
Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	İşbank acknowledges its employees' freedom of association and right to collective bargaining, thus setting a precedent in Turkey as a company. As of the date of this report, the Bank has 24,709 employees covered by the collective bargaining agreement. İşbank employees are members of the Union of Banking, Finance and Insurance Workers.	For Our Employees	43-50
Businesses should uphold the elimination of all forms of forced and compulsory labor.	Equal opportunities and diversity are two major building blocks of İşbank's human resources policy. Providing equal opportunities for all employees is one of İşbank's basic responsibilities towards its employees. Treasuring diversity in the workforce, İşbank considers diversity to be an essential component of its intellectual capital. This perspective allows for developing and sustaining a modern working environment that provides the opportunity to think and act differently, to engage in innovation and to improve individual competences at İşbank. In addition, under the Bank's human resources policy, İşbank stands against;	For Our Employees	43-50
	<ul style="list-style-type: none"> » all forms of discrimination, » all forms of forced and compulsory labor and child labor in the world and in Turkey. 		

Principle	İşbank's Approach	Additional Information Available in Section	Page
Businesses should uphold the effective abolition of child labor.	İşbank stands against child labor and supports all relevant initiatives in the business world.	For Our Employees	43-50
Businesses should uphold the elimination of discrimination in respect of employment and occupation.	İşbank stands against discrimination in recruitment and employment processes and supports all relevant initiatives in the business world.	İşbank's Memberships For Employees	14-15 43-50
Businesses should support a precautionary approach to environmental challenges.	İşbank comprehensively sustains interactive work on the environment with its stakeholders.	İşbank's Memberships For Our Customers	14-15 22-35
Businesses should undertake initiatives to promote greater environmental responsibility.	İşbank supports many operations and organizations in order to improve environmental responsibility and awareness on environmental challenges in our country.	İşbank's Memberships For Our Customers For Our World	14-15 22-35 36-42
Businesses should encourage the development and diffusion of environmentally friendly technologies.	İşbank supports the development and expansion of environmentally friendly technologies through the finances it extends to different sectors, specifically the renewable energy and energy efficiency projects, as well as its banking products.	For Our Customers For Our World	22-35 36-42
Businesses should work against corruption in all its forms, including extortion and bribery.	İşbank extends full, true and active support to combating corruption and preventing the financing of terrorism in line with the relevant legislation and the Bank's policies.	İşbank's Internal Audit, Internal Control and Risk Management Systems Anti-Bribery and Anti-Corruption at İşbank	12-13 13-14

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G4-13	On August 3, 2015, 10.0035% shares held by İşbank Group within the shareholding structure of Avea İletişim Hizmetleri A.Ş. were completely sold to Türk Telekomünikasyon A.Ş., the controlling shareholder. İşbank Annual Report 2015, p. 48 http://www.isbank.com.tr/EN/about-isbank/investor-relations/publications-and-results/annual-reports/Documents/Isbank_2015.pdf İşbank's Georgia organization consisting of Batomi and Tblisi branches began to operate under the umbrella of "İşbank Georgia" as of 3 August 2015. İşbank Annual Report 2015, p.11 http://www.isbank.com.tr/EN/about-isbank/investor-relations/publications-and-results/annual-reports/Documents/Isbank_2015.pdf İşbank's Subsidiaries, p. 16	No
G4-14	In all its activities, İşbank supports the precautionary approach of the UN Global Compact. In conformity with this principle on possible environmental problems, the Bank has adopted a risk based approach that is implemented in its activities. İşbank's Sustainability Approach, p. 20 UN Global Compact - Communication on Progress 2015, p. 98	No
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G4-22	On August 3, 2015, 10.0035% shares held by İşbank Group within the shareholding structure of Avea İletişim Hizmetleri A.Ş. were completely sold to Türk Telekomünikasyon A.Ş., the controlling shareholder. İşbank Annual Report 2015, p. 48 http://www.isbank.com.tr/EN/about-isbank/investor-relations/publications-and-results/annual-reports/Documents/Isbank_2015.pdf İşbank's Georgia organization consisting of Batomi and Tblisi branches began to operate under the umbrella of "İşbank Georgia" as of 3 August 2015. İşbank Annual Report 2015, p.11 http://www.isbank.com.tr/EN/about-isbank/investor-relations/publications-and-results/annual-reports/Documents/Isbank_2015.pdf İşbank's Subsidiaries, p. 16	No
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G4-47	İşbank's Internal Audit, Internal Control and Risk Management Systems, p. 12 İşbank's Sustainability Organization, p.26 İşbank Annual Report 2015, p. 65: http://www.isbank.com.tr/EN/about-isbank/investor-relations/publications-and-results/annual-reports/Documents/lsbank_2015.pdf	No
G4-48	İşbank's Sustainability Organization, p. 26	No
G4-49	İşbank's Management Structure, p. 12 İşbank Annual Report 2015, p. 61: http://www.isbank.com.tr/EN/about-isbank/investor-relations/publications-and-results/annual-reports/Documents/lsbank_2015.pdf	No
G4-50	Anti-Bribery and Anti-Corruption at İşbank, p. 14	No
G4-51	İşbank Human Resources Policy, p. 66	No
G4-52	Remuneration Committee has been established in the scope of the Remuneration Policy, which has been put into force by the Board of Directors. Remuneration policy and benefits including remuneration policy under trade unions become valid by the recommendation of the Remuneration Committee and the approval of the Board. İşbank Human Resources Policy, p. 66	No
G4-53	İşbank Annual Report 2015, p. 63: http://www.isbank.com.tr/EN/about-isbank/investor-relations/publications-and-results/annual-reports/Documents/lsbank_2015.pdf	No
G4-54	İşbank Human Resources Policy, p. 66	No
G4-55	İşbank Human Resources Policy, p. 66	No
ETHICS AND INTEGRITY		
G4-56	İşbank adopts the Code of Banking Ethics of the Banks Association of Turkey and publishes these principles on its corporate website. İşbank Annual Report 2015, p. 73 http://www.isbank.com.tr/EN/about-isbank/investor-relations/corporate-governance/ethical-principles/Documents/BankingEthics.pdf İşbank's Vision, Objectives, Values and Strategy, p. 10	No
G4-57	Negative Feedback Line, p. 68	No
G4-58	Negative Feedback Line, p. 68	No

SPECIFIC STANDARD DISCLOSURES

DMA AND INDICATORS	PAGE	IDENTIFIED OMISSION(S)	REASON(S) FOR OMISSION(S)	EXPLANATION FOR OMISSION(S)	EXTERNAL ASSURANCE
CATEGORY: ECONOMIC					
MATERIAL ASPECT: ECONOMIC PERFORMANCE					
G4-DMA	For Our Customers, p. 28			No	
G4-EC1	İşbank in Figures, p. 8 For Our Customers, p. 28 Loan Portfolio Data, p. 96 Human Resources Data, p. 94			No	
G4-EC2	İşbank's Internal Audit, Internal Control and Risk Management Systems, p. 12 Environmental and Social Risks, p. 54			No	
G4-EC3	İşbank Human Resources Policy, p. 66 İşbank Annual Report 2015, p. 154: http://www.isbank.com.tr/EN/about-isbank/investor-relations/publications-and-results/annual-reports/Documents/Isbank_2015.pdf			No	
G4-EC4	İşbank has received no financial assistance from the government during the reporting period. İşbank in Figures, p. 8			No	

MATERIAL ASPECT: MARKET PRESENCE

G4-DMA	İşbank Human Resources Policy, p. 66	No
G4-EC5	İşbank Human Resources Policy, p. 66	No
G4-EC6	All senior management of İşbank including the CEO, Deputy Chief Executives and Managers are Turkish citizens. İşbank Human Resources Policy, p. 66 İşbank Annual Report 2015, p. 54: http://www.isbank.com.tr/EN/about-isbank/investor-relations/publications-and-results/annual-reports/Documents/Isbank_2015.pdf	No

MATERIAL ASPECT: INDIRECT ECONOMIC IMPACTS

DMA AND INDICATORS	PAGE	IDENTIFIED OMISSION(S)	REASON(S) FOR OMISSION(S)	EXPLANATION FOR OMISSION(S)	EXTERNAL ASSURANCE
G4-DMA	For Our Customers, p. 28 Commercial/Corporate Banking, p. 43 International Funds for a Sustainable Future, p. 50				No
G4-EC7	Commercial/Corporate Banking, p. 43 SME Banking Services, p. 45 Banking Practices for Female Entrepreneurs, p. 46 Financing Renewable Energy Projects, p. 48 International Funds for a Sustainable Future, p. 50				No
G4-EC8	A New Era in Banking - Digital Transformation, p. 31 Retail/Private Banking, p. 37 SME Banking Services, p. 45 Banking Practices for Female Entrepreneurs, p. 46 Financing Renewable Energy Projects, p. 48 International Funds for a Sustainable Future, p. 50 Loan Portfolio Data, p. 96				No

CATEGORY: ENVIRONMENTAL

ENERGY

G4-DMA	For Our World, p. 52	No
G4-EN3	Environmental Data, p. 91	No
G4-EN4	For Our World, p. 52 Environmental Data, p. 91	No
G4-EN5	Environmental Data, p. 91	No
G4-EN6	Efficiency Efforts, p. 60	No
G4-EN7	Paperless Banking, p. 59 TEMA Foundation Paper Recycling Projects, p. 58	No

WATER

G4-DMA	For Our World, p. 52	No
G4-EN8	Environmental Data, p. 91	No
G4-EN9	Environmental Data, p. 91	No
G4-EN10	Environmental Data, p. 91	No

DMA AND INDICATORS	PAGE	IDENTIFIED OMISSION(S)	REASON(S) FOR OMISSION(S)	EXPLANATION FOR OMISSION(S)	EXTERNAL ASSURANCE
EMISSIONS					
G4-DMA	For Our World, p. 52			No	
G4-EN15	Environmental Data, p. 91			No	
G4-EN16	Environmental Data, p. 91			No	
G4-EN17	Environmental Data, p. 91			No	
G4-EN18	Environmental Data, p. 91			No	
G4-EN19	In the scope of the project which aims at protecting the environment and increasing awareness of our society starting with children, 2,205,000 saplings have been planted on 1,500 hectare area in the cities covered by the project and 35,200 saplings on 22 hectare area in T.R.N.C. The maintenance period for the 5 years following planting continued in 2015 as well. The survival rate of saplings as of end of 2015 is 82%. Efficiency Efforts, p. 60			No	
G4-EN20		Omitted	ODS emissions are not significant for Bank's operations therefore are not applicable.	Omitted - not applicable for İşbank's products and services.	No
G4-EN21		Omitted	NOx, Sox and alike emissions are not significant for Bank's operations therefore are not applicable.	Omitted - not applicable for İşbank's products and services.	No

DMA AND INDICATORS	PAGE	IDENTIFIED OMISSION(S)	REASON(S) FOR OMISSION(S)	EXPLANATION FOR OMISSION(S)	EXTERNAL ASSURANCE
MATERIAL ASPECT: EFFLUENTS AND WASTE					
G4-DMA	For Our World, p. 52				No
G4-EN22	Environmental Data, p. 91				No
G4-EN23	Environmental Data, p. 91				No
G4-EN24				Omitted	Spills are not applicable to İşbank's activities.
G4-EN25				Omitted	Hazardous waste is not applicable to İşbank's activities.
G4-EN26				Omitted	Water discharge is not applicable to İşbank's activities.
MATERIAL ASPECT: PRODUCTS AND SERVICES					
G4-DMA	For Our World, p. 52				No
G4-EN27	Loan Evaluation Process - ERET, p. 54 Paperless Banking, p. 59 Efficiency Efforts, p. 60				No
G4-EN28				Omitted	Packaging material is not applicable to İşbank's activities.

DMA AND INDICATORS	PAGE	IDENTIFIED OMISSION(S)	REASON(S) FOR OMISSION(S)	EXPLANATION FOR OMISSION(S)	EXTERNAL ASSURANCE
MATERIAL ASPECT: COMPLIANCE					
G4-DMA	Environmental and Social Risks, p. 54			No	
G4-EN29	There have been no significant fines or non-monetary sanctions for non-compliance with environmental laws and regulation during the reporting period. Environmental and Social Risks, p. 54			No	
MATERIAL ASPECT: OVERALL					
G4-DMA	For Our World, p. 52			No	
G4-EN31	TEMA Foundation Paper Recycling Project, p. 58 Paperless Banking, p. 59 Efficiency Efforts, p. 60 The New Meeting Model: Video Teleconferences, p. 62			No	
CATEGORY: SOCIAL					
SUB-CATEGORY: LABOR PRACTICES AND DECENT WORK					
MATERIAL ASPECT: EMPLOYMENT					
G4-DMA	For Our Employees, p. 64			No	
G4-LA1	Human Resources Data, p. 94			No	
G4-LA2	There are no temporary or part time workers. All employees can benefit from social benefits set by the trade union agreements. İşbank Human Resources Policy, p. 66				
G4-LA3	Human Resources Data, p. 94			No	
MATERIAL ASPECT: LABOR/MANAGEMENT RELATIONS					
G4-DMA	For Our Employees, p. 64			No	
G4-LA4	In case of significant operational changes that could substantially affect employees, necessary precautions are taken to prevent employees getting negatively affected by these changes. İşbank Human Resources Policy, p. 66			No	

DMA AND INDICATORS	PAGE	IDENTIFIED OMISSION(S)	REASON(S) FOR OMISSION(S)	EXPLANATION FOR OMISSION(S)	EXTERNAL ASSURANCE
MATERIAL ASPECT: OCCUPATIONAL HEALTH AND SAFETY					
G4-DMA	Occupational Health and Safety Practices, p. 67				No
G4-LA5	As per law, places with number of employees higher than 50 are in the scope of OHS practices, and the percentage of the total workforce represented in formal joint management-worker health and safety committees in these places are currently 30%. Occupational Health and Safety Practices, p.67				No
G4-LA6	There has been no injury, occupational disease, lost days, absenteeism, or work related fatalities during the reporting period. Occupational Health and Safety Practices, p. 67				No
G4-LA7	As per the scope of Bank's activities there are no workers who are involved in occupational activities who have a high incidence or high risk of specific diseases. Occupational Health and Safety Practices, p. 67				No
G4-LA8	As per the trade union signed with BASISEN, all the employees under the trade union can benefit from the health benefits under the İşbank Medical Care Governing Regulations. Occupational Health and Safety Practices, p. 67				No
MATERIAL ASPECT: TRAINING AND EDUCATION					
G4-DMA	Talent Management through Training Programs Applicable for All Talents, p. 73				No
G4-LA9	Talent Management through Training Programs Applicable for All Talents, p. 73				No
G4-LA10	Talent Management through Training Programs Applicable for All Talents, p. 73				No
G4-LA11	İşbank: The Bank Revealing the Potential of Employees, p. 71				No
MATERIAL ASPECT: DIVERSITY AND EQUAL OPPORTUNITY					
G4-DMA	İşbank Human Resources Policy, p. 66				No
G4-LA12	Human Resources Data, p. 94				No
MATERIAL ASPECT: EQUAL REMUNERATION FOR WOMEN AND MEN					
G4-DMA	İşbank Human Resources Policy, p. 66				No
G4-LA13	There is no gender discrimination in İşbank's Remuneration policy. İşbank Human Resources Policy, p. 66				No
MATERIAL ASPECT: LABOR PRACTICES GRIEVANCE MECHANISMS					
G4-DMA	Constant Interaction with Employees, p. 68				No
G4-LA16	There have been no grievances about labor practices filed through formal grievance mechanisms during the reporting period. Negative Feedback Line, p. 68				No

DMA AND INDICATORS	PAGE	IDENTIFIED OMISSION(S)	REASON(S) FOR OMISSION(S)	EXPLANATION FOR OMISSION(S)	EXTERNAL ASSURANCE
SUB-CATEGORY: HUMAN RIGHTS					
MATERIAL ASPECT: INVESTMENT					
G4-DMA	Loan Evaluation Process - ERET, p. 54			No	
G4-HR1	Loan agreements for investments that İşbank provides financing are evaluated and processed in review of international human rights. Loan Evaluation Process - ERET, p. 54			No	
G4-HR2	General trainings provided to employees include topics on human rights as well. Talent Management through Training Programs Applicable for All Talents, p. 73			No	

MATERIAL ASPECT: NON-DISCRIMINATION					
DMA	PAGE	IDENTIFIED OMISSION(S)	REASON(S) FOR OMISSION(S)	EXPLANATION FOR OMISSION(S)	EXTERNAL ASSURANCE
G4-DMA	İşbank Human Resources Policy, p. 66			No	
G4-HR3	There have been no incidents of discrimination observed during the reporting period. İşbank Human Resources Policy, p. 66			No	

MATERIAL ASPECT: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING					
DMA	PAGE	IDENTIFIED OMISSION(S)	REASON(S) FOR OMISSION(S)	EXPLANATION FOR OMISSION(S)	EXTERNAL ASSURANCE
G4-DMA	İşbank Human Resources Policy, p. 66			No	
G4-HR4	There have been no operations or suppliers in which employee rights to exercise freedom of association or collective bargaining may be violated or at significant risk during the reporting period. İşbank Human Resources Policy, p. 66 Environmental & Social Impacts in the Procurement Process and Relations with Suppliers p. 89			No	

MATERIAL ASPECT: HUMAN RIGHTS GRIEVANCE MECHANISMS					
DMA	PAGE	IDENTIFIED OMISSION(S)	REASON(S) FOR OMISSION(S)	EXPLANATION FOR OMISSION(S)	EXTERNAL ASSURANCE
G4-DMA	Negative Feedback Line, p. 68 We Listen To You, p. 88			No	
G4-HR12	There have been no grievances about human rights impacts filed through formal grievance mechanisms during the reporting period. Negative Feedback Line, p. 68 We Listen To You, p. 88			No	

DMA AND INDICATORS	PAGE	IDENTIFIED OMISSION(S)	REASON(S) FOR OMISSION(S)	EXPLANATION FOR OMISSION(S)	EXTERNAL ASSURANCE
SUB-CATEGORY: SOCIETY					
MATERIAL ASPECT: LOCAL COMMUNITIES					
G4-DMA	For the Society, p. 76				No
G4-SO1	For the Society, p. 76 Retail/Private Banking, p. 37 SME Banking Services, p. 45 Banking Practices for Female Entrepreneurs, p. 46				No
G4-SO2	Loan Evaluation Process - ERET, p. 54				No

MATERIAL ASPECT: ANTI-CORRUPTION					
DMA	PAGE	IDENTIFIED OMISSION(S)	REASON(S) FOR OMISSION(S)	EXPLANATION FOR OMISSION(S)	EXTERNAL ASSURANCE
G4-DMA	Anti-Bribery and Anti-Corruption at İşbank, p. 14				No
G4-SO3	Anti-Bribery and Anti-Corruption at İşbank, p. 14				No
G4-SO4	"Discipline and Disciplinary Actions" part of the trade agreement are distributed as a part of the "Starting my Career Trainings" at İşbank and the training puts emphasis on compliance with the discipline policies. In Career Advancement and Management Career trainings, newly promoted managers are provided with knowledge and experience on spotting and preventing abuse and non compliance in the scope of branch managers' responsibilities. In addition, Bank offers the members of Board of Inspectors trainings on spotting and preventing abuse and compliace regularly in their career. Talent Management through Training Programs Applicable for All Talents, p. 73				No
G4-SO5	İşbank adopts a customer satisfaction oriented business model and puts great emphasis on constant improvement of customer experience.			Omitted	Confidentiality - İşbank customer data privacy confidentiality

MATERIAL ASPECT: PUBLIC POLICY					
DMA	PAGE	IDENTIFIED OMISSION(S)	REASON(S) FOR OMISSION(S)	EXPLANATION FOR OMISSION(S)	EXTERNAL ASSURANCE
G4-DMA	İşbank at a Glance, p. 11				No
G4-SO6	İşbank does not use its tools and resource in any case to endorse a political candidate or institution. There has been no political support during the reporting period. İşbank at a Glance, p. 11				No

DMA AND INDICATORS	PAGE	IDENTIFIED OMISSION(S)	REASON(S) FOR OMISSION(S)	EXPLANATION FOR OMISSION(S)	EXTERNAL ASSURANCE
MATERIAL ASPECT: ANTI-COMPETITIVE BEHAVIOR					
G4-DMA	Anti-Bribery and Anti-Corruption at İşbank, p. 14			No	
G4-SO7	There have been no legal actions filed during the reporting period regarding anticompetitive behavior and violations of anti-trust and monopoly legislation during the reporting period. Developments on 2 cases from previous periods are publicly announced when needed. Current disclosures on the said 2 cases are available on: http://www.kap.gov.tr/bildirim-sorgulari/bildirim-detayi.aspx?id=522268 http://www.kap.gov.tr/bildirim-sorgulari/bildirim-detayi.aspx?id=171600 Anti-Bribery and Anti-Corruption at İşbank, p. 14			No	

Sub-Category: Product Responsibility

MATERIAL ASPECT: PRODUCT AND SERVICE LABELING					
G4-DMA	For Our Customers , p. 28				No
G4-PR3	İşbank is in line with relevant laws and regulations for the services and products it offers. For Our Customers, p. 28				No
G4-PR4	There have been no incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling during the reporting period. For Our Customers, p. 28				No
G4-PR5	İşbank adopts a customer satisfaction oriented business model and puts great emphasis on constant improvement of customer experience.	Omitted	Confidentiality	Omitted - İşbank customer data privacy confidentiality	No

DMA AND INDICATORS	PAGE	IDENTIFIED OMISSION(S)	REASON(S) FOR OMISSION(S)	EXPLANATION FOR OMISSION(S)	EXTERNAL ASSURANCE
MATERIAL ASPECT: MARKETING COMMUNICATIONS					
G4-DMA	Environmental and Social Risks, p. 54				No
G4-PR6	In the delivery of all products and services, İşbank acts in compliance with the legislation and regulations in Turkey and the international agreements to which Turkey is a party. Under the "List of Unfunded Operations", İşbank monitors the operations that are prohibited and restricted by the national legislation and/or the international agreements to which Turkey is a party and turns down loan applications for such operations without giving them any consideration. Environmental and Social Impacts Policy: http://www.isbank.com.tr/EN/about-isbank/sustainability/Documents/environment_and_social_impact_policy.pdf Environmental and Social Risks, p. 54				No
G4-PR7	There have been no incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship during the reporting period. Environmental and Social Risks, p. 54 We Listen To You, p. 88				No

MATERIAL ASPECT: CUSTOMER PRIVACY

G4-DMA	İşbank's Internal Audit, Internal Control and Risk Management Systems, p. 12	No
G4-PR8	İşbank's Internal Audit, Internal Control and Risk Management Systems, p. 12	No

MATERIAL ASPECT: COMPLIANCE

G4-DMA	İşbank's Internal Audit, Internal Control and Risk Management Systems, p. 12	No
G4-PR9	The Ministry of Customs and Trade initiated an investigation under Law No: 6502 and now-abolished Law No: 4077 and has imposed an administrative fine of TL 110,110 to the Bank pursuant to this investigation. The Bank paid TL 82,583, which is the amount calculated by benefiting from the discount within the framework of Article 17 of Misdemeanor Law No: 5326, provided that the Bank reserves its right to litigate against the related decision and to claim for refund. The Bank has filed a lawsuit in İstanbul 11th Administrative Court for the cancellation of administrative fine imposed against the Bank in due time. The court proceedings are not finalized as of reporting date. İşbank Annual Report 2015, p. 149 (i.5.4.): http://www.isbank.com.tr/EN/about-isbank/investor-relations/publications-and-results/annual-reports/Documents/Isbank_2015.pdf İşbank's Internal Audit, Internal Control and Risk Management Systems, p.12	No

DMA AND INDICATORS	PAGE	IDENTIFIED OMISSION(S)	REASON(S) FOR OMISSION(S)	EXPLANATION FOR OMISSION(S)	EXTERNAL ASSURANCE
FINANCIAL SERVICE SECTOR DISCLOSURES					
FS-6	Loan Portfolio Data, p. 96 İşbank at a Glance, p. 11			No	
FS-7	Life Stage Banking, p. 37 Value-Added Products for the Community, p. 38 Savings Products, p. 40 Sector-Specific Specialized Banking, p. 43 Banking Practices for Female Entrepreneurs, p. 46 SME Banking Services, p. 45			No	
FS-8	Financing Renewable Energy Projects , p. 48 International Funds for a Sustainable Future , p. 50 TEMA Foundation Paper Recycling Projects, p. 58 Loan Evaluation Process - ERET, p. 54 TEMA Credit Cards, p. 38			No	
Denetim DMA	Loan Evaluation Process - ERET, p. 54 Unfunded Operations, p. 57			No	
FS-10	Under project finance, financing over USD 10 billion (such as energy infrastructure, health, construction) are evaluated in the scope of İşbank Sustainability and Environmental and Social Impacts Policies. Projects are evaluated via ERET - an environmental social risk evaluation tool specific for our Bank, and are subjected to relevant procedures based on their ERET model risk degree. Environmental and social management plans are prepared based on the risk level and İşbank follows the compliance with the plan and undertaking of necessary actions. Loan Evaluation Process - ERET, p. 54 Unfunded Operations, p. 57			No	
FS-11	Loan Evaluation Process - ERET, p. 54			No	
FS-13	İşbank has a wide service network that offers access to financial services in every region of Turkey via wide branch and ATM network and digital banking services. For the Society, p. 76			No	
FS-14	Services for the Disabled, p. 88			No	

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