

Tax Strategy

Introduction

Turkiye Is Bankasi AS (Isbank) is Turkey's largest private Bank. It provides a broad range of banking and other financial services to a wide variety of customers and clients across Turkey and internationally through its network of around 1.400 branches.

Isbank operates in the UK via 1 branch and a sub-branch. Its activities relate mainly to the provision of wholesale banking and corporate banking services. This tax strategy document outlines how the London Branch of Isbank ("the Bank") manages their UK tax affairs.

The Bank is committed to fulfilling its UK tax obligations in accordance with all tax practice. Compliance for the Bank means paying the appropriate amount of tax in the right place at the right time. It involves disclosing all relevant facts and circumstances to the UK tax authorities.

Risk management & Governance

Overall responsibility for the Bank's compliance with UK tax requirements and for the management of UK tax risks rests with the Branch General Manager, the most senior manager in the Bank. The Bank's governance around tax matters follows formal procedures which are in line with other approved governance procedures implemented across the wider Bank and maintains strong governance in respect of the management of its UK tax affairs. All tax compliance arrangements are subject to external review by advisors along with further advice from advisors in respect of any law changes, changes of approach or tax authority enquiries.

Local UK Tax laws are managed by the Bank and if there are wide-scale changes or complexities that impact the Group these are raised to Head Office. The Branch has taken steps to ensure all Senior Managers and employees in the UK are fully aware of the importance of strict observance of laws and regulations, and performance of their duties with integrity and fairness.

Tax Planning

In arranging or structuring its commercial activities the Bank will consider, amongst other things, relevant tax laws, with a view to maximising value on a sustainable basis for its stakeholders. As a signatory to the Code of Practice on Taxation for Banks (the "Code"), the Bank is committed to ensuring that any tax planning is aligned with genuine commercial activity and will not undertake any tax planning or structuring that is contrived or artificial or based solely on tax outcomes. In certain cases, where there is significant uncertainty or complexity in relation to a tax position, external advice is sought.

The level of tax risk we are prepared to accept

In situations where applicable tax law is unclear or subject to interpretation, or a tax result or position is not free from doubt, the Bank aims to consider, among other things, the commercial and other non-tax drivers and (when appropriate) guidance from and communications with the relevant tax authority. The Bank plans and intends to adopt tax positions that are supported by applicable tax law and legislative intent.

Approach to dealing with HMRC

The Bank is committed to the principles of openness and transparency in its approach to dealing with HMRC, and in particular the Bank commits to:

- Make fair, accurate and timely disclosure in correspondence and returns, and respond to queries and information requests in a timely fashion.
- Seek to resolve issues with HMRC in a timely manner, and where disagreements arise work with HMRC to resolve issues by agreement where possible.
- Ensure all interactions with HMRC are conducted in an open, collaborative and professional manner.

This statement is intended to meet the requirements of Section 19 (2) of Schedule 19 of the 2016 Finance Act to publish an external tax strategy.