



**26 August 2025**

**Credit Rating**

**Long-term (National):**

**(TR) AA**

**Outlook:  
Stable**

**Short-term (National):**

**(TR) A1+**

**Outlook:  
Stable**

**Expiry Date:**

**26 August 2026**

**İŞ Gayrimenkul Yatırım  
Ortaklığı A.Ş.**

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## İŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

### Rating Summary

İş Gayrimenkul Yatırım Ortaklığı A.Ş., ("İŞ REIT" or "the Company") was established following the acquisition of Merkez Gayrimenkul Yatırım ve Proje Değerlendirme A.Ş. by İş Gayrimenkul Yatırım ve Proje Değerlendirme A.Ş. on August 6, 1999 and converting it into a real estate investment trust. İŞ REIT is an establishment that invests in real estate, real estate projects, real estate backed securities and capital market instruments within the framework of the Capital Markets Board regulations. Founded in 1999, the Company was offered to public in the same year and is listed on Borsa İstanbul.

Türkiye İş Bankası A.Ş. ("İş Bank") is the controlling shareholder of the Company with 52.50% of the share capital. İş Bank is the first national bank of the Republic of Turkey and was established in 1924 to carry out all kinds of banking transactions and to establish or participate in all kinds of enterprises in the industrial and financial sectors when necessary. There has been no change in the Bank's status since its establishment.

Following our comparative analysis of the sector and examination of financial/operational risks carried by the Company, as well as its domestic market position, the previous long-term rating of **(TR) AA** and the short-term rating of **(TR) A1+** has been reconfirmed.

Previous Rating (August 26, 2024):

Long Term: (TR) AA

Short Term: (TR) A1+

### Outlook

With its roots dating back to 1999, İŞ REIT is engaged within the scope of the Capital Markets Board's regulations on Real Estate Investment Trusts, such as investing in real estate, real estate-based capital market instruments, real estate projects, real estate-based rights and capital market instruments. Looking at the partnership structure of İŞ REIT, in terms of real and legal persons with a direct share of 5% or more in the capital, Türkiye İş Bankası A.Ş. is the controlling shareholder with a 52.50% share, Anadolu Hayat Emeklilik A.Ş. holds 7.04%, and the remaining 40.46% represents other shares.

On November 23, 2023, the Public Oversight Accounting and Auditing Standards Authority (POA) made an announcement regarding the implementation of inflation accounting in Turkey. As per the announcement, financial statements of companies applying TFRS for the annual reporting period ending on or after December 31, 2023 should be presented in accordance with the related accounting principles in TAS 29, adjusted for the effects of inflation. In this framework, as of the date of preparation of the

financial statements, the financial statements dated December 31, 2023 and December 31, 2024 have been adjusted for inflation in accordance with TAS 29.

As of the end of 2024, İŞ REIT's revenue increased by 145.2% compared to the end of the previous year, reaching TL 4.0 billion (2023: TL 1.7 billion). 66.8% of the revenue consists of residential sales, 27.5% from rental income, 5.3% from surface rights income, and 0.4% from other income. (2023: 23.1% - residential sales, 61.1% - rental income, 15.2% - right of construction, 0.6% - other income). The Company's gross profit increased by 15.6% compared to the previous year-end, reaching TL 1.4 billion at the end of 2024 (2023: TL 1.2 billion). Net operating profit increased by 14.2% to TL 1.1 billion (2023: TL 927.4 million). İŞ REIT's real estate value assessment income was TL 2.6 billion in 2023 and TL 3.2 billion in 2024. Thus, the operating profit increased by 6.8% at the end of 2024 compared to the end of the previous year, reaching TL 4.0 billion (2023: TL 3.7 billion). The Company had TL 2.5 billion in deferred tax expenses at the end of 2024 (2023: TL 0). Finally, net profit for 2024 decreased by 80.3% to TL 892.0 million (2023: TL 4.5 billion).

The Company's current assets at the end of 2024 decreased by 39.9% compared to the end of 2023, reaching TL 3.6 billion (2023: TL 6.0 billion). Fixed assets increased by 24.2% at the end of 2024 compared to the end of the previous year, reaching TL 52.0 billion. Investment properties and investment properties under development were revalued at TL 42.9 billion at the end of 2024 (2023: TL 35.3 billion). The total of the Company's investment properties and investment properties under development as of the end of 2024 constitutes 82.5% of its fixed assets (2023: 84.3%).

The Company's short-term liabilities at the end of 2024 increased by 8.3% compared to the end of the previous year to TL 5.8 billion (2023: TL 5.3 billion). 81.9% of short-term liabilities consist of financial liabilities (2023: 67.3%). Net financial liabilities on the other hand decreased by 17.5% compared to the previous year, reaching TL 4.6 billion at the end of 2024. Total liabilities consisted of 10.4% short-term debt, 7.6% long-term debt, and 82.1% shareholders' equity (2023: 11.1%, 7.4%, and 81.5%, respectively). The Company diversified its financial debt through bank borrowings and capital market instruments. According to the Independent Audit Report, the net foreign currency asset/liability position at the end of 2024 was (-) TL 30.6 million (2023: (-) TL 16.3 million). The Company engages in derivative transactions to hedge against currency fluctuations. İŞ REIT completed the sale of the land parcel in its portfolio that includes the Marmara Park Shopping Center during 2024. As of June 2025, 59 of the 98 residences in the Litus Istanbul Project, 958 of the 975 residential units in the Kartal Manzara Adalar Project, and 11 of the 61 residential units in the Kasaba Modern Phase 1 Project have been sold. Additionally, development work continues on the Kasaba Modern Project, the Profilo Shopping Center Residential Project, and the Balmumcu Project. In addition to these projects, the Company owns three plots of land with a total appraisal value of TL 1.2 billion.

As of June 2025, the Company's portfolio value is approximately TL 52.0 billion, of which approximately 95% consists of investments in the real estate sector. Real estate investments consist of immovable properties from which rental income is generated, stocks on sale, projects, and land investments. The breakdown of investments in the real estate sector is as follows: 62.8% office, 15.9% shopping center, 13.3% projects, 5.5% inventory, and 2.5% land.

In addition to the aforementioned factors, İŞ REIT's strong ownership structure, effective risk and cost management and ability to access financing have been included in the assessment, and the Company's outlook has been determined as **"Stable"**. We are monitoring the developments in local and global money and capital markets and will evaluate their potential impact on the Company during the surveillance period.

## Methodology

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SAHA's credit rating methodology is composed of quantitative and qualitative sections to affect the final note with specific weights. Quantitative analysis components consist of SAHA Score (Company's distance from the point of default), its performance compared to the sector, analysis of the financial risks, and the assessment of cash flow projections. Default point analysis measures the distance from the point of default and it is based on relevant sector firm's past financial performance, ratios derived from distinctive default statistics, and statistically derived coefficients. This analysis is based on genuine statistical study of SAHA, covering companies in Turkey. Comparative performance analysis of the sector determines the position of the company concerned in comparison with the sector firms' recent financial performances. Financial risk analysis covers the evaluation of the company's financial ratios on the basis of objective criteria. Liquidity, leverage, asset quality, profitability, volatility and concentration are treated as sub-headings in this analysis. Finally, scenario analysis tackles the company's future base and stress scenario projections subject to scrutiny in the context of the firm's financing tool and assesses the risks of fulfillment of obligations.

Qualitative analysis covers operational issues such as sector and company risk as well as administrative risks in the context of corporate governance practices. Sector analysis evaluates the nature and rate of growth of the sector, its competitive structure, structural analysis of customers and creditors, and sensitivity of the sector to risks at home and abroad. Company analysis discusses market share and efficiency, growth trend, cost structure, service quality, organizational stability, access to domestic and foreign funding sources, off-balance sheet liabilities, accounting practices, and parent / subsidiary company relationships.

Corporate governance plays an important role in our methodology. Our methodology consists of four main sections; shareholders, public disclosure and transparency, stakeholders, and board of directors. The corporate governance methodology of SAHA can be accessed at [www.saharating.com](http://www.saharating.com).

## Rating Definitions

Our long-term credit ratings reflect our present opinion regarding the mid to long term period of one year and above; Our short-term credit ratings reflect our opinion regarding a period of one year. Our long-term credit rating results start from AAA showing the highest quality grade and continue downward to the lowest rating of D (default). Plus (+) and minus (-) signs are used to make a more detailed distinction within categories AA to CCC.

Companies and securities rated with long-term AAA, AA, A, BBB and short-term A1 +, A1, A2, A3 categories should be considered “investment worthy” by the market. According to the structured finance regulation, for asset backed securities, the top three rating degrees represent “investment worthy” securities.

Short Term	Long Term	Rating Segment	Rating Definitions
(TR) A1+	(TR) AAA (TR) AA+ (TR) AA (TR) AA-	First Degree	The highest credit quality. Indicates that ability to meet financial obligations is extremely high. For securities, it is an indication of no more than a slight additional risk as compared to risk-free government bonds.
(TR) A1	(TR) A+ (TR) A	Second Degree	Credit quality is very high. Very high ability to fulfill financial obligations. Sudden changes at the company level and/or economic and financial conditions may increase investment risk, but not significantly.
(TR) A2	(TR) A- (TR) BBB+	Third Degree	High ability to fulfill financial obligations, but may be affected by adverse economic conditions and changes.
(TR) A3	(TR) BBB (TR) BBB-	Fourth Degree	Sufficient financial ability to fulfill its obligations, but carries more risk in adverse economic conditions and changes. If securities; has adequate protection parameters, but issuer’s capacity to fulfill its obligations may weaken in face of adverse economic conditions and changes.

Companies and securities rated with long-term BB, B, CCC, and short-term B1, B2, C categories should be considered “speculative” by the market.

(TR) B1	(TR) BB+ (TR) BB (TR) BB-	Fifth Degree	Carries minimum level of speculative features. Not in danger in the short term, but faces negative financial and economic conditions. If securities; below investment level, but on-time payments prevail, or under less danger than other speculative securities. However, if the issuer’s capacity to fulfill its obligations weakens, serious uncertainties may unfold.
(TR) B2	(TR) B+ (TR) B (TR) B-	Sixth Degree	Currently has the capacity to fulfill financial obligations, but highly sensitive to adverse economic and financial conditions. If securities; there is a risk in due payment. Financial protection factors can show high fluctuations depending on the conditions of the economy, the sector, and the issuer.
(TR) C	(TR) CCC+ (TR) CCC (TR) CCC-	Seventh Degree	Well below investment grade. In considerable danger of default. Fulfillment of its financial obligations depends on the positive performance of economic, sectoral and financial conditions. If securities; there are serious uncertainties about the timely payment of principal and interest.
(TR) D	(TR) D	Default	Event of default. The company cannot meet its financial obligations or cannot pay the principal and/or interest of the relevant securities.

## Disclaimer

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