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THE REPORT'S NAVIGATION

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The "" symbol refers to the information on both the Takasbank website and external links.

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İstanbul Takas ve Saklama Bankası A.Ş. (Takasbank, the Bank), which published its first Integrated Annual Report in 2022 for the operating period of 2021, presents its third Integrated Annual Report to its stakeholders with the "2023 Integrated Annual Report".

With "Takasbank Annual Integrated Report for 2023", Takasbank aims to inform its stakeholders about the activities that it has carried out and the financial and nonfinancial resources that it has used during such activities between 01/01/2023 - 31/12/2023 as well as the economic, social, and environmental outcomes of its activities and its future-oriented goals and objectives.

CONTENT, SCOPE AND REGULATORY FRAMEWORK OF THE REPORT

"Takasbank 2023 Annual Integrated Report" presents current and up-to-date information about the activities conducted by the Bank with its approach focused on creation of sustainable values, by addressing both financial and non-financial capital elements of Takasbank.

The contents of Takasbank 2023 Annual Integrated Report include Takasbank's financial and non-financial performance outcomes for 2023, its strategy, integrated business model, the Bank's material issues, its relations with stakeholders, major risks that it is exposed to due to its activities and its opportunities, and the Bank's sustainability efforts, which are provided together with their financial, environmental and social aspects. The report also provides, where relevant, information and explanations about Borsa Istanbul Group companies, i.e., Borsa İstanbul A.Ş. and Merkezi Kayıt Kuruluşu A.Ş., on an individual topic basis. However, the activities of the Bank's subsidiaries are excluded from the scope of the report.

Takasbank 2023 Annual Integrated Report meets the minimum requirements regarding activity reporting as specified in the "Regulation on Principles and Procedures regarding the Preparation and Publication of Annual Reports by Banks" issued by the BRSA and the Turkish Commercial Code.

Takasbank's independently-audited financial statements dated 31 December 2023 and the related explanatory footnotes constitute a supplementary and integral part of this Report. The "Unconsolidated Financial Statements and Independent Auditor's Report for the Fiscal Period that ended on 31 December 2023" are provided on pages 173 - 315 of the Report.

The contents of the Report were prepared using the International Integrated Reporting <IR> framework of the International Integrated Reporting Council. In addition, the United Nations Sustainable Development Goals (SDG) requirements were also taken into account in the preparation of the Report.

Takasbank 2023 Annual Integrated Report was prepared in accordance with the GRI Standards 2021 published by the Global Reporting Initiative. The GRI Standards Content Index is provided on page 316 of the Report.

AUDIT

The financial data provided in Takasbank 2023 Annual Integrated Report were audited by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. The "Independent Auditor's Opinion on the Board of Directors' Annual Report" is provided on pages 170-172 of the Report.

EXECUTIVE MANAGEMENT STATEMENT

The 2023 Annual Integrated Report sets forth the financial and non-financial values created by Takasbank as a result of its operations and how the bank used its financial, human, intellectual, manufactured, natural and social capital elements in the relevant fiscal period according to Takasbank Executive Management's opinions. The relevant Responsibility Statement is provided on page 169 of the Report.

MATERIALITY APPROACH

The Report presents the matters considered to be material about the Bank's value generation process and financial and non-financial outcomes, which are aimed at informing all currently existing and potential stakeholders of Takasbank.

FORM OF REPORT PUBLICATION

"Takasbank Annual Integrated Report for 2023" has been produced in a limited number of physical copies to avoid excessive paper consumption, and the report can also be accessed digitally on the Bank's corporate website using the QR code on the next page.

You can send your views, remarks and suggestions about the Report via e-mail to **spy@takasbank.com.tr**.

The Reporting Period, the Trade-Name and the Business Name of the Bank, and the Contact Details including the Address of the General Directorate, Telephone and Fax Numbers, Website and Electronic Mail Addresses

Period of the Report:	Annual Report for 2023
Trade-Name of the Bank:	İstanbul Takas ve Saklama B
Business Name of the Bank:	"TAKASBANK" or "TAKAS İS
Headquarters Address:	Reşitpaşa Mahallesi, Borsa İ
Telephone:	0 212 315 25 25 (pbx)
Fax:	0 212 315 25 26 (pbx)
Trade Registration No.:	276870
Mersis (Central Registry System) No:	0481002693100015
Branch Details:	None.
	For General Information: bil
Electronic Mail Addresses	For Member Details: uye@ta
Electronic Mail Addresses:	KEP (Registered E-Mail) Add
	KEP Address 2: takasbank@

	Takasbank Communication Channels:	
R	https://www.takasbank.com.tr/en	
f	https://www.facebook.com/Takasbank	
X	https://x.com/Takasbank	
0	https://www.instagram.com/Takasbank	
in	https://www.linkedin.com/company/Takasbank	
₽	https://www.youtube.com/user/Takasbank	

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Bankası Anonim Şirketi

STANBUL".

İstanbul Caddesi, No: 4 Sarıyer 34467 İstanbul

ilgi@takasbank.com.tr :akasbank.com.tr idress: takasbank.haberlesme@hs03.kep.tr @hs01.kep.tr



Please scan the QR code to access the website.



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>>> ABBREVIATIONS

AML	Anti-Money Laundering and Counter-Terrorist Financing
ANNA	The Association of National Numbering Agencies
BCMS	Business Continuity Management System
BEFAS	Private Pension Fund Trading Platform
BİAŞ	Borsa İstanbul A.Ş.
BRSA	Banking Regulation and Supervision Agency
CBRT	Central Bank of Republic of Türkiye
CFI	Classification of Financial Instruments
СМВ	Capital Markets Board
CML	Capital Markets Licensing
СРР	Central Counter Party
CRA	Central Registry Agency
DCS	Domestic Clearing and Settlement
DTO	Digital Transformation Office of the Presidency
EACH	The European Association of CCP Clearing Houses
EDMS	Electronic Document Management System
EFT	Electronic Fund Transfer
EMIR	European Market Infrastructure Regulation
EMRA	Energy Market Regulatory Authority
EPİAŞ	Enerji Piyasaları İşletme A. Ş.
ERPD	Exchange Rate Protected Deposit
ESM	Environmental, Social and Management
ESMA	European Securities and Markets Authority
ESTS	Electronic Securities Transfer System
EU	European Union
EWR	Electronic Warehouse Receipts
FC	Foreign Currency
FISN	Financial Instrument Short Name
GDDS	Government Domestic Debt Securities
GLEIF	Global Legal Entity Identifier Foundation
GRI	Global Reporting Initiative
ICAAP	Internal Capital Adequacy Assessment Process
ICC	Interbank Card Center
ICC (YTM)	Investor Compensation Center
	•

IMF	International Monetary Fund
IS	Information Systems
ISIN	International Securities Identification Number
ISMS	Information Security Management System
ISO	International Organization for Standardization
IT	Information Technologies
LEI	Legal Entity Identifier
LTT	Leveraged Trading Transactions
MASAK	Financial Crimes Investigation Board
OH&S	Occupational Health and Safety
OTC	Over-The-Counter (Transactions)
PDP (KAP)	Public Disclosure Platform
PMTS	Precious Metals Transfer System
PPS	Private Pension System
PSDI	Private Sector Debt Instruments
R&D	Research and Development
REM (KEP)	Registered Electronic Mail
SASE	Sarajevo Stock Exchange
SDG	Sustainable Development Goals
SLM	Securities Lending Market
SWIFT	Society for Worldwide Interbank Financial Telec
T.C.	Republic of Türkiye
TBB	Banks Association of Türkiye
TCMA	Turkish Capital Markets Association
TEFAS	Türkiye Electronic Fund Trading Platform
TETS	Takasbank Electronic Transfer System
TL	Turkish Lira
TLREF	Turkish Lira Overnight Reference Interest Rate
TMEX	Turkish Mercantile Exchange
ТММ	Takasbank Money Market
TMSF	Savings Deposit Insurance Fund
VİOP	Futures and Options Market
YEK-G	Renewable Energy Guarantees of Origin

ecommunications

ß \wedge TAKAS ISTANBUL 2023 ANNUAL INTEGRATED REPORT

TAKASBANK OVERVIEW

Conducting its operations as an investment bank, central clearing, settlement and central counterparty institution, payment system operator and R&D center, Takasbank provides important services such as clearing, settlement, custody, collateral and risk management, settlement, central counterparty and banking to its members in the Turkish capital markets.

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ABOUT TAKASBANK

Conducting its operations as an investment bank, central clearing, settlement and counterparty institution, payment system operator and R&D center, Takasbank provides important services such as clearing, settlement, custody, collateral and risk management, settlement, central counterparty and banking to its members in Turkish capital markets.

Takasbank is the central clearing institution authorized to conclude clearing and settlement of cash and securities in relation to the transactions related with;

- equities,
- • debt securities/instruments,
- • foreign capital market instruments,
- derivatives,

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 \checkmark

• precious metals

executed in the existing markets under the structure of Borsa Istanbul. The commitments to deliver and receive securities arising from trading transactions of Borsa Istanbul members and the payment commitments in return for the traded securities are concluded and settled on account via Takasbank. Serving as a bridge between money and capital markets by providing reliable, fast and costeffective cash transfer service, Takasbank offers clearing and settlement services for the markets operating under the structure of Borsa Istanbul within the framework of the capital markets, payment systems and Borsa Istanbul legislation in connection with the organized markets in a fully-automated environment

In addition to the above-mentioned central clearing and settlement service; it provides cash settlement, and collateral management services as the Central Settlement Institution at the Electricity Market, Electricity Futures Market, Renewable Energy Guarantees of Origin Market, Organized Wholesale Natural Gas Market and Natural Gas Futures Market under the structure of Enerji Piyasalari İşletme A.Ş.; as well as the services such as creation and entry of warehouse receipts in relation to electronic warehouse receipts (EWRs) with the approval of the Ministry of Commerce of the Republic of Türkiye, ISIN code generation, and clearing and settlement service for electronic warehouse receipts under the structure of Turkish Mercantile Exchange; and risk and collateral management services provided as central clearing institution and central counterparty in relation to interestbacked TL IRS (interest rate swap) and TL OIS (overnight index swap) contracts.

Over the years, Takasbank has expanded its range of banking products with instruments including cash and non-cash loan facilities, aimed at helping the markets gain depth by providing efficiency and convenience in capital market transactions. In addition to cash loan facilities that it offers, Takasbank conducts its banking activities supported with cash and non-cash loan facilities through the markets and platforms that it operates, such as Takasbank Money Market, Türkiye Electronic Fund Trading Platform, Private Pension Fund Trading Platform and Securities Lending Market, and the clearing and settlement transactions of Turkish Capital Markets by minimizing risks, providing liquidity to the relevant money and capital markets and aiming to finally conclude settlements without errors and on time. Thus, it not only provides efficiency in both cash and securities transfer transactions, but also ensures the timely and secure fulfilment of the clearing & settlement obligations on the value date

One of Takasbank's existential goals is to contribute in the management of counterparty credit risk and systemic risk in the markets and the strengthening of the risk management infrastructure of capital markets by developing an efficient central collateral and risk management system. Based on the legal grounds provided by the new Capital Markets Law no. 6362 that entered into force on 30 December 2012, Takasbank has been acting as the "seller" against each buyer or as the "buyer" against each seller under its capacity as the "central counterparty" and warranting the fulfilment of clearing & settlement obligations related with the markets in the Securities Lending Market operated under its roof as of 2 September 2013, in Borsa İstanbul A.Ş Futures and Options Market as of 3 March 2014, in Borsa Istanbul A.S. Money Market as of 14 October 2016, in Borsa Istanbul A.Ş. Equity Market as of 19 June 2017, in Borsa Istanbul A.Ş. Debt Securities Market as of 2 July 2018, in Borsa Istanbul A.S. SWAP Market as of 1 October 2018, and in Over-The-Counter Derivatives Market as of 19 December 2019.

Takasbank provides access to foreign assets traded in more than 65 markets worldwide through its current global custody network. Within the scope of this service, Takasbank provides custody service for the relevant capital market instruments through its accounts held at international clearing & settlement institutions and depositories (Euroclear and Clearstream) or global custodians (Citibank).

Takasbank also became an "On-Site R&D Center" again on 21 April 2017 with the approval of the Republic of Türkiye Ministry of Industry and Technology under the Law No. 5746.

"Takasbank Cheque Clearing System" allows for payment of cheques on account between bank branches, and intermediation in the clearing and settlement transactions and collateral management. "Precious Metals Transfer System" allows for person-to-person transfer of gold to the system-member banks and customers, thus further increasing the mobility of gold in the economy, bringing under-the-mattress gold back to the economy, and transforming gold from a saving instrument into a payment instrument. "BiGA Gold-Backed Digital Asset Platform" is a transfer system that facilitates the transfer of digital assets by Takasbank using blockchain technology, is backed by a physical underlying asset, and can be executed in line with current regulations

Under the Crowdfunding Communiqué issued by the CMB, Takasbank provides services as "escrow agent" where the funds collected through crowdfunding platforms will be held and blocked until they are transferred to the venture capital company or returned to the investors, and also collateral custody services for the Interbank Card Center (ICC) and its members within the scope of the collateral management mechanism established for the Domestic Clearing and Settlement (DCS) System currently operated by the ICC.

Takasbank also provides services related with "TapuTakas System" (Title Deed Transfer System) that allows for simultaneous exchange of the ownership right and the sales price of the real estate in question; and with "Taşıt Takas System" (Vehicle Transfer and Settlement System) preventing the problems faced by buyers and sellers at the time of exchange of the ownership right of the vehicle and the related purchase-sale price. On December 22, 2022, the Deed Transfer System and on November 3, 2023, the Vehicle Transfer System will be accessible via e-Government. In addition, Takasbank provides services as a custodian to Private Pension companies, and monitors the fund units/ shares within the scope of voluntary and auto-enrolment systems on a dematerialized basis on behalf of participants and in a manner accessible by participants over the e-Government system. It also provides international numbering service for the securities and legal persons and entities established and resident in our country.

The processes regarding the acceptance, custody, registration as revenue, return and extension of the validity of temporary electronic letters of guarantee issued by banks and temporary surety bonds issued by insurance companies on behalf administrations for further submission to the tenders held within the scope of the Public Procurement Law no. 4734 are managed by Takasbank through "Takasbank Public Collateral Management Service".

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Takasbank maintains its vision to become an exemplary and preferred organization among international clearing & settlement and custody institutions by strengthening its position in domestic and international markets with the said projects and comprehensive efforts conducted.

Explanations about the products and services offered by Takasbank and the information about the developments in 2023 are provided under the headings of **"Explanations about the Bank's Service Types and Fields of Operation «"** and **"Developments in 2023 «"** as included in the section **"Performance in 2023 «"** of the Report.

HISTORICAL DEVELOPMENT OF TAKASBANK

1990s

- IMKB Takas ve Saklama A.Ş. was established in 1992.
- The CMB (Capital Markets Board) authorized Takasbank as the National Numbering Agency in 1995.
- The trade-name of the company was changed as IMKB Takas ve Saklama Bankası A.Ş. upon obtaining an investment bank license in 1995.
- Takasbank Monet Market (TMM) started operations in 1996.
- · Takasbank Electronic Transfer System was established in 1997.

2000s

- · Takasbank started to provide custody services for the Private Pension System in 2003.
- The Securities Lending Market service was launched in 2005.
- Takasbank became a member of the European Central Securities Depositories Association (ECSDA) in 2006.
- · Takasbank became a member of the Organization of the Islamic Cooperation (OIC) Member States' Stock Exchanges Forum in 2008.

2010s

- · Signed an agreement with TEİAŞ for execution of cash settlement and collateral management operations in the Electricity Market by Takasbank as the "Central Settlement Institution" in 2011.
- Türkiye Electronic Fund Trading Platform established by Takasbank became operational in 2011.

- Its tradename was changed as "İstanbul Takas ve Saklama Bankası A.S." in 2013.
- Takasbank was appointed by the CMB as the "Central Counterparty" in 2013.
- Takasbank was authorized as the local operating unit (LOU) for allocation of LEI codes under the sponsorship of the CMB in 2013.

Türkiye



- The Fund Information Platform became operational in 2015.
- Takasbank commissioned Tapu Takas (Title Deed Transfer) Project in 2015.

- Relocated to the new campus in Istinye in 2016.
- Declared by the CMB as a "Qualified Central Counterparty" in 2016.
- Became an On-site R&D Center in 2017.
- · Started to provide customer- and fund-based custody services as a part of PPS Auto-Enrolment System in 2017.
- · Started to provide cash settlement and collateral management services for EPİAŞ Natural Gas Market in 2018.
- · Commissioned the "Gold Transfer System" in 2018.
- Started to provide Takasbank Cheque Clearing System services in 2018.
- Launched Takasbank Blockchain-Based Transfer Platform "BiGA Digital Gold" in 2019.

BIGA PROJESÍ

2020s

- · Launched collateral custody services for the Domestic Clearing and Settlement System operated by the Interbank Card Center in 2020.
- · Launched Takasbank Taşıt Takas (Vehicle Transfer and Settlement) System in 2020.

- · Started to provide services as the "Equity-Based Crowdfunding Escrow Agent" in 2020.
- · Started in 2021 to act as an "escrow officer" for equity and debt based crowdfunding under the CMB's "Communiqué on Crowdfunding".
- · Started to provide cash settlement and collateral management services as the "Central Clearing & Settlement Institution" for EPIAS Electricity Futures Market, Renewable Energy Guarantees of Origin Market, and Natural Gas Futures Market in 2021.
- Commissioned the Private Pension Fund Trading Platform in 2021.



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· Started to accept temporary electronic letters of guarantee submitted for the tenders held within the scope of the Public Procurement Law no. 4734 in 2021.

· Started to accept temporary surety bonds submitted for the tenders held within the scope of the Public Procurement Law no. 4734 as of 3 January 2022.

· Launched "ISIN Türkiye Portal" service as of 1 March 2022.



· Started to accept all of the temporary letters of guarantee and temporary surety bonds submitted for the tenders held within the scope of the Public Procurement Law no. 4734 over Takasbank Public Collateral Management Portal as of 1 December 2022.

• Started to provide Tapu Takas (Title Deed Transfer) service via e-Government through secure access as of 22 December 2022.

· As of November 3, 2023, the Vehicle Transfer Service started to be offered through e-Government with secure access.

SUMMARY OF THE OPERATIONS IN 2023

BIAS EQUITY MARKET CLEARING & SETTLEMENT SERVICE

Compared to the previous year, the Equity

Market securities settlement volume has grown by 75,90% to 4.177,33 billion TL, and the cash settlement volume has grown by 64,42% to 1.038,35 billion TL.

BİAŞ DEBT SECURITIES MARKET CLEARING & SETTLEMENT SERVICE

55,51% - 197,90% GROWTH Compared to the previous year, the Debt

Securities Market securities settlement volume has grown by 155.51% to 18.970.91 billion TL and the cash settlement volume has grown by 197,90% to 10.273,26 billion TL.

BIAS SWAP MARKET CLEARING & SETTLEMENT SERVICE

32,59% GROWTH Compared to the previous year, the cash settlement volume in the SWAP Market has grown by 32,59% to 1.023,53 billion TL.

BIAS FUTURES AND OPTIONS MARKET CLEARING, SETTLEMENT AND COLLATERAL MANAGEMENT SERVICE

31% - 17% GROWTH

The VİOP (Futures and Options Market) profit/loss settlement amount has increased by 31% reaching 278 billion TL; and the market value of collaterals has increased by 17% to 60,8 billion TL.

The number of open accounts in VİOP has increased by 28% reaching 998.373; and the number of accounts with collateral balance has increased by 7% reaching 110.245.

OVER-THE-COUNTER DERIVATIVE TRANSACTIONS

The market has 22 members, 7.328 million TL of open positions, 1,4 million TL of total collateral, and 83 million TL of total guarantee fund contribution by 29 December 2023.

COLLATERAL MANAGEMENT AND **REPORTING TO THE CMB 51% GROWTH – 4% DECLINE**

LEVERAGED TRADING TRANSACTIONS

By the end of 2023, the balance of collaterals kept in custody has increased by 51% reaching 4,4 billion TL; and the annual total transaction volume has declined by 4% to 12.4 trillion TL

EPIAS ELECTRICITY MARKET The Electricity Market trading volume has been recorded as 1.801 million TL.



BİAŞ PRECIOUS METALS MARKET The trading volume in the BİAŞ Precious Metals Market has been recorded as

961.96 billion TL.

ELECTRONIC WAREHOUSE RECEIPTS

The clearing & settlement trading volume in Electronic Warehouse Receipts has been recorded as 82.03 billion TL.

COLLATERAL CUSTODY AND MANAGEMENT

SERVICE In 2023, temporary letters of guarantee in the amount of 300.52 billion TL and temporary surety bonds in the amount of 7,66 billion TL were accepted over Takasbank Public Collateral Management Platform.

TAKASBANK MONEY MARKET

In 2023, the total trading volume has grown by 228% to 11.419 billion TL, the daily average trading volume has been 45 billion TL, and the total number of transactions has been 493.739 in TMM; thus, reaching the highest values of the market since its establishment. On 27 October 2023, the record-breaking daily trading volume of 86 billion TL was recorded.

TAKASBANK SECURITIES LENDING MARKET

In 2023, transactions in the Securities Lending Market took place between 02 January and 06 February. Due to the earthquake on 06/02/2023, which had its epicenter in Kahramanmaraş and affected 10 provinces, short selling transactions in Takasbank Securities Lending Market were suspended until the short selling measure was lifted in accordance with the Short Selling Decision of the Capital Markets Board in its bulletin dated 06/02/2023 and numbered 2023/6.

TÜRKİYE ELECTRONIC FUND TRADING PLATFORM

In 2023, the total trading volume in TEFAS has grown by 284%, reaching 1.858 billion TL. On 28 December 2023, the highest daily trading volume of all time has been recorded with 18.4 billion TL.

PRIVATE PENSION FUND TRADING PLATFORM

increased by 321% to 18.3 billion TL. The highest daily trading volume record was achieved on October 5, 2023 with 167,5 million TL.

PRIVATE PENSION SYSTEM

The total fund size in the private pension system has grown by 73,5 %, reaching 749 billion TL.

Within the scope of custody of fund units for private pension system, custody service has been provided for fund units with a market value of 749 billion TL over nearly 21,3 million accounts.

FUND VALUATION AND REPORTING TO THE **CMB SERVICE GROWTH**

reaching 121,3 billion TL.

INVESTOR COMPENSATION CENTER LAPSE OF TIME TRANSACTIONS

In 2023, 53.600 new accounts were opened in relation to expired investor accounts and transferred to the ICC to be held in custody. With the new accounts opened in 2023. the total number of accounts has reached 118,200: and there are financial assets with a total amount of 137,1 million TL held in these accounts

ACCOUNT CONTRACTS

2.564 billion TL.

526 units of account contracts have been signed, and services have been provided for 2.388 institutions and 8.469 active users.

GLOBAL CUSTODY SERVICE

With the 33% growth in the average custody balance within the scope of global custody service, the market value for securities unde custody has exceeded 24,8 billion EUR. The number of members has increased by 14%, reaching 1.189.

NUMBERING SERVICE

36.886 ISINs have been allocated for capital market instruments; and LEI codes have been allocated for 941 legal entities.

LOCAL CURRENCY PAYMENT AND TRANSFER SYSTEM

recorded in 2023.

all banks in the CBRT EFT System by intermediating in the members' 1.079.763 units of outgoing TL transfers in the amount of 38,83 trillion TL and 1.717.021 units of incoming TL transfers in the amount of 38,84



PORTFOLIO CUSTODY SERVICE

The total fund size of collective investment schemes served within the scope of portfolio custody service has grown by 236%,

Within the scope of the fund valuation and reporting to the Capital Markets Board (CMB) service, the total fund size of collective investment schemes (mutual funds, private pension investment funds and investment trusts) served has grown by 113%, reaching

PRECIOUS METALS TRANSFER SYSTEM There have been 46.626 transactions and 20.234.711 grams of transfer volume

In 2023, Takasbank ranked third among

FOREIGN CURRENCY PAYMENT AND TRANSFER SYSTEM

In 2023, Takasbank intermediated in the members' foreign currency transfers with 38.000 units of transactions in USD totalling 172,9 billion USD and 7.261 units of transactions in EUR totalling 24,2 billion EUR.

TAKASBANK CHEQUE CLEARING SYSTEM

A total of 13.111.249 cheques were submitted to Takasbank Cheque Clearing System within 2023; and 12.494.814 cheques were settled after the cheques returned following the preauthorization inspections of the banks.

CROWDFUNDING ESCROW AGENT

Out of 74 published campaigns, 61 campaigns were closed successfully in 2023; and from the total amount of 767.191.379 TL collected including additional fundings, a total of 514.146.050 TL was transferred to 50 entrepreneur companies that have completed their processes.

TAPU TAKAS (TITLE DEED TRANSFER) SYSTEM

In 2023, Takasbank intermediated in 119 real estate purchase and sale transactions with a total amount of TL of 765.621.733.

TAŞIT TAKAS SİSTEMİ (VEHICLE TRANSFER AND SETTLEMENT) SYSTEM

In 2023, Takasbank intermediated in 2.243 vehicle purchase and sale transactions with a total amount of 1.374.506.595 TL.

GRI 2-12, 2-22, 3-3, 203-1

ACCOUNTING PERIOD ASSESSMENTS AND FUTURE PROJECTIONS BY THE CHAIRMAN OF THE BOARD OF DIRECTORS AND THE CHIEF EXECUTIVE OFFICER

MESSAGE FROM THE CHAIRMAN OF THE BOARD

Dear Stakeholders,

On February 6, 2023, our nation faced the most significant earthquake disasters in its history, resulting in the tragic loss of lives and injuries to tens of thousands of our fellow citizens. This profound catastrophe has plunged us into collective mourning. I extend heartfelt condolences to the families of those who lost their lives, and I earnestly pray for Allah's mercy to embrace them. In the aftermath of this devastating earthquake, our Bank has actively participated in providing assistance to our citizens affected by the disaster. We are committed to ongoing support for relief efforts in the coming period.

In 2023, global markets faced elevated risk and uncertainty as central banks implemented stringent monetary policies to combat inflation, compounded by geopolitical developments and the pervasive influence of the climate crisis on economies. The fluctuating prices of commodities, particularly in energy sectors, played a pivotal role in surpassing targeted inflation rates worldwide. Leading central banks are expected to sustain their monetary tightening policies, posing risks to emerging economies and contributing to a deceleration in global economic activity.

Despite global recession concerns and the February earthquake disaster, the Turkish economy demonstrated resilience by achieving a remarkable 5,9% growth in the third guarter, the highest among OECD and G20 nations; additionally, in 2023, there was an uptick in labor force participation and employment, a significant decrease in the unemployment rate, and improved inflation expectations resulting from macroprudential measures taken to counter inflation.

Takasbank, marking its continued commitment to the sustainable development and growth of our nation, sustained a robust and successful performance throughout the 100th anniversary of our Republic, mirroring its consistent achievements in previous years. Effectively serving our country's money and capital markets, our Bank concluded the year 2023 with a notable financial performance in alignment with its targeted objectives. By the conclusion of 2023, the Bank exhibited a remarkable financial performance, witnessing a surge in pre-tax profit by 123%, soaring from 2,3 billion TL to 5 billion TL compared to the previous year. Notably, total assets experienced a robust growth of 41%, escalating from 85,8 billion TL to 121,3 billion TL, while shareholders' equity witnessed a substantial increase of 61%, climbing from 4,5 billion TL to 7,3 billion TL.

Functioning as an on-site Research and Development (R&D) center, our Bank has consistently surpassed stakeholder expectations by aligning with its vision of providing uninterrupted service and fostering continuous development through a robust technological infrastructure and innovative practices. In response to the evolving needs and demands of our country's capital markets, the Bank successfully concluded five R&D projects in 2023, with an ongoing commitment to an additional seven projects, further solidifying its dedication to technological advancement and proactive solutions.

We are pleased to introduce the "Takasbank 2023 Integrated Annual Report" for the third consecutive year, providing our esteemed readers with insights into the economic, social, and environmental performance of our Bank. This report sheds light on the value our Bank creates for all stakeholders through its comprehensive range of services and activities. Our Bank distinguishes itself not only through its financial performance but also through the significant value it contributes to society. Emphasizing our commitment to sustainability activities and social contributions, we place great importance on these endeavors. In the forthcoming periods, we are steadfast in maintaining the momentum of our sustainability initiatives, carried out with meticulous attention, and are resolute in our dedication to contributing to the sustainable development of our country.

Takasbank has maintained its impressiv and robust performance, contributing significantly to the sustainable development and growth of our country, in alignment with its consistent success over the years, particularly during the momentous 100th anniversary year of our Republic.

Empowered by robust financial performance, an innovative service approach, and a superior technological infrastructure, our Bank remains committed to supporting the sustainable and robust growth of the Turkish economy in the forthcoming period, upholding the legacy it has built since its establishment. On behalf of the Board of Directors and myself, I express sincere gratitude to all our esteemed stakeholders, particularly our shareholders, trusted members, and dedicated employees, whose outstanding efforts have propelled our Bank forward.

Dr. Mahmut KAYACIK

Chairman of the Board of Directors

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ACCOUNTING PERIOD ASSESSMENTS AND FUTURE PROJECTIONS BY THE CHAIRMAN OF THE BOARD OF DIRECTORS AND THE CHIEF EXECUTIVE OFFICER



Dear Stakeholders of Takasbank,

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The year 2023 commenced with profound upheaval for our nation as we grappled with the earthquake disasters centered in Kahramanmaraş, affecting numerous neighboring provinces. The extensive destruction claimed tens of thousands of lives, leaving an indelible mark of sorrow on us all. My heartfelt condolences go out to the families and our nation, and I earnestly wish God's mercy upon all those we lost in the earthquake. In recognizing that overcoming such a colossal and tragic disaster requires unwavering solidarity and collaboration, Takasbank dedicated the entire year to aiding our fellow citizens impacted by the earthquake, facilitating the region's reconstruction, and alleviating the profound wounds inflicted by the calamity. Our commitment to supporting ongoing initiatives in this context remains steadfast in the coming period.

In 2023, the global landscape witnessed a universal struggle against inflation, mirroring Türkiye's own challenges. While developed economies concluded the year with interest rate hikes, indications in reports suggest that the tight monetary stance will persist into the next year. Türkiye, adhering to a firm monetary policy since June through interest rate hikes and quantitative tightening, maintained a stable approach to curb inflation. This policy, accompanied by simplified macroprudential measures and encouragement of the Turkish Lira, bore fruit in the last quarter of the year, showing promising signs of inflation containment. The effectiveness of these tightening policies, implemented without compromising growth, was evident in the reported third-quarter growth, providing crucial indicators of the sustainability of the program.

Continuing its steadfast commitment to the sustainable development of our country and capital markets, our Bank achieved another period of robust financial performance. Witnessing a remarkable growth, our asset size surged by 41% from 85,8 billion TL to 121,3 billion TL, shareholders' equity increased by 61% from 4,5 billion TL to 7,3 billion TL, operating profit before tax rose by 123% from 2,3 billion TL to 5 billion TL, and banking service revenues expanded by 123% from 1,3 billion TL to 2,9 billion TL. These impressive results signify our Bank's successful conclusion of 2023, marked by substantial growth and profitability.

As a crucial infrastructure institution in our capital markets, Takasbank continued its commitment to market development in 2023 by providing effective and innovative services that further enhance the financial landscape. The Bank marked a highly productive year, achieving record-breaking volumes in its operations and implementing numerous projects and developments aimed at enhancing the efficiency and uninterrupted operation of the markets.

In 2023, significant milestones were reached as new records were shattered in the total trading volumes of Takasbank Money Market (TMM), Turkish Electronic Fund Trading Platform (TEFAS), and Private Pension Fund Trading Platform (BEFAS), all established and operated by our Bank. Remarkably, total trading

volumes experienced substantial growth, surging by 228% on the TMM, 284% on TEFAS, and an impressive 321% on BEFAS compared to the previous year.

In 2023, the Borsa Istanbul Debt Securities Market witnessed transactions totaling 31.449 billion TL in the Outright Purchases and Sales and Repo-Reverse Repo Markets, with 300 billion TL specifically attributed to corporate bond transactions in the Outright Purchases and Sales Market. Furthermore, the International Bond Market saw transactions amounting to 7,6 billion TL, and the Committed Transactions Market recorded transactions totaling 204 billion TL. Within these transactions, cash settlements reached 10.273 billion TL, and securities settlements with a market value of 18.971 billion TL were realized through multilateral netting in the Takasbank system. In the Borsa Istanbul Swap Market, a unilateral transaction volume of 1.377 billion TL was achieved, with cash settlements totaling 1.024 billion TL resulting from multiple netting.

In the Borsa Istanbul Equity Market in 2023, a total trading volume of 32.846 billion TL was realized. Following the netting process, cash settlements amounted to 1.038 billion TL, and securities with a market value of 4.177 billion TL were realized.

As of the year-end, the Borsa Istanbul Futures and Options Market recorded a substantial growth, with the number of open accounts reaching an impressive 998 thousand. Concurrently, Takasbank successfully managed a market value of 60,8 billion TL as the collateral for VİOP transactions. Furthermore, by December 29, 2023, the open position in OTC Derivatives amounted to 7,3 billion TL.

The increment of private pension fund accounts within the voluntary system, under Takasbank's custodianship, has manifested a notable surge of approximately 1 million in comparison to the preceding year, culminating in a substantial 10 million accounts. Simultaneously, the aggregate fund size held by participants has experienced a commendable escalation, mounting by approximately 267,6 billion TL to attain a formidable 697 billion TL, inclusive of state contributions. Within the Automatic Enrollment System, the total fund size has reached a commendable 52,1 billion TL, with a concurrent augmentation in the number of accounts to 10,7 million. This steadfast growth and participation underscore the continued efficacy of the Private Pension System, serving as a pivotal contributor to the Turkish economy through the channeling of household savings.

The Bank has demonstrated significant growth in its global custody services, with a notable 14% increase in the number of members compared to the previous year. Additionally, the transaction volume surpassed EUR 82 billion. Distinguishing itself as one of the 13 institutions globally authorized to issue both ISINs and LEIs, the Bank has played a pivotal role by issuing 36.886 ISIN codes for various capital market instruments and allocating LEI codes to 941 legal entities.

The scope of our portfolio custody service expanded significantly, accommodating an increase of 67 funds to reach a total of 211. Notably, the total size of these funds achieved a record-breaking



As a crucial infrastructure institution in our capital markets, Takasbank continued its commitment to market development in 2023 by pro effective and innovative services that further enhance the financial landscape.

surge of 236% year-on-year, reaching 121 billion TL. Furthermore, within the purview of our Fund Valuation and Reporting service to the Capital Markets Board, the total size of funds for collective investment schemes (including mutual funds, private pension mutual funds, and investment trusts) experienced a remarkable growth of 113%, reaching 2.564 billion TL.

In 2023, our Bank, serving as the "escrow officer" in the Crowdfunding System—a platform uniting entrepreneurs seeking funding and individual investors exploring new investment opportunities-maintained its pioneering role as the first and only escrow officer in Türkiye's latest organized investment system. The Bank extended its services to a total of 26 crowdfunding platforms, with 14 of them being officially listed by the Capital Markets Board (CMB).

In 2023, aligning with our strategic objective of enhancing efficiency and market depth, our Bank successfully executed a diverse array of projects and developments. These initiatives, characterized by their added value, were realized through the integration of our robust technological infrastructure, effective management policies, and a customer-centric perspective, reflecting our commitment to innovation and progress in the financial landscape.

Our Bank successfully integrated the "Vehicle Settlement" application into the e-Government platform, with the objective of mitigating risks inherent in the simultaneous exchange of vehicle ownership and sales price. This integration, completed on November 3, 2023, has since been made accessible to our citizens, marking a significant advancement in enhancing the efficiency and security of vehicle-related transactions.

In 2024, Takasbank aims to expand the scope of the "Takasbank Public Collateral Management Platform" by incorporating processes related to letter of guarantees and performance surety bonds. Currently, the platform, developed in collaboration with the Public Procurement Authority, manages all temporary letters of guarantee and temporary surety bonds, handling acceptance, storage, compensation, return, maturity extension, and reporting processes. Furthermore, a service protocol was establishedbetweenTÜRİBandourBankonSeptember20,2023, paving the way for Takasbank to handle clearing, settlement, risk management, collateral, and default management transactions for the Electronic Warehouse Receipt Market. The anticipated launch of the "TÜRİB Technological Transformation Project" in 2024 further underscores our commitment to technological advancements and efficient market operations.

In 2023, our Bank maintained a steadfast commitment to ensuring sustainable customer satisfaction, with an unwavering focus on innovation. Throughout the year, the Bank implemented enhancements across all its services and activities based on valuable customer feedback. The results of the annual

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Takasbank Service Satisfaction Survey reflect an impressive satisfaction level of 92% among our members, affirming the success of our customer-centric approach and ongoing efforts to deliver innovative solutions.

We are delighted to share with you the "Takasbank Integrated Annual Report 2023" for the third consecutive year. This report not only showcases the financial performance of our Bank but also delves into the broader economic, social, and environmental impacts of our operations, underscoring our commitment to a holistic perspective. At Takasbank, sustainability is ingrained in every aspect of our business processes, with a keen awareness of minimizing environmental footprints. Our "Sustainability" section details the activities undertaken throughout the year. Recognizing our responsibility for the sustainable development of our country, we remain dedicated to creating value for all stakeholders. Our commitment to sustainability persists, and we pledge to sustain our efforts in this realm without pause, acknowledging the significance of this journey for the betterment of our society and environment.

Continuing its commitment to enhancing the development of capital markets and fostering the sustainable growth of our nation in the second century of our Republic, Takasbank remains dedicated to its ongoing contributions. I express my sincere gratitude to our esteemed Board of Directors for their invaluable contributions to our Bank. Special appreciation goes to all our dedicated employees who played a significant role during the 2023 operating period. I extend my heartfelt thanks to our shareholders, members, and all other esteemed stakeholders for their unwavering support.

Avsar R. SUNGURLU

Chief Executive Officer and Board Member

PERFORMANCE IN 2023

As with every year, Takasbank has continued to make its contributions in the strong and stable growth of our country in 2023.

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ASSESSMENT OF THE BANK'S POSITION IN THE SECTOR

Macroeconomic Outlook

In 2023, the monitoring of inflation was influenced by the monetary policy decisions of advanced economies' central banks, while economic activity was shaped by geopolitical developments and the volatility in oil prices.

During the global economic recovery, the emergence of a slowdown in economic activity and the growing divergence between advanced economies and emerging economies became prominent, leading to increased disparities in the recovery patterns across different regions.

Global inflation persisted above the expectations of both advanced and emerging economies, primarily driven by elevated energy prices, particularly in the case of oil prices.

Extended timelines for inflation to subside in developed nations, coupled with the adverse impacts of stringent monetary policies on growth, prompted downward revisions in growth projections for these countries. The International Monetary Fund (IMF) adjusted its global growth forecast from 3,5% for 2022 to 3,0% for 2023 and further to 2,9% for 2024. This adjustment indicates a shift from the 3,8% average growth observed in the global economy between 2000 and 2019, suggesting that the coming years are expected to fall below this historical average.

Sustainable borrowing, which gained prominence globally, especially in developed countries post the Covid-19 period, encountered a subdued trajectory last year. This was attributed to escalating borrowing costs and the energy crisis arising from conflicts between Russia and Ukraine. In both developed and emerging economies, the bond market continued to be the primary avenue for sustainability-themed borrowing, while the proportion of sustainability-themed bank loans experienced a decline.

Following a growth rate of 3,9% in the initial two quarters of the year, the Turkish economy recorded a notable expansion of 5,93% in the third guarter. Positive contributions to this growth were observed from machinery and equipment investments, while on the expenditure side, private consumption emerged as the primary driver of economic expansion.

The current account deficit contracted, primarily driven by a recent slowdown in imports stemming from reduced energy imports and a positive impact from tourism. However, potential risk factors to the current account deficit include the upward trend in commodity prices due to escalating geopolitical risks and a decline in global activity affecting external demand.

The earthquake disaster centered in Kahramanmaras in February had adverse effects on public finances. The budget faced challenges from increased expenditures on wages and earthquake-related costs. However, these impacts were mitigated by tax adjustments and austerity measures, allowing the budget balance to be maintained.

Throughout the year, elevated oil prices, adjustments in wages and taxes in response to the previous year's inflation, and a rise in the exchange rate contributed to the persistence of high inflation. While the third quarter experienced particularly elevated monthly inflation levels, the last guarter saw a decline, and the year concluded with inflation standing at 64%.

The Central Bank of the Republic of Türkiye (CBRT) initiated a tightening trend, commencing with the June monetary policy meeting and culminating in a policy rate increase from 8,5% to 42,5% at the December meeting. In conjunction with monetary tightening, the Monetary Policy Committee announced plans to streamline macroprudential regulations and terminated both the securities facility and participation in TL convertible ERPD accounts. Following the implementation of tightening measures in monetary policy and the simplified macroprudential framework, which prioritized Turkish Lira (TL) deposits, TL deposit rates began to align with policy rates. The new policy framework aimed at encouraging a transition from Excessive Required Primary Dealer (ERPD) accounts to TL deposit accounts, coupled with the rise in interest rates, led to a swift reduction in the total ERPD balance. This decline in ERPD balances was offset by the growth in TL deposits, while the shift towards foreign exchange (FX) deposits remained relatively limited. As a result of the policies enacted during this period, CBRT reserves experienced an increase, with total reserves reaching USD 141 billion by the end of the year.





ASSESSMENT OF THE BANK'S POSITION IN THE SECTOR

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Takasbank in International Markets

International Memberships

EACH European Association of Central Counterparty Clearing Houses (EACH)

EACH was founded in 1992 to represent the common interests of CCP clearing house organizations operating in European countries. Takasbank became a member of the European Association of Central Counterparty Clearing Houses at EACH General Assembly meeting held on 7 October 2014. With EACH membership, Takasbank has become able to be informed of the studies and efforts conducted within the EU in relation to CCP practices and to express its opinions on these issues, and to foster the relationships and cooperation with CCP institutions that are members of the Association. (https://eachccp.eu/?)



Association of National Numbering Agencies (ANNA) Membership

Established by 22 numbering agencies in 1992, ANNA is an international organization with more than 120 members and partners worldwide. National numbering agencies authorized to assign ISIN codes to securities are eligible to become a member of ANNA.

Having been an active member of ANNA since 1995 as the national numbering agency, Takasbank is a member of the Committee of ANNA Service Bureau (ASB) that aims to collect ISIN codes and basic securities information worldwide via Internet and to offer them as products to financial institutions since 2001 and that has more than 104 million of ISIN data. As the world's largest ISIN and CFI database, the ASB database constitutes a valuable resource for international financial markets. (https://anna-web.org/?)



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Organization of Islamic Cooperation Exchanges Forum (OICEF)

The OIC Exchanges Forum was established in 2005 through the initiatives of the Organization of Islamic Cooperation Standing Committee for Economic and Commercial Cooperation (COMCEC) in order to strengthen cooperation and encourage the transfer of knowledge and experience among the stock exchanges of member states. Borsa İstanbul A.Ş. has assumed the role of secretariat for and on behalf of the Forum. Forum meetings bring together OIC exchanges, clearing and custody institutions and other relevant OIC institutions every year. (https://www.oicexchanges.org/en/?)

The 17th Meeting of the OIC Exchanges Forum hosted by Borsa İstanbul A.Ş. was held online on 31 October 2023. Representatives from 14 exchanges, a total of 6 clearing and custody institutions together with Takasbank and 7 sectoral institutions attended the meeting.

CCP Global

CCP Global - The Global Association of Central Counterparties

Having assumed the function as the Global Association of Central Counterparties, CCP12 is an association comprising 41 out of over 60 CCP institutions operating across 5 continents worldwide. The Association aims to introduce, promote, and support effective risk management standards for CCPs while managing systemic risks in global financial markets; follows up the legislative regulations and initiatives regarding CCP practices, and organizes consultation meetings and forums. In addition, the CCP12 regularly publishes articles and reports on CCP practices.

Takasbank was accepted as a member of the group and became one of the 41 CCP institutions that are members of the CCP12 in the Annual General Assembly of CCP12 held in London on 06 June 2019. This membership contributes to the goal of ensuring convergence of Takasbank's CCP and central clearing and settlement practices with the best international practices. (https://ccp-global.org/?)



Society for Worldwide Interbank Financial Telecommunications (SWIFT) Membership

Swift Established in 1973, SWIFT is a cooperative organization in which the transactions of the financial world are executed quickly, precisely and reliably, and the members of which are also the shareholders of the organization. Over 11.000 financial institutions in more than 200 countries can reciprocally Exchange standard financial messages via SWIFT. Having joined SWIFT after obtaining its investment banking license, Takasbank has been a SWIFT member since 1996. Takasbank complies with international standards related with communication protocols thanks to its SWIFT membership. (https://www.swift.com/)



Association of National Development Finance Institutions in Member Countries of the Islamic Development Bank (ADFIMI)

ADFIMI, which stands for Association of National Development Finance Institutions in Member Countries of the Islamic Development Bank, was established as an international, autonomous and independent organization. In 1986, at the 11th Meeting of the Board of Directors of the Islamic Development Bank in Amman, a temporary founding assembly of NDFI representatives established ADFIMI. After being granted the status of an international organization by the Turkish government, ADFIMI started its activities in September 1987, based in Istanbul. (https://www.adfimi.org/ 🔊)

Relations with International Capital Markets

Globalization is a process allowing a country's financial markets to get closer to the markets in other countries or in the world. This process also means the elimination of barriers preventing international financial institutions from operating in all or some of the countries or making it difficult for them to provide cross-border financial services. This eventually causes the banking, capital markets and other financial markets to become closely connected with each other.

A series of standards and regulations on clearing, settlement and custody services have been introduced to encourage the participating countries of the global economy to develop their capital markets, particularly clearing, settlement and custody systems and to achieve harmony and compliance with international capital markets.

EMIR (European Market Infrastructure Regulation) and the "CPMI-IOSCO Principles for Financial Market Infrastructures" are the best known and most commonly utilized of such regulations developed to that end.

The globalization and the dependency occurring among financial markets as a result of globalization necessitate the improvement of the productivity, efficiency and reliability of the clearing, settlement and custody systems, which are among the most crucial elements of a country's capital market infrastructure, not only in local capital markets of the countries in question, but also in international markets.

Within the framework of harmonization of the Turkish capital markets with international capital markets, Takasbank strictly complies with all international standards regarding securities clearing, settlement and custody systems, particularly in terms of legal framework, operational reliability, operational efficiency and transparency, clearing & settlement principles, settlement hours, protection of customer assets and regulatory and supervisory issues.

In this context, Takasbank continues its operations in "full compliance" with the 22 principles developed by CPMI-IOSCO for financial market infrastructures.

In addition, Takasbank was also recognized by the CMB as a qualified CCP institution complying with CPMI-IOSCO Core Principles for Financial Market Infrastructures on 23 March 2016. Takasbank subsequently applied to the EU regulatory authority ESMA for recognition as a third-country CCP in August 2016; and our efforts towards conclusion of the said application have also been continued across the Bank in 2023. The efforts for such recognition will be continued with intensified activities following the satisfaction of the prerequisite for recognition; i.e., after the European Commission adopts an equivalence decision that the currently existing regulations in Türkiye are equivalent to the EU acquis with respect to recognition of CCP institutions.

Takasbank also continued its efforts to gain its deserved place among the international capital market institutions in 2023. In this context, acting together with BİAŞ and the CRA, it collaborated closely with international and regional

clearing, settlement, and custody institutions. In addition, Takasbank organized various trainings and workshops for the development of the regional capital markets in line with its goal of becoming a regional finance center.

Takasbank provides a clearing, settlement and custody infrastructure for Turkish financial institutions' investments in international markets as well as those made in the local capital markets through its overseas custody networks that it has established. This infrastructure is also used for the clearing & settlement of Islamic products of Eurobond nature as well as the International Bond Market in BİAŞ, and provides a clearing, settlement and custody infrastructure for

intermarket collaborations at regional and global level.

In 2023, the Takasbank CCP diligently monitored the initiatives undertaken by the World Federation of Exchanges (WFE). The WFE, dedicated to advancing efficient, equitable, and transparent markets, strives to safeguard the interests of investors and uphold the integrity of financial markets.

 Legal Entity Identifier Code (ISO 17442-LEI- Legal Entity Identifier) used for identification of legal entities that are a party to financial transactions, • BIC code (ISO 9362) used for identification of banks,

Takasbank is actively engaged as a member of the ISO TC68/ SC8 Mirror Committee within the International Organization for Standardization. This committee is dedicated to shaping international standards for securities and related financial instruments. Within this framework, the ISO TC68/SC8 Committee is committed to overseeing the evolution of standards in the realm of securities and financial instruments. Moreover, it plays a crucial role in actively contributing to the formulation of these standards and ensuring their effective implementation within the Turkish financial landscape.

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Activities for Implementation of International Standards in our Country

- The standards currently implemented in Turkish financial markets:
- ISIN (ISO 6166), FISN (ISO 18774), and CFI (ISO 10962) codes used for numbering securities,
- MIC code (ISO 10383) used for identification of markets,
- IBAN code (ISO 13616) that refers to the international customer bank account number standard.
- SWIFT messaging formats (ISO 15022) are used in international cash, securities, and commodity transfer transactions.
- Takasbank has been providing National Numbering Agency services since 1995. As the National Numbering Agency. Takasbank allocates ISIN - ISO 6166, FISN - ISO 18774, CFI -ISO 10962, and LEI - ISO 17442 codes.

Representation Practices for International Standards

ISO TC68/SC8 Committee Membership

REPRESENTATION AND PROMOTION

With the element of trust put in it, Takasbank has continued to provide support within the scope of participation and sponsorships in the events organized for the areas that it operates in; and paid utmost attention to the publicity of the institution within the scope of the promotion of Bank services

gradually diversified further for different target groups also in 2023. In this context, as with every year, information about the Bank's corporate developments have been shared with the public through the corporate website, social media accounts, press releases and online events in 2023.





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Within the scope of the e-Government integration of the Title Deed Clearing and Settlement System developed by Takasbank, which protects the parties in the purchase and sale of real estate, a Gong Ceremony was held at Borsa İstanbul on January 10, 2023 with the participation of Mr. Ali Taha KOÇ, Head of the Digital Transformation Office of the Presidency of the Republic of Türkiye; Ms. Fatma VARANK, Deputy Minister of Environment, Urbanization and Climate Change of the Republic of Türkiye; Mr. Mehmet Zeki ADLI, General Director of Land Registry and Cadastre, Mr. Hasan Hüsevin ERTOK. General Director of TÜRKSAT. Mr. Mustafa AYDIN, Deputy Chairman of the Banking Regulation and Supervision Agency, senior executives and authorized employees of Borsa İstanbul Group companies.

The Land Registry Clearing and Settlement System can also be accessed through e-government (https://www.turkiye. gov.tr/ttvsb-taputakas-gayrimenkul-alim-satim-bedelinintakasbank-araciligiyla-odenmesi-islemleri ?) and the Land Registry Clearing and Settlement System, which until now has conducted real estate purchase and sale transactions through the website and mobile application, has moved to a multi-channel structure with the addition of the e-Government portal.

In alignment with the Paris Agreement, which gained approval from the Turkish Grand National Assembly through Presidential Decree No. 4618 on 07/10/2021 and came into effect on 10/11/2021, Türkiye has asserted its commitment to a 41% reduction in emissions by 2030 compared to the reference scenario. This pledge was formalized through the updated National Contribution Declaration presented at the 27th Conference of the Parties. Takasbank actively participated in the "Climate Change Action Plan Workshop" convened in Ankara on January 10, 2023. This workshop was conducted as part of the comprehensive Climate Change Action Plan, aiming to identify and implement activities related to climate change. The objective is to align these initiatives with the 2053 Net Zero Emission target and the National Contribution Declaration proclaimed by Türkiye.

During the 3rd meeting of the National Carbon Pricing Specialized Working Group (POIWG), created as part of the Green Deal Action Plan under the coordination of the Ministry of Trade and the Climate Change Directorate of the Ministry of Environment, Urbanization, and Climate Change of the Republic of Türkiye, a comprehensive presentation took place on February 14, 2023. The focus of the presentation was to outline the specific roles and responsibilities entrusted to Takasbank, along with the structured framework devised for the impending establishment of the Emissions Trading System and Carbon Market. This signifies a pivotal step in the Republic of Türkiye's commitment to addressing climate change and advancing sustainable practices within the nation.



In the year 2023, details about Takasbank's undertakings were disseminated through various publications featuring titles such as "Services Provided by Takasbank" and "Takasbank Public Collateral Management Project".

On March 2, 2023, Takasbank actively took part in the Sustainability Meeting organized by the Banks Association of Türkiye and the Public Oversight, Accounting and Auditing Standards Authority (POA), with a focus on "POA Functions and Sustainability Related Activities".



On May 2, 2023, the Borsa Istanbul Group sponsored the eighth "New Generation Entrepreneurship Summit," held online, exploring the theme "Entrepreneurship for Healing" and examining the potential of entrepreneurship to address future challenges, including earthquakes, climate change, and obstacles in accessing essential services like health, food, and education.

REPRESENTATION AND PROMOTION

In 2023, Borsa İstanbul actively contributed to various educational initiatives, participating as a panelist in the "Certificate Program on Going Public in Companies' Access to Finance" organized by TSPB between June 15-22. Additionally, on June 8, 2023, Borsa İstanbul served as an instructor in EPİAŞ Spot Market Trainings, conducted by EPİAŞ, and later, on November 16, 2023, played an instructional role in a panel as part of the Improvement of Financial Literacy Processes Project organized by Ege University.



During the FIA Expo Derivatives Market Conference in Chicago on October 2-3, 2023, Takasbank showcased its central counterparty services at its booth, engaging participants and facilitating consultations with regional institutions to promote collaboration and exchange of expertise in the derivatives market.



As part of the seventh Turkish Capital Markets Congress and World Investor Week, jointly held between October 2-6, 2023, online panels were organized, featuring the participation of Türkiye's foremost experts for individual investors and sector companies, with the significant main sponsorship support provided by the Borsa İstanbul Group for the event. Takasbank took an active role as a speaker in two panels, namely "What Risks and Opportunities Does Digitalization Bring to Financial Markets?" and "Capital Markets from the Past to the Future as We Enter the Second Century of the Republic," during the seventh Turkish Capital Markets Congress and World Investor Week. The Bank also disseminated information about its services at the Congress, which focused on enhancing financial literacy in capital markets. The overarching theme of the event was "Strong Capital Markets, Strong Türkiye in the Second Century of the Republic," commemorating the 100th anniversary of the Republic and emphasizing the pivotal role of robust capital markets in the nation's continued strength and growth.

As part of preparations for the anticipated Marmara earthquake, a priority for financial institutions, Takasbank actively participated in the "Earthquake Preparedness Workshop" on October 2, 2023, organized jointly by the Disaster and Emergency Management Presidency and the Banks Association of Türkiye, and in a subsequent video conference call on "AKOM - Information on Disaster Preparedness Activities" conducted by the Banks Association of Türkiye on November 1, 2023.

Throughout the year, Takasbank implemented updates to lecture notes covering various topics such as clearing and settlement operations, SLM, TMM, TEFAS, BEFAS, etc., all falling within the purview of Takasbank's activities. The Bank's teams actively supplied requested data to university students for incorporation into their academic studies, aligning with Takasbank's commitment to supporting educational initiatives. Furthermore, the Bank played a key role in orientation programs for newly recruited employees within the Borsa İstanbul Group, offering comprehensive training sessions to introduce participants to Takasbank's diverse activities. As part of the Borsa İstanbul Talent Management and Training Program, Takasbank contributed as a trainer in both the Student Training Program and the Media Employees Training Program.

In line with its established practice, Takasbank persistently offered training to its members in 2023, delivered by its dedicated employees and encompassing a range of topics within the scope of its activities and services. Throughout the year, members received concise training sessions, covering the operational nuances of TEFAS and BEFAS processes, global custody services, electricity market transactions, and the intricacies of portfolio custody and fund valuation transactions specifically tailored for mutual funds.

The CCP General Evaluation meetings, initiated in 2021, persisted at regular intervals throughout 2023, providing ongoing opportunities for comprehensive assessments and discussions with the Bank's members.

Takasbank participated in the Emissions Trading System Market Design and Surveillance Processes Consultation meeting on March 20, 2023, the Emission Trading System Training Program organized on 12-13 April 2023 and 4-5 May 2023 for Emission Trading System applications within the scope of Türkiye-EU High Level Climate Dialogue, the Carbon Pricing Panel, where international examples were presented, organized to contribute to capacity building on carbon pricing on May 17, 2023, the Preparatory Meeting for the 4th meeting of the National Carbon Pricing Specialized Working Group on July 19, 2023 and the Emissions Trading System Market Technical Working Group on September 8, 2023. On July 26, 2023, Takasbank made a presentation on clearing, settlement, collateral and risk management of the Carbon Market at the 2nd meeting of the Emissions Trading System Sub-Working Group.

In collaboration with the Capital Markets Association of Türkiye and the Association of Institutional Investment Managers of Türkiye, Takasbank organized the fourth edition of the "My Golden Egg University Student Fund Basket" virtual fund competition in 2023. This initiative aimed to stimulate university students' interest in capital markets, promote longterm savings and investments among young individuals, and enhance awareness of mutual funds and the widespread use of the TEFAS platform. In a departure from previous editions, this year's competition introduced a sustainability focus, making it mandatory for participants to allocate at least five percent of their investments to "sustainability" funds. Takasbank, leveraging the technical infrastructure of TEFAS, actively contributed to this contest, designed for university students, as part of its commitment to supporting financial literacy.





The e-Government integration (<u>https://www.turkiye.gov.tr/ttvsb-tasit-takas-tasit-alim-satim-bedelinin-takasbank-araciligiylaodenmesi-islemleri</u>) of Takasbank's "Vehicle Clearing and Settlement" application, designed to mitigate risks in the simultaneous exchange of vehicle ownership and sales prices, was successfully concluded on November 3, 2023, followed by an official ceremony on December 12, 2023, marking a significant advancement in administrative efficiency and security. The e-Government integration ceremony of the Vehicle Clearing and Settlement System, a Secure Payment System developed by the Union of Notaries of Türkiye under the guidance of the Ministry of Trade and the Ministry of Justice, witnessed the presence of notable figures including Muhammed Yusuf Olca, Head of the Digital Expertise, Monitoring and Evaluation Department at the Digital Transformation Office of the Presidency of the Republic of Türkiye; Ahmet Savaş, Deputy General Manager of Türksat Information Services; senior executives from the Borsa Istanbul Group; and officials representing the institutions benefiting from Vehicle Clearing and Settlement services.



Articles titled "Takasbank's EU Recognition Process" and "BEFAS Continues to Grow" were crafted for publication in the "Institutional Investor" magazine, a quarterly publication by the Association of Institutional Investment Managers of Türkiye, and were featured in the 63rd issue covering the October-December 2023 period. Furthermore, regular quarterly data updates for TEFAS and BEFAS were provided for inclusion in the magazine.

(https://www.tkyd.org.tr/assets/kurumsal_yatirimci_63-25cb239bbb4775c41f89ea869dd0901f.pdf 🔊)

On December 19, 2023, Takasbank actively engaged in the "5-year Pension Monitoring Center Strategic Plan Preparations Workshop," focusing on the 2024-2028 period. This workshop, facilitated by the Pension Monitoring Center, gathered managers from portfolio management companies overseeing pension investment funds, along with representatives from the Central Registry Agency and the Turkish Capital Markets Association.

Aligned with its vision and commitment to robust stakeholder relations, Takasbank endeavors to sustain active engagement in the international arena. Throughout the year, the Bank facilitated both face-to-face and online meetings with numerous domestic and foreign institutions and organizations, featuring the involvement of the Bank's Senior Management as well as employees in managerial and expert roles.



FIVE-YEAR SUMMARY FINANCIAL DATA **INCLUDING THE REPORTING PERIOD**

(Thousand TL)	2023	2022	2021	2020	2019
Total Assets	121.341.014	85.804.572	45.024.011	25.388.236	16.734.560
Shareholders' Equity	7.280.762	4.516.939	3.236.902	2.562.447	2.308.095
Paid-in Capital	600.000	600.000	600.000	600.000	600.000
Net Interest Income	4.700.292	1.565.475	790.353	454.590	547.603
Net Non-Interest Income	333.357	694.693	387.673	231.856	228.777
Profit Before Tax	5.033.650	2.260.168	1.178.025	686.446	772.335
Net Profit	3.639.129	1.732.121	890.757	539.374	612.346

(Thousand USD)*	2023	2022	2021	2020	2019
Total Assets	5.110.429	5.173.625	3.469.390	3.458.652	2.817.171
Shareholders' Equity	306.638	272.351	249.424	349.083	388.555
Paid-in Capital	25.270	36.177	46.234	81.738	101.007
Net Interest Income	197.959	94.391	60.902	61.929	92.186
Net Non-Interest Income	14.040	41.887	29.873	31.586	38.513
Profit Before Tax	211.998	136.278	90.774	93.515	130.018
Net Profit	153.267	104.439	68.639	73.479	103.085

* For 2023 calculations, the annual average exchange rate was used as 23,7438.

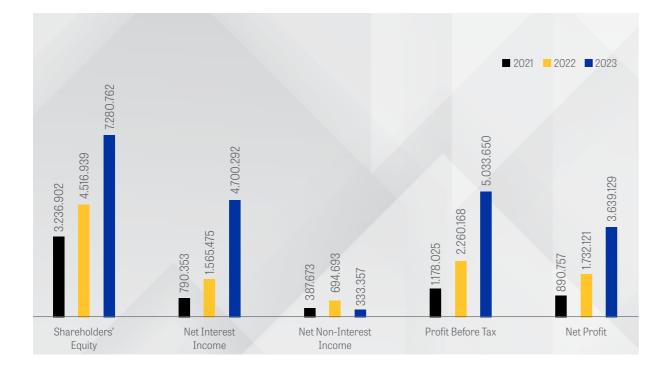
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INTEGRAT

2023

Financial Ratios (%)	2023	2022	2021	2020	2019
Net Profit/Return On Assets (ROA)	3,51	2,65	2,53	2,56	4,32
Net Profit/Return On Equity (ROE)	61,69	44,68	30,72	22,15	30,39
Net Profit Margin	45,92	54,62	58,19	54,23	52,52
Shareholders' Equity/Total Assets	6,00	5,26	7,19	10,09	13,79
Growth in Assets	41,42	90,58	77,34	51,71	41,66



Dividend Distribution Policy

Takasbank adheres to the regulations outlined in the Turkish Commercial Code, Banking Law, Capital Markets Law, related legislation, and its Articles of Association in the process of dividend distribution. Within this regulatory framework, dividend distributions align with the decisions made during general assembly meetings.

Each year, the Takasbank Board of Directors meticulously formulates the optimal dividend distribution proposal, aligning with applicable regulations, considering factors like the Bank's capital adequacy ratio, shareholders' equity capacity, market dynamics, and shareholders' preferences, and subject to approval from relevant regulatory and supervisory authorities, the proposal is presented to the General Assembly for approval.

The Takasbank Dividend Distribution Policy, established by the Board of Directors, is accessible on the Bank's website at (https://www.takasbank.com.tr/en/about-us/corporate/ dividend-distribution-policy) The policy ensures that there are no preferential treatments among shares in dividend distribution, and each shareholder is entitled to receive dividends in direct proportion to their shareholding.

The date for dividend distribution is established by the General Assembly based on the proposal put forth by the Board of Directors. The General Assembly may either approve the date suggested by the Board of Directors or opt for an alternative date within legal deadlines. In 2023, shareholders received a total dividend distribution of 866 million TL from the profits of the fiscal year 2022.

Information on the Own Shares acquired by the Bank

The Bank has not acquired or redeemed any of its own shares.

There are not any material situations noncompliant with applicable legislation or any fines imposed on Takasbank due to such noncompliance.

In response to the earthquake disaster centered in Kahramanmaraş on February 6, 2023, Takasbank demonstrated its commitment to social responsibility by contributing 800 million TL to AFAD. In addition to this substantial cash donation, Takasbank extended its support by allocating a total of 105.571.615,32 TL to associations and foundations dedicated to public benefit, with the aim of fostering education and providing aid. Furthermore, the company allocated 2.269.351,21 TL under the category of other aids and donations, which included various necessities such as food, blankets, equipment, shopping vouchers, etc., purchased to be sent to the earthquake-stricken area.

GRI 203-1, 206-1

Information on the Legal Actions filed against the Company and likely to affect the Company's Financial Situation and Operations, the Legal Actions filed against the Company due to Anti-Competitive Behaviours, Trustification and Monopolism, and Their Possible Outcomes

There are neither any lawsuits filed against Takasbank which are likely to affect its financial position and operations, nor any legal actions filed and finalized due to anti-competitive behaviours, trustification and monopolism.

Information on Material Circumstances noncompliant with Applicable Legislation and the Fines paid as a result of such Noncompliance

Information on the Aids and Donations and the Expenditures made under Social Responsibility Projects

Information on Financial Structure

The information on financial structure is generally provided in detail in the audit report.

EXPLANATIONS ABOUT THE BANK'S SERVICE TYPES AND **FIELDS OF OPERATION**

Services provided by Takasbank

SETTLEMENT & CLEARING

- BİAŞ Equity Market Settlement & Clearing
- BİAŞ Futures and Options Market Settlement & Clearing
- **BİAŞ Precious Metals Market** Settlement & Clearing
- BİAŞ Debt Securities Market Settlement & Clearing
- BİAŞ Money Market Settlement & Clearing
- Takasbank Cheque Settlement & Clearing System
- EPİAŞ Electricity Market Settlement & Clearing

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- EPİAŞ Natural Gas Market Settlement & Clearing
- EPIAS Electricity Futures Market Settlement & Clearing
- EPIAS Renewable Energy Guarantees of Origin Market Settlement & Clearing
- EPİAŞ Natural Gas Futures Market Settlement & Clearing
- Turkish Mercantile Exchange (TMEX) EWR Transactions Settlement & Clearing
- BİAŞ SWAP Market Settlement & Clearing
- Over-the-Counter Derivative Transactions Settlement & Clearing

COLLATERAL MANAGEMENT

- BİAŞ Equity Market, BİAŞ Debt Securities Market, BİAŞ Money Market and BİAŞ SWAP Market Collateral Management Service (under CCP)
- BİAŞ VİOP Collateral Management (under CCP)
- BİAŞ Precious Metals Market Collateral Management
- EPIAŞ Electricity Market Collateral Management
- EPIAS Electricity Futures Market Collateral Management
- EPİAŞ Renewable Energy Guarantees of Origin Market Collateral Management
- EPİAŞ Natural Gas Market Collateral Management
- EPIAŞ Natural Gas Futures Market Collateral Management
- Over-the-Counter Derivative Transactions Collateral Management (under CCP)
- Takasbank Money Market Collateral Management
- Leveraged Trading Transactions Collateral Management and Reporting to the CMB
- Takasbank Public Collateral Management Service

CUSTODY

- Precious Metals Custody Debt Securities Custody Exercise of Debt Securities
- Corporate Action Rights Private Pension Fund Shares
- Management
- Portfolio Custody Private Pension Fund Shares
- Information Service Physical Custody
- Global Custody
- Exercise of Share Certificates Corporate Action Rights
- Book-Entry Custody Interbank Card Center Collateral Custody

· Securities Lending Market

CENTRAL COUNTERPARTY

ANKING SERVICES

Treasury Operations

Cash Loan

- BİAŞ Futures and Options Market
- BİAŞ Money Market
- BİAŞ Equity Market
- BİAŞ Debt Securities Market
- **BİAS SWAP Market**
- Over-the-Counter Derivative
- Transactions

MARKET OPERATION

- Takasbank Money Market
- Securities Lending Market

- Private Pension Fund Trading Platform

AYMENT SYSTEM OPERATION Equity Market Clearing and

Settlement System Debt Securities Market Clearing

IUMBERING

International Securities

Legal Entity Identification

Numbering (LEI)

Identification Numbering (ISIN)

and Settlement System Cheque Clearing System

Transfer Exchange-Traded Funds

Transfer

- **BiGA** Platform
- **OTHER SERVICES**

Tapu Takas (Title Deed Transfer)

- Taşıt Takas (Vehicle Transfer)
- Crowdfunding Escrow Agent
- - the CMB
 - Suspended Brokerage House Transactions
 - Fund Information Platform
 - Repo-Reverse Repo Transactions and Monitoring and Reporting of Such Transactions
 - Brokerage House Blockage
 - Investor Compensation Center Lapse of Time Transactions

imber of Employees and

- The Bank has 403 employees.
- It does not have any branches.

- Türkiye Electronic Fund Trading
- Platform

SSET TRANSFER SERVICES

Debt Securities Transfer Equity and Derivatives Transfer Local Currency Payment and

Foreign Currency Payment and

Precious Metals Transfer System

DATA VENDORING

- Periodic Data Transfer to Data Vendors
- Real-Time Data Transfer to Data Vendors

CRA TRY/FX Cash Correspondent Fund Valuation and Reporting to

GRI 2-6

DEVELOPMENTS IN 2023

By providing banking services, Takasbank actively contributes to the seamless operation of its Central Clearing and Settlement Institution activities, ensuring uninterrupted continuity in "Clearing, Settlement, and Collateral Management" services. Simultaneously, the Bank facilitates its members' access to banking products within the realm of investment banking, thereby aiding in cost reduction and fostering the development of their financial structures.

Banking Services:

Market/Service

Treasury Transactions

In 2023, consistent with previous years, Takasbank's focus remained on securing the continuity of the Bank's core activities and maintaining financial strength. The objective was to achieve the maximum possible return by prudently managing risk within the parameters of market conditions and in adherence to the legislative framework.

Cash Credit

Takasbank Cash Credit refers to the cash loan extended by Takasbank to its members. Takasbank lends loans to brokerage houses operating in the country in accordance with the provisions of the Law governing development and investment banking as well as the provisions of article 3 entitled "Operational Purposes and Line of Business" as specified in Takasbank Articles of Association.

Major Developments in 2023

Records, Innovations and Developments:

In 2023, the Turkish economy, rebounding from the contractionary impact of the earthquake disaster in February, demonstrated resilience by achieving a 5,9% annualized growth in the third quarter, following a 3,8% growth in the second quarter. The year was marked by macroprudential policy measures, initiatives to boost Turkish Lira deposits, and prominent monetary tightening efforts. Takasbank sustained a robust financial performance, with interest income accounting for 62,75% of total revenues and experiencing a substantial 194,79% year-on-year increase. Within the collateral management framework, the Bank effectively utilized members' funds in the markets it serves for clearing, settlement, and collateral management services, aligning with relevant legislation and optimizing their deployment across suitable maturities and markets to serve their intended purposes and benefit their owners.

In 2023, Takasbank implemented strategic initiatives to diversify its investment portfolio, marking a notable milestone by venturing into supranational bonds for the first time, prompting relevant system and legislative updates to accommodate these transactions. Additionally, Takasbank undertook comprehensive enhancements to its budget application within the ERP system, successfully updating the existing framework and introducing a new module to fortify its financial management.

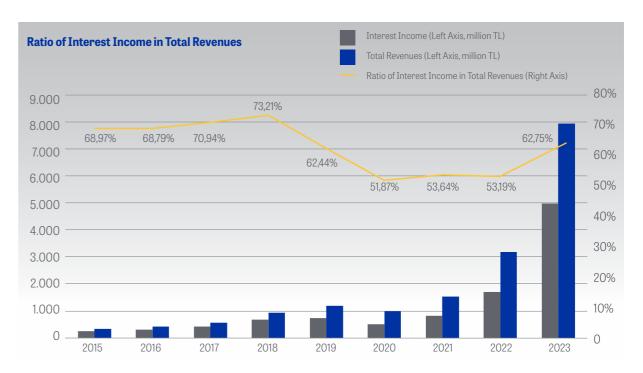
In 2023, Takasbank strategically augmented its portfolio by incorporating the Kalkınma ODTÜ Teknokent Venture Capital Investment Fund, managed by Kalkınma Girişim Sermayesi Portföy Yönetim A.Ş., in adherence to the regulatory mandate outlined in the R&D legislation (Law No. 4691).

Years	Total Revenues (Thousand TL)	Gross Fund Management Revenues (Thousand TL)	Share of Fund Management Revenue (%)
2021	1.530.674	821.002	53
2022	3.171.482	1.686.940	53
2023	7.925.588	4.972.918	63

Within the scope of the service of allocation and notification of limits; the credit limits of a total of 248 organizations, including 61 brokerage houses, 53 banks, 74 financial institutions, 26 portfolio management companies, 12 asset management companies, and 22 insurance companies were updated with respect to nominal and value-at-risk based limits in 2023.

In 2023, the interest incomes gained from the loans have been quite above the average of the previous years due to the loans extended to mutual funds. The maturity terms of the loans extended were mostly applied as O/N in line with the requests of the members.

The number of brokerage house customers signing pledge agreements to transfer securities to Cash Credit collaterals increased from 1.207 to 1.881. (In 2023, 759 new pledge and surety agreements were entered into the system; 85 pledge and surety agreements were cancelled due to lack of transactions and/or fines imposed by supervisory and regulatory authorities.)



Years	Total Gross Interest Revenues (Thousand TL)	Interest Revenues from Loans (Thousand TL)	Ratio of Interest Revenues from Loans to Total Interest Revenues	Ratio of Interest Revenues from Loans to Total Revenues
2021	821.002	24.600	3,0%	1,6%
2022	1.686.940	230.737	13,7%	7,3%
2023	4.972.918	966.702	19,4%	12,2%

Many improvements have been made in the credits service in 2023. In this context;

With the recent system update, brokerage houses now have the capability to generate collateral deposit/withdrawal instructions for cash credit services directly within the system through banking applications, replacing the previous method of sending such instructions to Takasbank via e-mail or fax.

The automated implementation of increasing members' cash collateral limits in line with the cash collateral rate has streamlined the process within the cash loan collateral depository.

Efficiency in time management has been achieved through modifications in the pledge agreement creation process within the system. The system entries for pledge agreements, previously manually entered by the Credit Team, are now initiated by brokerage houses. Following the receipt of the original pledge agreements submitted by intermediary institutions, the Credit Team conducts a thorough verification process, subsequently entering the agreements into the system. This streamlined approach enhances the overall efficiency of the pledge agreement management process.

The Settlement Credit mechanism, initially withdrawn in July 2020, has been reintroduced in November 2023. This credit mechanism is designed to address short-term funding requirements that may emerge during the fulfillment of collateral obligations imposed on brokerage houses with risks in the BİAŞ Equity Market, aiming to mitigate the associated market risks.

Initiated in 2023, the project focused on obtaining collateral from brokerage house customers through the Assignment Agreement, and it is scheduled to be implemented in 2024.

GRI 2-6

Objectives

- Ongoing development and regulation activities to increase the effectiveness of the services provided
- · Developments that allow members to use treasury products on behalf of their portfolios
- · Maximizing interest income through the use of financial instruments best suited to changing conditions in line with macroeconomic and financial market development
- Developing policies and systems for dealing with foreign banks to achieve competitive pricing and maximize profits
- · Integrating Clearing and Settlement Credit utilization into member screens and ensuring that requests are entered by members
- Converting the collateral of brokerage house customers to be received through Assignment Agreement

Key Indicators

195%

(2022:105%)

Ratio of Interest Income in **Total Revenues** 63% (2022: 53%)

Number of Organizations whose Credit Limits Were Updated 248 (2022: 244)

Percentage Increase in **Cash Loan Interest Income** Compared to the Previous Year 319% (2022: 837%)

Cash Credit Placement Average 4,3 billion TL

(2022: 1,2 billion TL)

Percentage Increase in Interest Income Compared

to the Previous Year

Cash Credit Interest Income 966.702 thousand TL (2022: 230.737 thousand TL)

Market Operation:

Market Operation:

· Securities Lending Market

The SLM is the organized market established and operated by Takasbank, where the transactions for borrowing and lending of stocks and exchange-traded funds subject to such borrowing are executed. As Takasbank is the CCP in SLM transactions with the open-offer method; it acts as the borrower against the lender and as the lender against the borrower; therefore, it is not a participant in the SLM.

Takasbank Money Market

TMM is an organized market established in 1996 and operated by Takasbank since then, enabling the matching of the bids and offers of members having a surplus or in need of cash TL funds. Takasbank is not a participant in TMM; and the institutions that may become a member of the market include brokerage houses, banks, factoring, financial leasing and financing companies, insurance and pension companies, institutions within the scope of the Regulation on Public Treasurership, pension funds with their own special laws, and asset management companies.

Türkiye Electronic Fund Trading Platform

TEFAS is the electronic platform that enables mutual fund participation certificates to be sold and repurchased by the founders of the fund through distribution agencies on an electronic central platform, and the relevant clearing, settlement and custody services to be provided in a manner integrated with Takasbank and CRA systems and on a fully-automated basis.

Thanks to TEFAS, investors are able to buy/sell through brokerage houses, banks, and portfolio management companies by choosing among many alternative mutual funds based on fund performances without incurring any additional costs.

Private Pension Fund Trading Platform

BEFAS is an electronic platform that enables pension mutual fund participation certificates included in the Private Pension System to be sold to and repurchased by the participants of the other pension companies that are members of the system, and the relevant clearing, settlement and custody services for such transactions to be provided over Takasbank system.

Thanks to BEFAS, participants are able to choose among many alternative pension mutual funds through the pension company with which a private pension contract is concluded, based on fund performances.

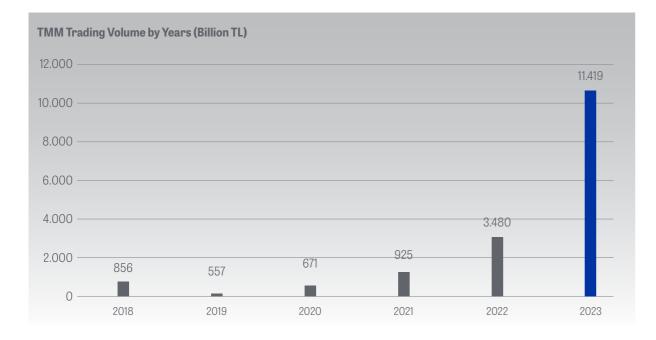
Major Developments in 2023

Records and Developments:

As of February 12, 2021, the cautionary decision on short selling in the BİAŞ Equity Market for shares in the BIST-50 Index, continued to be enforced. Transactions were conducted in the market from January 2 to February 6, 2023. Following the Borsa Istanbul A.Ş. Equity Market Short Selling Decision outlined in the Capital Markets Board's bulletin dated February 6, 2023, and numbered 2023/6, lending transactions in Takasbank Securities Lending Market were temporarily halted until the short selling measure was lifted.

Daily special order trading volume reached its highest level in January when the SLM was open.

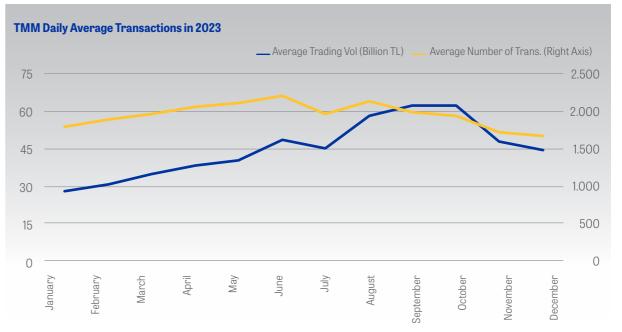
In 2023, the TMM witnessed record-breaking figures, with the total trading volume soaring to 11.420 billion TL, a daily average trading volume of 45,2 billion TL, and a total of 493.739 transactions—the highest values since the establishment of the market. Notably, on October 27, 2023, the market set a new daily trading volume record, reaching an impressive 86 billion TL.



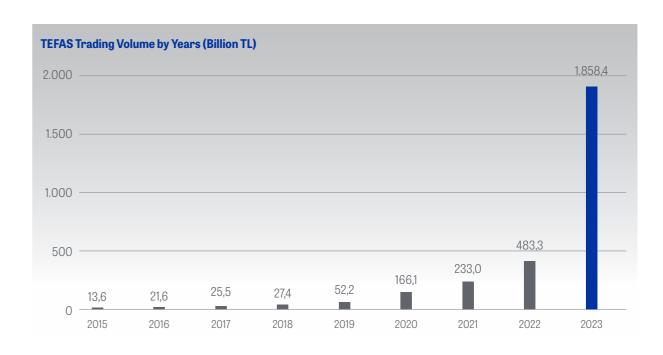
In 2023, a total of 171 institutions including 54 brokerage houses, 21 deposit banks, 13 development and investment banks, 66 financial institutions, 10 asset management companies, and 7 insurance and pension companies, executed transactions on TMM

In 2023, the TMM witnessed significant participation, with brokerage houses and banks dominating the sell-side trading volume at 99,9%, comprising 31,2% from funds and trusts, 66,1% from portfolios, and 1,7% on behalf of clients. On the buy side, 53% of the transactions were attributed to brokerage houses and banks, 35% to financial institutions, and the remaining 12% to other institutions.

The TMM saw active participation from 987 private pension funds, mutual funds, and trusts in 2023, contributing to an average daily trading volume of 14 billion TL. These entities collectively accounted for a substantial 16% share in the total trading volume of the market.

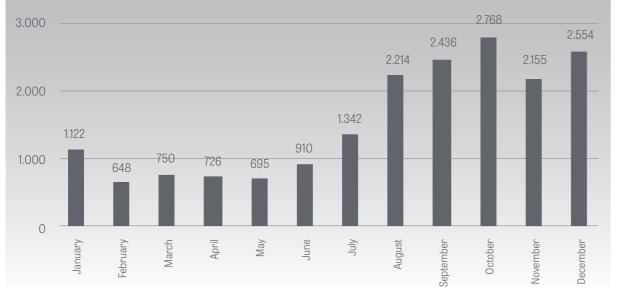


In 2023, TEFAS grew by 284,50%, recording a total trading volume of 1.853 billion TL. In addition, 2023 has been a year of new records for TEFAS. As a result of the transactions that displayed a rapid acceleration in the last quarter of the year, the highest daily trading volume of all time has been reached with the amount of 18,3 billion TL in December. In addition, the records of the highest number of orders and the highest number of traded funds were recorded in the same periods of the year.



In 2023, the total trading volume was recorded as 18,3 billion TL and the daily average trading volume was recorded as 72,4 million TL in BEFAS. In the second half of 2023, the BEFAS experienced a surge in transactions, culminating in a historic peak with the highest daily trading volume ever recorded at 167,5 million TL on October 5, 2023. During the year, 283 funds established by 15 pension companies were actively traded on BEFAS. Furthermore, 15 pension companies, acting as Fund Distributor Institutions, engaged in trading funds established by other companies for the benefit of their participants.

BEFAS Trading Volume by Months (Million TL)



New Practices:

To facilitate interest exemption entries for SLM guarantee fund contribution share cash in Turkish Lira amounts, screen improvements have been implemented.

The development phase has concluded for the inclusion of Money Market funds as eligible assets for SLM transaction collateral and guarantee fund contribution share, with implementation pending the update of relevant legislation.

Effective from October 5, 2023, mortgage financing institutions have been included in the list of eligible institutions that can become members of the TMM.

Through the new regulation dated July 6, 2023, an additional "Fund limit" has been designated, supplementing the existing TMM limit, specifically allocated for utilization in mutual funds, investment trusts, and public resource purchase transactions.

To streamline operational processes and minimize the handling of physical documents associated with the TMM, the procedure for fund identification and approval transactions, traditionally conducted through written instructions submitted by members, has been transitioned to Takasbank member menu screens.

Amidst the rapid growth and development of TEFAS, there has been a substantial surge in the daily clearance of instructions. The average daily clearance, which stood at 36 thousand instructions in 2022, has doubled to 72 thousand in 2023. In response to this increased demand, development efforts have been undertaken to enhance the performance of TEFAS settlement processes, and the optimization of the process has been expedited accordingly.

The TEFAS Fund Information Platform has undergone enhancements in response to investor feedback. Notably, funds traded on TEFAS are now listed by default upon opening the page. Adjustments were made to the number of people data under the "Historical Data" section. Furthermore, modifications were implemented concerning the "Favorites" section in the TEFAS mobile application, catering to user preferences and improving the overall user experience.

Details about the "Golden Egg University Students' Fund Basket Competition" and Takasbank's support are featured under the "Representation and Promotion "" heading in the "Performance in 2023 " section of the report.

In BEFAS, the implementation of extending credit to a member who fails to meet its cash obligation by the specified deadline in the Implementation Principles has been initiated. This practice takes into consideration the member's allocated limit and collaterals, ensuring that the relevant balance transfers to the accounts of members with outstanding cash receivables from the Platform are executed with minimal delay.

On the BEFAS platform, a multiple-choice field has been introduced to the fund restriction information, allowing pension companies to specify whether the fund is eligible for the citizenship plan.

The TEFAS Fund Information Platform now defaults to listing BEFAS-traded funds when accessing the pension mutual funds page, streamlining user experience.

Objectives

- Increasing the diversity of collateral types and the types of institutions that may become a member of the TMM
- Reducing the circulation of physical documents and automation of the manual operational processes
- Ensuring uninterrupted session continuity in all markets for which market operation service is provided
- · Continuing the development and regulation efforts to further increase the efficiency of the markets
- · Making developments and improvements in the systems and application software in line with the requests to be received from members

Key Indicators

TMM Total Trading Volume 11.420 billion TL (2022: 3.480 billion TL)	TEFAS Total Trading Volume 1.858 billion TL (2022: 483 billion TL)	Nu TEF 575 (20
TMM Daily Average Trading Volume	TEFAS Average Trading Volume	BEI
45,2 billion TL	7,3 billion TL	18,3
(2022: 13,8 billion TL)	(2022: 1,9 billion TL)	(20
Number of Institutions Trading in TMM	Number of Institutions Trading in TEFAS	BEI Vol
171	104	72,4
(2022: 155)	(2022:96)	(20

GRI 2-6

umber of Funds Traded in FAS 022: 470)

EFAS Total Trading Volume 3,3 billion TL 022: 4,4 billion TL)

EFAS Average Trading olume 2,4 million TL (2022: 17,3 million TL)

Number of Institutions **Trading in BEFAS** 15

(2022:15)

Number of Funds Traded in BEFAS 283 (2022: 280)

GRI 2-6

Central Counterparty and Financial Analysis:

Market/Service

Central Counterparty:

Takasbank has been providing CCP service in the Securities Lending Market (since September 2013), BİAŞ Futures and Options Market (since March 2014), BİAŞ Money Market (since October 2016), BİAŞ Equity Market (since June 2017), BİAŞ Debt Securities Market (since July 2018), BIAS SWAP Market (since October 2018) and for over-the-counter derivatives subject to central clearing and settlement (since December 2019); and the legal grounds provided by the new Capital Markets Law no. 6362 as well as international best practices and regulations are taken into consideration.

Financial Analysis:

Takasbank effectively manages risks associated with its membership relationships with financial institutions engaged in banking, central counterparty, and other capital market activities through the allocation of credit and placement limits, market risk limits, guarantee and collateral limits, as well as custody limits. These limits are determined by Takasbank's Board of Directors, taking into consideration internal or independent credit ratings and assessments of the counterparties.

Takasbank utilizes an internal credit rating and assessment system to evaluate the creditworthiness of assessed financial institutions, assessing their capacity to fulfill current and future commitments to Takasbank in a standardized manner. The ratings are expressed in grades from A to E, with A being the highest and E being the lowest, representing the institutions' respective degrees of financial strength. These grades determine the overall upper limit for limits that Takasbank can allocate to each institution across various markets and transactions.

Major Developments in 2023

Central Counterparty:

The transactions that will be executed by Takasbank declared as a qualified CCP by the CMB in 2016 with the Banks established in Türkiye are considered as "qualified transaction"; and the risks that the Banks are exposed to in this context are assessed with lower risk weights announced pursuant to Annex No. 4 of the Regulation on Measurement and Assessment of Capital Adequacy of Banks.

Takasbank has continued its efforts conducted both at home and abroad in relation to its application that it will make to ESMA for its recognition as a third-country CCP institution in order to ensure that its members operating as subsidiaries of the banks resident in the EU may also benefit from this service. On the other hand, negotiations with the Central Bank of England have also been continued to ensure the CCP service provided by Takasbank to be recognized by the British authorities to an extent comparable to ESMA following the Brexit process resulting in the UK's exit from the EU.

In this period, the CCP Risk Committee, one of the crucial elements of the CCP service, held its routine meetings in March and September. In addition, default management tests designed by taking account of international best practices and regulations were successfully performed in October.

In 2023, Takasbank has also continued its efforts towards increasing collateral management efficiency in the markets for which it provides CCP services. In March, Prince Scan Range values in VİOP, initially presented as a nominal figure within CCP risk management, transitioned to being disclosed as a percentage to better align with market prices. Towards the year-end, an enhancement was introduced in the registry-based concentration risk management, allowing the monitoring of limits by setting a monetary amount in TL for a specified market or market group in the registry-based VIOP. This additional feature complements the existing limit control based on the number of positions in VIOP. Informational presentations for members were conducted on both the percentage-based Price Scan Range application and the registry-based position limits.

The implementation and consultancy support initiated in 2022 for Abu Dhabi Securities was sustained throughout 2023.

In 2023, Takasbank entered into a protocol with the Turkish Commodity Exchange (TÜRİB) to deliver risk, collateral, and default management services.

To enhance collateral diversity in markets where CCP services are offered, Money Market Umbrella Funds and Exchange Traded Funds were introduced and accepted as collateral starting in 2023.

Financial Analysis:

Regarding the credit rating and assessment models used by Takasbank, Takasbank conducts regular validation studies to assess the accuracy and performance of its credit rating and assessment models, and the fundamental principles of the methodology for these models are transparently outlined on the bank's website.

Takasbank assigned credit ratings and assessment grades to banks, brokerage houses, factoring, leasing, financial leasing, financing companies, insurance, and asset management companies in Türkiye, utilizing these grades to establish limits within the framework of banking, central counterparty, or other capital market activities.

The Bank diligently monitors and periodically reports to Senior Management the credit risks associated with its interactions with partner institutions and the credit or position risks arising from its central counterparty role.

Objectives

The efforts for recognition will be continued with intensified activities following the satisfaction of the prerequisite for recognition by the EU regulatory authority ESMA as a third-country CCP; i.e., after the European Commission adopts an equivalence decision that the currently existing regulations in Türkiye are equivalent to the EU acquis with respect to recognition of CCP institutions.

Commenced in 2023, the project aiming to consolidate all market directives under a unified directive for CCP services is scheduled to be finalized in 2024.

Building upon the position limit studies conducted in 2023 to mitigate concentration risk in VIOP, the focus for 2024 is to enhance the grouping of multiple registers and subject them to limits within registry-based limit controls.

As part of the protocol signed between Takasbank and the Turkish Commodity Exchange (TÜRİB), the first phase transition is scheduled to be implemented in March 2024.

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Clearing & Settlement and Collateral Management Service (for which CCP Service is provided):

Market/Service

Equity and Equity Instruments Settlement and Collateral Management Service

Takasbank has started to provide services as a CCP as of 19 June 2017 for the trades executed in BİAŞ Equity Market for which Takasbank provides clearing & settlement, risk management and collateral management services.

Clearing & settlement of the trades executed in the Market; are realized on the second business day following the transaction day as book entry within the framework of the principles of multilateral netting and Delivery versus Payment.

Futures and Options Market Settlement and Collateral Management Service

Takasbank provides clearing & settlement, risk and collateral management services in BİAS Futures and Options Market; and has also started to provide services as a CCP for the services executed on VİOP as of 03 March 2014.

The scope of the service covers opening of accounts for trading on VIOP, management of trading and guarantee fund collaterals, interest accrual for cash collaterals, real-time and post-trade risk management via BISTECH Margin Management, pre-order risk management for risky accounts, creation of positions, profit/loss calculations, exercise of options, executing margin calls, physical delivery for the contracts with settlement methods specified as physical delivery, default and accrual procedures for physical delivery, and collateral, default and accrual services; and the transactions executed on VİOP are reported to the trade repository.

Over-The-Counter Derivatives Transactions Settlement and Collateral Management Service

Takasbank provides CCP service for over-the-counter derivatives transactions put into service with interest-rate based Turkish Lira Interest Rate SWAP and Overnight Index Swap contracts based on the assurance that OIS contracts established in compliance with IOSCO standards based on TLREF will form the infrastructure of interest rate swap agreements with both legs in Turkish Lira, thereby enabling the banks to manage medium- and long-term TL interest rate risks without using their foreign currency liquidity.

Debt Securities Market Clearing & Settlement Service

Takasbank provides CCP service by assuming the role as a buyer against the selling CCP member or as a seller against the buying CCP member in the in the markets of BİAŞ Debt Securities Market approved by the CMB, within the framework of the provisions of applicable legislation and in line with international standards.

The settlement of the transactions executed in the market is concluded by Takasbank. The settlement of the transactions executed in the market is performed on the same day (T+0) and the settlement of the assets payable in foreign currencies is performed with an additional value date of at least 1 business day (T+1); and the transactions executed with a future date are included in the settlement on the value dates.

BİAŞ Money Market Settlement and Collateral Management Service

The settlement of the transactions executed in BİAŞ Money Market is concluded by Takasbank with a T+O value date.

With BİAŞ Money Market established under the roof of BİAŞ Debt Securities Market and put into operation on 14 October 2016; it was aimed to establish indicative 1- and 3-month TL reference interest rates that will form the basis for issuance of TL debt instruments with variable interest rates and for swap transactions with variable interest rates. Takasbank provides CCP service by assuming the role as a buyer against the selling CCP member or as a seller against the buying CCP member in BIAS Money Market within the framework of the provisions of applicable legislation and in line with international standards.

BİAŞ SWAP Market Settlement Service

In line with the vision of Istanbul International Financial Center, the Currency SWAP Market was launched on 01 October 2018 under the SWAP Market, one of the alternative products to foreign exchange buying method mostly used in the hedging strategies that may be followed for protection of financial assets against risks in our country; and the Precious Metals SWAP Market was launched on 16 November 2020 under the roof of Borsa Istanbul in order to allow for execution of transactions regarding the exchange of precious metals with currencies. Takasbank provides CCP services for the transactions executed in the Market.

Major Developments in 2023

Records, New Practices and Developments:

In 2023, a total trading volume of 32.846,38 billion TL was realized by 58 brokerage houses and 1 investment bank in the Equity Market; and as a result of netting, cash settlements in the amount of 1.038,35 billion TL (3,16%) and securities settlement with a market value of 4.177,83 billion TL (12,72%) were exchanged.

As of the end of 2023, the market value of Equity Market trade margins managed by Takasbank was 2.874,56 million TL and the market value of guarantee fund contributions was 118,92 million TL.

The testing and consultancy services, initiated in 2022, continued throughout 2023, encompassing the assessment, integration, and data migration processes for new trading and post-trade products procured by the Abu Dhabi Stock Exchange from Nasdaq, involving the business unit and application development units.

As part of ongoing system improvement and development efforts, the BISTECH 3.0 version was launched on August 7, 2023, aiming to expand the number of trading modules in the main system and enhance the trading system architecture for dynamic load distribution. The primary objectives of this version include increasing the number of main system transaction modules (partitions), optimizing the trading system architecture for dynamic load distribution, and offering users partition-independent order entry capabilities.

Within the scope of the "Trading Collateral Management" service provided for Derivatives Market, the real-time risk management in BİAŞ Futures and Options Market is conducted using BISTECH Margin Method that is an internationally-accepted and widely used portfolio-based risk calculation algorithm. By the end of 2023, the market value of VIOP trading collaterals managed by Takasbank was 60.821 million TL; and of these collaterals, the portion in the amount of 51.589 million TL is comprised of collaterals in Turkish Lira.

Continuing its system improvement initiatives, BISTECH is currently engaged in ongoing development activities as of the yearend, with the new version, version 3.01, anticipated to be implemented in January 2024.

As of the end of 2023, the total of guarantee fund contributions of VIOP settlement members is 2.406 million TL. Of this total fund size, the portion in the amount of 1.977 million TL is comprised of cash contributions in Turkish Lira (TL).

As of 29 December 2023, the size of open positions in OTC Derivatives Transactions is in the amount of 7.328 million TL; the total trading collateral value is 1,4 billion TL; and the total value of guarantee fund contribution shares is 83 million TL.

In 2023, a total of 31.448,79 billion TL transactions were traded in the BİAŞ Debt Securities Market Outright Purchases and Repo-Reverse Repo Markets, of which 300,04 billion TL was comprised of Outright Purchases and Sales Market private sector bond transactions. Additionally, transactions in the International Bond Market amounted to 7,64 billion TL, and in the Committed Transactions Market, they reached 204,37 billion TL.

Through multilateral netting, Takasbank conducted cash settlement transactions totaling 10.273,26 billion TL (31% of the total Exchange trading volume) and securities settlement transactions with a market value of 18.970,91 billion TL (57% of the total Exchange trading volume), excluding the SWAP Market.

In 2023, the project initiated in 2022 with CRA to block the asset custody of transactions in the Securities Preferred Repo Market and the Equity Repo Market at the reverse repo member continued.

In response to the feedback from market participants and stakeholders, adjustments were implemented to advance the Exchange and settlement clocks by one hour, aiming to enhance the efficiency and liquidity of the Equity Repo Market, consequently fostering increased trading volume and market expansion.

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BİAŞ SWAP Market transactions involve two distinct settlement processes. The first process settles the trading transactions at the inception and maturity of the transactions, while the second process handles daily settlement of variation margins, aiming to offset the intrinsic value and associated financing costs throughout the maturity period. Settlement for Market transactions is achieved on the same day (T+0) adhering to the payment-for-payment principle, with forward value date transactions settled on the respective value date. Since the migration of the BİAŞ SWAP Market trading platform to the BISTECH system in 2021, Takasbank has been responsible for conducting trade correction transactions for this market.

In 2023, the SWAP Market witnessed the active participation of 44 banks (including the CBRT) and 5 intermediary institutions (including the CBRT), collectively engaging in transactions with a total volume of 1.376,68 billion TL (unilateral). Subsequently, cash settlement, totaling 1.023,53 billion TL (74% of the SWAP Market Exchange transaction volume), was achieved through the implementation of multiple netting.

Objectives

- · Ensuring uninterrupted session continuity
- Continuing, together with BIAS, the development and regulation efforts to further increase the efficiency of the markets
- · Making developments and improvements in the systems in line with the requests to be received from members

Key Indicators

Equity Market Total Trading 32.846,38 billion TL (2022: 17.793,67 billion TL)

Equity Market Trade **Margins Market Value** (31/12/2023) 2.874 million TL (2022: 2.210 million TL)

VIOP Total Number of Members

79 (2022:74)

VIOP Number of Open

Positions (29/12/2023) 10.445.206 positions

(30/12/2022: 14.429.335 positions)

VİOP Number of Open Accounts (29/12/2023) 998.373 accounts (30/12/2022:778.701 accounts)

Over-The-Counter Derivatives Total Number of Members 22 (31/12/2022:21)

Number of Members **Trading in the Debt** Securities Market (31/12/2023)

98 (2022:93)

Debt Securities Market Trade Margins Market Value (31/12/2023)

22.665,18 million TL (2022: 19.133,06 million TL) **Debt Securities Market Guarantee Fund Contributions Market Value** (31/12/2023) 3.230.83 million TL (2022: 2.171 million TL)

BİAŞ Money Market Trade Margins Market (31/12/2023) 113,36 million TL (2022: 69 million TL)

BİAŞ Money Market Guarantee Fund Contributions Market Value (31/12/2023) 13.25 million TL (2022: 13 million TL)

Number of Members Trading in BIAS SWAP Market 49 (2022:45)

BİAŞ SWAP Market Trade Margins Market Value (31/12/2023) 10.968 million TL

(2022: 10.072 million TL)

BİAŞ SWAP Market Guarantee Fund **Contributions Market Value** (31/12/2023)

2.224 million TL (2022: 1.644 million TL)

Settlement and Collateral Management Service (for which CCP Service is not provided):

Market/Service

Settlement and Collateral Management Service:

EPİAŞ Electricity Market Settlement and Collateral Management Service

Takasbank provides services as a Central Clearing & Settlement Institution for the transactions executed in the Electricity Market operated under the roof of EPİAS.

• EPİAS Electricity Futures Market Settlement and Collateral Management Service

Central Clearing & Settlement Institution for the transactions executed in the Electricity Futures Market started to be operated under the roof of EPİAS as of 1 June 2021.

EPİAŞ Renewable Energy Guarantees of Origin (YEK-G) Market Settlement and Collateral Management Service

Takasbank provides services as a Central Clearing & Settlement Institution for the transactions executed in the EPİAŞ Renewable Energy Guarantees of Origin Market started to be operated under the roof of EPİAŞ as of 1 June 2021.

EPİAS Natural Gas Market Settlement and Collateral Management Service

Takasbank provides services as a Central Clearing & Settlement Institution for the Organized Wholesale Natural Gas Market operated under the roof of EPİAŞ.

EPİAŞ Natural Gas Futures Market Settlement and Collateral Management Service

Takasbank provides services as a Central Clearing & Settlement Institution for the transactions executed in the Natural Gas Futures Market started to be operated under the roof of EPİAŞ as of 1 October 2021.

Electronic Warehouse Receipts (EWR) Settlement Service

Having conducted clearing & settlement transactions within the scope of mutual protocols signed with commodity exchanges before 2017, Takasbank has been authorized as the Clearing House to ensure the fulfilment of obligations related to the Market, following the start of operation of TMEX (Turkish Mercantile Exchange) and the start of execution of transactions over TMEX Trading Platform.

BİAŞ Precious Metals Market Settlement and Collateral Management Service

Takasbank provides cash settlement, risk and collateral management services for precious metal transactions executed in BİAŞ Precious Metals Market.

Leveraged Trading Transactions Collateral Management and Reporting to the CMB

The CMB's "Communiqué on Principles regarding Leveraged Trading Transactions (LTT) and the Institutions that may execute these Transactions" requires that the brokerage houses authorized for LTT should open individual accounts for all investors and keep investors' collaterals in those accounts; and that investors' any and all leveraged trading transactions and deposition and withdrawal of collaterals, finalized profits and losses arising from closed positions, provisional profits and losses calculated as a result of valuation of open/short positions, the orders given and changes made on orders, and the information about the amounts of any and all commissions, charges and taxes accrued to the accounts and the gross/net collaterals held in the accounts should be reported to Takasbank as the trade repository for Forex transactions.

Takasbank Cheque Clearing System

Takasbank Cheque Clearing System was established to allow for payment of cheques on account between bank branches under article 5 of the Regulation on Cheque Clearing Operations; and Takasbank provides intermediation in the clearing and

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settlement transactions and collateral management in relation thereof.

Public Collateral Management Service

The processes executed for and on behalf of administrations regarding the acceptance, custody, registration as revenue, return, extension of the validity of temporary electronic letters of guarantee issued by banks and temporary surety bonds issued by insurance companies for further submission to the enders held under the Public Procurement Law no. 4734 are conducted by Takasbank through Takasbank Public Collateral Management Platform. As of 1 December 2022, temporary letters of guarantee and surety bonds have been started to be submitted to administrations over Takasbank Public Collateral Management Platform only.

Major Developments in 2023

Records, New Practices and Developments:

In 2023, the total traded volume in the Electricity Market operated under the roof of EPİAŞ has been recorded as 1.801 billion TL.

As of 29 December 2023, the total market value of collaterals held in the accounts at Takasbank in the Electricity Market is 19.216.046.082 TL.

Due to the earthquake centered in Kahramanmaraş on February 6, 2023, system revisions were implemented within the clearing, settlement, and collateral management service to facilitate the postponement of obligations under the Electricity Market Balancing and Settlement Regulation (DUY) for members of the Electricity Market affected by the consequences.

The developments commissioned on 01/08/2022, based on EMRA's decision for the realization of advance receivables belonging to authorized supply companies at Takasbank, aimed at assisting those companies failing to fulfill their obligations in payments to unlicensed producers and supply companies within the Regulation on Unlicensed Electricity Generation, have been terminated.

As of 29 December 2023, the total market value of the collaterals held in the accounts at Takasbank due to Electricity Futures Market transactions is 214.038.562 TL.

As of 29 December 2023, the total market value of the collaterals held in the accounts at Takasbank due to YEK-G Market transactions is 5.450.362 TL.

As of 29 December 2023, the total market value of the collaterals held in the accounts at Takasbank due to Natural Gas Market transactions is 1.653.582.320 TL.

In accordance with EMRA's decision dated 26/08/2023 and numbered 32291, reflecting decisions for the Natural Gas and Natural Gas Futures Markets, the system transition for completed development revisions, as part of the upcoming operational changes in 2024, has been finalized, with ongoing testing processes for those revisions still in development.

As of 29 December 2023, the total market value of the collaterals held in the accounts at Takasbank due to Natural Gas Futures Market transactions is 11.028.967 TL.

Ongoing processes include the integration of TÜRİB (Turkish Commodity Exchange), CRA (Central Registry Agency), and member integration software within the framework of the TÜRİB Technological Transformation Project scheduled for commissioning in 2024.

As of 29 December 2023, the total market value of the collaterals held in the accounts at Takasbank due to BİAŞ Precious Metals Market transactions is 17.427.373.555 TL.

The enhancements implemented in the BISTECH System aimed at ensuring uninterrupted market operation, scalable inclusion of new investors, increased transaction processing speed, elimination of post-trade performance issues, reduction in investor

transaction time, and enhanced user satisfaction were successfully concluded with the transition to version 3.0.

BISTECH System improvement and development efforts, aimed at enhancing operational processes for increased system efficiency, were ongoing as of year-end. The new version, version 3.01, is scheduled to be commissioned in January 2024.

By the year-end of 2023, there are 38 institutions authorized for LLT; and there are collaterals with a value of 4.378 million TL in 32.263 out of 229.218 accounts opened in the LLT.

Leveraged Trading Transactions Data				
	2022/12	2023/12		
Number of Members	39	38		
Number of Accounts-Last Business Day	218.813	229.218		
Number of Accounts with Collaterals- Last Business Day	32.775	32.263		
Collateral Amount - (Million TL)-Last Business Day	2.934	4.378		
Open/Short Position Value (Million TL)-Last Business Day	21.653	30.389		
Total Trading Volume (Million TL)	12.893.005	12.411.355		
Daily Average Trading Volume (Million TL)	57.115	49.057		

In 2023, two new members joined the Check Clearing System, increasing the total number of members to 45.

Meetings and phone calls were conducted with members to discuss the outcomes of surveys related to the Cheque Clearing System return codes.

Monthly Gross and Dishonoured Cheques (with Return Codes 82, 83, and 99)						
Date	No. of Cheques	Number of Dishonoured Cheques	Ratio (%)	Overall Increase in Cheques (%)	Increase in Dishonoured Cheques (%)	
January	1.378.978	9.018	0,65	62,26	44,06	
February	1.054.900	7.033	0,67	-23,50	-22,01	
March	1.197.768	6.692	0,56	13,54	-4,85	
April	711.563	6.328	0,89	-40,59	-5,44	
May	1.509.039	14.489	0,96	112,07	128,97	
June	605.235	7.009	1,16	-59,89	-51,63	
July	1.545.053	15.153	0,98	155,28	116,19	
August	1.084.405	10.151	0,94	-29,81	-33,01	
September	681.083	6.236	0,92	-37,19	-38,57	
October	1.554.812	14.270	0,92	128,29	128,83	
November	1.098.516	10.268	0,93	-29,35	-28,04	
December	697.897	7.791	1,12	-36,47	-24,12	

The project to integrate letter of guarantees, encompassing both e-guarantee letters and surety bonds used in electronic tenders, into Takasbank Public Collateral Management System, along with the transfer to the Accounting System, has progressed significantly in 2023 and is nearing completion. The acceptance of letter of guarantees is slated to commence in the first quarter of 2024.

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Period 2023	Total Amount of LGs *	Total No. of LGs	Total Amount of SBs	Total No. of SBs
January	18.424.776.277	20.411	222.489.600	165
February	19.409.932.066	18.314	158.326.500	148
March	40.646.137.510	24.980	544.510.500	239
April	38.598.076.310	22.747	1.231.530.700	264
Мау	35.895.257.525	23.204	1.142.032.100	266
June	12.333.790.796	19.557	252.307.100	254
July	10.117.685.802	17.258	472.108.420	224
August	13.684.747.656	25.054	401.721.450	362
September	19.992.227.509	20.350	600.053.377	284
October	31.820.873.770	22.942	1.262.790.850	314
November	17.804.680.995	26.005	722.445.710	421
December	41.786.848.151	23.737	645.350.050	400
Total	300.515.034.369	264.559	7.655.666.357	3.341

* LG: Letter of Guarantee; SB: Surety Bond

Objectives

- · Implementation of a clearing and collateral system for electricity distribution companies as part of the Electricity Distribution System Clearing and Collateral Management Project
- · Ensuring uninterrupted session continuity
- · Continuing, together with BİAŞ and EPİAŞ, the development and regulation efforts to further increase the efficiency of the markets
- · Making developments and improvements in the systems in line with the requests to be received from members
- Commissioning of TÜRİB Technological Transformation Project
- Facilitating interim version transitions as a continuation of BISTECH System improvement and development efforts
- Incorporating new return codes into the system based on member requests related to the Cheque Clearing System Return Codes

Key Indicators

Number of Electricity Market Participants for which Cash Settlement and Collateral Management Service is provided 1.636

(2022: 1.598)

Number of Electricity Futures Market Participants for which Cash Settlement and Collateral Management Service is provided 65

(2022: 64)

Number of YEK-G Market Participants for which Cash Settlement and **Collateral Management Service is** provided

145 (2022:135) Participants for which Cash Settlement and Collateral Management Service is provided 74 (2022:68)

Number of Natural Gas Market

Number of Natural Gas Futures Market Participants for which Cash Settlement and Collateral Management Service is provided

(2022:17)

BİAS Precious Metals Market Total Trading Volume 961.96 billion TL (2022: 533,44 billion TL)

Number of Institutions Authorized in LTT 38 (2022:39)

Number of Cheques subject to Clearing 13.119.249 (2022:12.685.016)

Amount of Cheques sent for Clearing 3.292.384.777.682 TL (2022: 1.703.775.771.558 TL)

Number of Cheques subject to Settlement 12,494,814 (2022: 12.458.929)

Amount of Cheques subject to Settlement 3.075.555.914.134 TL (2022: 1.649.410.808.317 TL)

Custody Service:

Market/Service

Custody Service:

· Debt Securities Custody

Takasbank provides custody services for government domestic debt securities (GDDS) to banks, brokerage houses, mutual funds and private pension funds, investment trusts, real estate mutual trusts, insurance and pension companies, and portfolio management companies.

PSDS (Private Sector Debt Securities) balances of mutual and private pension funds, investment trusts, real estate mutual trusts, and insurance and pension companies are followed up in Takasbank's accounts held at the CRA.

Physical Securities Transactions

As the share certificates traded in BİAŞ were transferred to the CRA, the delisted share certificates are continued to be physically kept in custody at Takasbank as of the relevant date.

Global Custody

Global custody service covers settlement, custody, exercise of rights/equity-related transactions and cash transfers related to such transactions provided for the capital market instruments traded in international markets.

Custody of Dematerialized Shares and Mutual Fund Participation Certificates

Dematerialized shares and mutual fund participation certificates owned by collective investment institutions are kept in custody in Takasbank sub-account held at the CRA.

Precious Metals Custody

Precious metals included in the portfolios of collective investment institutions are kept in custody at Takasbank. The said custody takes place in the accounts opened as Takasbank's sub-account in the name of the relevant Collective Investment Institution at BİAŞ providing physical custody service for precious metals.

Portfolio Custody

Pursuant to the "Communiqué (III-56.1) on Principles regarding Portfolio Custody Service and the Institutions that will provide this Service" prepared based on article 56 of the Capital Markets Law and published in the Official Gazette no. 28695 dated 02 July 2013; Portfolio custody service refers to the custody and/or recordkeeping of the financial assets owned by collective investment institutions, verification and follow-up of the ownership and the recordkeeping of other assets, control of execution of the transactions regarding asset and cash movements, and fulfilment of the other duties specified in the relevant legislation.

Exercise of Corporate Rights related with Shares

Takasbank executes the exercise of rights transactions such as increase of capital and dividend distribution in relation to dematerialized shares held in the accounts of collective investment institutions.

Exercise of Rights related with Debt Securities

Takasbank also intermediates in the exercise of rights transactions for GDDS and PSDS for which it provides custody service.

Private Pension System Fund Operations

Takasbank has been providing services as a custodian to private pension companies since 2003 pursuant to article 17 of the Private Pension Savings and Investment System Law and articles 28, 29 and 31 of the Regulation on Principles regarding Establishment and Activities of Pension Mutual Funds.

Interbank Card Center Collateral Custody

Takasbank offers collateral custody services within the collateral management framework established for the DCS System operated by ICC.

Major Developments in 2023

Records, New Practices and Developments:

Years	Average Nominal (Million TL)	Average Market Value (Million TL)	Average Market Value (Million USD)
2022	128.616,51	169.703,56	9.076,70
2023	136.878.75	266.167,27	9.053,31

DEDS Custody Pala

robo custouy balances by real s		
Veene	PSDS (Million TL)	Change
Years —	Daily Average Nominal	Ratio (%)
2022	84.009,04	32,10
2023	123.295,26	46,76

Within the scope of physical securities transactions, as of 31 December 2023, our fungible custody contains shares with a nominal value of 220 million TL comprising 4,3 million units of certificates; and our non-fungible custody contains shares with a nominal value of 5,8 million TL comprising 1,9 million units of certificates.

The number of transactions executed within the scope of global custody service includes; settlement transactions by 54%, exercise of rights transactions by 18%, and cash transactions related with settlements and exercise of rights by 28%. The trading volume is comprised of settlement transactions by 48%, exercise of corporate rights transactions by 10%, and cash transactions related with settlements and exercise of rights by 42%.

2023 was a guite active year in terms of capital markets. This mobility was also reflected in the size of assets owned by funds; and as of 31/12/2023, it has grown by 65% compared to 2022 and reached to shares with a market value of approximately 406 billion TL (2022: 245 billion TL).

As of 31/12/2023, Collective Investment Institutions have an approximately 37 tons of gold custody balance; and the market value of the said gold is approximately 74 billion TL.

In 2023, contracts were signed with 7 asset management companies and 3 real estate and venture capital asset management companies, leading to the active participation of 5 new asset management companies. Two real estate and venture capital asset management companies were newly established, while others were acquired from another portfolio custodian. The total fund size witnessed a remarkable 236% increase from the end of 2022, reaching 121 billion TL, with the number of funds growing by 67 to 211. System developments aligned with legislative changes and member demands were meticulously executed to ensure maximum benefit.

Within the scope of the service regarding exercise of corporate rights related with shares, in 2023, 19 issuers (2022: 23) increased their capital through rights issues, bonus issues; 76 issuers (2022: 56) increased their capital through bonus shares; and 215 issuers (2022: 188) distributed dividends.

Within the scope of the service regarding exercise of rights related with debt securities; the details of redemptions/coupon payments are provided in the table below.

	GDDS (Million TL)	PSDS (Million TL)
Redemption	42.814	279.037
Coupon	33.554	17.320

In 2023, the e-Türkiye Takasbank Integration platform, launched for private pension system participants in 2013, garnered significant interest with a total of 51 million views achieved through e-Government throughout the year. The number of new participants accessing the application, which was 642.000 in 2022, reached approximately 332.000 in 2023, with the total number of participants logging in recorded at 1.675.000. The statistics regarding the usage of Takasbank information system by participants are provided below.

Years	Number of Participants requesting Daily SMS Messages	Number of Participants requesting Daily Activity E-mails	Number of Participants requesting Monthly Balance E-mails	Number of Participants requesting Monthly Activity E-mails
2022	15.820	11.949	13.070	11.663
2023	15.706	11.376	13.397	11.869
Total	60.182	64.966	76.875	67.482

By December 31, 2023, the number of accounts with private pension funds in private pension companies within the voluntary system surged by approximately 1 million, reaching 10 million. The size of the funds held by participants experienced an increase of approximately 267,6 billion TL, totaling 697 billion TL, inclusive of state contributions.

In 2023, the number of accounts included in the Auto-Enrolment System increased by approximately 1,26 million, reaching 10,7 million accounts (2022: 9,5 million accounts); and the total fund amount reached 52,1 billion TL (2022: 32,7 billion TL). The rate of exits from the Auto-Enrolment System was recorded as 74% (2022: 74%).

Private pension system left behind the year 2023 as a quite active year in terms of innovations.

In March 2023, the "Regulation on the Private Pension System" underwent amendments to facilitate the assignment of receivables from private pension contracts to banks. Takasbank, Pension Monitoring Center, pension companies, and banks collaborated on application development activities throughout 2023, with plans for commissioning in the first half of 2024.

In September 2023, the "Regulation on Partial Payment from the Private Pension System" was published to establish the basic principles and general operation of the partial payment right granted to PPS participants following the 2022 amendment to the law. The regulation came into force six months later, enabling the provision of partial payment opportunities to PPS participants starting from March 26, 2024.

In 2021, a regulation was enacted to permit individuals under the age of 18 to participate in the PPS system. In 2023, a total of 470 thousand PPS accounts were opened for participants under the age of 18, resulting in a fund inflow of 7,3 billion TL. As of December 31, 2023, 1,1 million participants under the age of 18 hold a fund share of 9,7 billion TL in their PPS accounts.

In 2023, Takasbank received over five hundred petitions, more than three thousand emails, and nearly thirty thousand phone calls from PPS participants and capital market investors, along with over five thousand emails and nearly ten thousand phone calls from Investment Institutions and Pension Companies, providing support on operational processes.

Objectives

- Ensuring continuity in all custody services
- Continuing the development and regulation efforts to further increase the efficiency of the services provided
- Making developments and improvements in the systems in line with the requests to be received from members

Key Indicators

159.668

Volume

(2022: 135.962)

82,18 billion EUR

Number of Members for which Global Custody Service is Provided 1189 (2022: 1.039)

Number of Transactions

subject to Global Custody

Global Custody Trading

(2022: 65,3 billion EUR)

Global Custody Average Balance Distribution 24,8 billion EUR

(2022: 18.6 billion EUR)

Number of Members for which Portfolio Custody Service is Provided

to 12 portfolio management companies, 3 real estate and venture capital portfolio management companies and 7 investment trusts for 211 CIIs (Collective Investment Institutions); (31/12/2022: to 13 portfolio

management companies and 7 investment trusts for 144 CIIs)

22

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Number of Accounts containing Private Pension Funds through the Voluntary System (31/12/2023)

10 million accounts (2022: 9 million accounts)

Size of Funds owned by PPS Participants (including State Contributions)

749 billion TL (2022: 433 billion TL)

Total Market Value of DCS Participants' Collateral (31/12/2023)

3.171.124.847 TL (2022: 1.747.393.506 TL)

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BİAŞ Equity Market, BİAŞ Debt Securities, BİAŞ Futures and Options Market, Takasbank Securities Lending Market, BİAŞ Money Market and BİAŞ SWAP Market and Over-the-Counter Derivatives Market (under CCP Service):

The trading and guarantee fund collaterals pertaining to BİAŞ Equity Market, BİAŞ Futures and Options Market, Takasbank Securities Lending Market, BİAŞ Money Market, BİAŞ Debt Securities Market, BİAŞ Swap Market and Over-the-Counter Derivatives Market, for which Takasbank provides CCP service, are followed up at Takasbank; and the breakdown by collateral types as of 29/12/2023 is provided in the table below.

Million TL	BİAŞ Equi	ty Market	BİAŞ Debt Sec	urities Market	BİAŞ Futures Maı	and Options •ket		ne-Counter ves Market	Securities Le	nding Market	BİAŞ SW.	AP Market	BİAŞ Mon	ey Market
Collateral Type	Trading Collateral Market Value	Guarantee Fund Market Value	Trading Collateral Market Value	Guarantee Fund Market Value	Trading Collateral Market Value	Guarantee Fund Market Value	Trading Collateral Market Value	Guarantee Fund Market e Value	Trading Collateral Market Value	Guarantee Fund Market Value	Trading Collateral Market Value	Guarantee Fund Market Value	Trading Collateral Market Value	Guarantee Fund Market Value
TL COLLATERALS	1.603,00	110,68	771,12	156,23	51.934,20	1.976,95	621,40	13,12	0,55	32,34	2.741,65	308,47	2,29	2,25
FX COLLATERALS	632,87	2,71	128,07	15,56	4.160,65	101,66	-	0,81	-	0,31	758,00	227,90	-	0,71
GDDS COLLATERALS	209,37	5,52	21.530,99	3.058,07	5.526,18	233,38	815,95	69,07	-	-	6.054,36	1.462,07	111,07	10,29
EUROBOND COLLATERALS	242,55	-	-	-	558,93	58,42	-	-	-	-	58,30	-	-	-
SUKUK COLLATERALS	-	-	41,16	-	288,17	1,82	-	-	-	-	1.089,68	180,57	-	-
EQUITY COLLATERALS	-	-	-	-	3.618,61	206,52	-	-	-	-	-	-	-	-
EQUITY MUTUAL FUNDS	-	-	-	-	6,28	-	-	-	-	-	-	-	-	-
DEBT SECURITIES MUTUAL FUNDS	7,06	-	-	-	1,63	9,45	-	-	-	-	-	-	-	-
MONEY MARKET FUND MUTUAL FUNDS	162,03	-	-	-	0,06	10,93	-	-	-	-	-	-	-	-
GOLD COLLATERALS	-	-	-	-	11,90	-	-	-	-	-	-	-	-	-
ABS (Asset- Backed Securities) COLLATERALS	-	-	193,83	0,97	-	4,85	-	-	-	-	265,65	44,82	-	-
BİAS EQUITY COLLATERALS	17,68	-	-	-	13,59	-	-	-	-	-	-	-	-	-
G-7 COLLATERALS	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	2.874,56	118,92	22.665,18	3.230,83	66.120,21	2.603,97	1.437,35	83,01	0,55	32,65	10.967,64	2.223,84	113,36	13,25



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Payment and Transfer Services:

Market/Service

Debt Securities Transfer

Debt securities transfers are divided into two groups such as intra-member and inter-member transfers. Intra-member transfers include transfers made between members' own depo (depository) accounts. Inter-member transfers may essentially be executed through three different methods such as free transfer, bilateral/conditional transfer and EST. Transfer methods also differ by the central depository of the securities.

Exchange-Traded Funds

Exchange-traded funds are the mutual funds with their shares traded in stock exchanges, which are based on an index and which aim to reflect the performance of the basis index to their investors. In Exchange-Traded Fund transactions, creation and repurchase of fund shares are executed through Takasbank system using the accounts opened in the name of the fund and the fund under Takasbank member at the CRA.

Equity and Equity Instruments Transfer

Equity and equity instrument transfers can be executed as free and bilateral/conditional transfers.

Free transfers are divided as physical and dematerialized transfers depending on whether the security to be transferred is dematerialized or not. Physical transfers refer to the transfer of shares that are not dematerialized and that are continued to be kept in the custody accounts held at Takasbank between the customer accounts of the brokerage house. Since book-entry custody accounts are held at the CRA, the transfers between brokerage houses are executed in the CRA system.

The Bilateral/Conditional Transfer System is a system allowing for simultaneous transfer of securities and cash between the customer accounts of brokerage houses. It also allows for reconciliations between members to be made electronically between the day of the exchange transaction and the execution of the transfer. Shares and derivatives may be subject to conditional transfer and cash obligations are fulfilled in TL. Cash transactions related with bilateral/conditional transfer are concluded in Takasbank system while securities transactions are concluded in the CRA system.

Foreign Currency Payment and Transfer

Members may use the amounts transferred to their foreign currency (USD, EUR and GBP) current accounts held at Takasbank for clearing, settlement and collateral transactions; and transfer from their FX current accounts held at Takasbank to the other domestic bank accounts, either electronically or by giving written instructions via the SWIFT (Society for Worldwide Interbank Financial Telecommunication) system.

In addition, members can also transfer the amounts in their foreign currency accounts held at Takasbank to another member's account via cash transfer method; and trade in Turkish Lira-equivalent of foreign currency up to the amounts of 50.000-USD/ 50.000-EUR using the instantaneous exchange rate data provided by Takasbank.

Local Currency Payment and Transfer

Within the scope of local currency payment and transfer services; Takasbank makes available for use by its members the services provided via the CBRT Payment Systems (EFT, EST, RPS, Tender Services) and also uses these systems for the services that it provides. In addition, Takasbank also provides the brokerage houses the right of access to EFT and EST systems via TETS (Takasbank Electronic Transfer System).

CRA TL/FX Cash Correspondence

Regarding the transactions such as increase of capital through rights issues, dividend payments, and redemption and coupon payments of capital market instruments, which are executed by the CRA; Takasbank provides services as the cash correspondent bank. Within the scope of correspondent bank services, Takasbank system and the CRA system run in coordination with each other.

Precious Metals Transfer System

With PMTS, the gold held in bank customers' accounts is transferred in gold electronically between the gold deposit accounts held at system-member banks with the speed of EFT.

BiGA, Gold-Backed Digital Asset Platform

BiGA is an innovative platform established to allow for the use of blockchain technology in the finance industry, which

- protects the privacy of the trading entities;
- permits the financial authorities to monitor the transactions when necessary;
- · uses distributed ledger technologies; and
- allows for digitalization and transfer of physically-backed assets.

With the PMTS, the gold physically stored in the vaults of BİAŞ are converted into BiGA and transferred to BiGA Platform through issuance method; thus, they can be transferred from person to person between banks on a 7-day/24-hour basis thanks to the blockchain technology. With BiGA platform, the first-known blockchain network of Türkiye in the field of finance has been established.

Interbank Card Center (ICC) Collateral Custody

Takasbank provides collateral custody service within the scope of the collateral management mechanism established for the DCS (Domestic Clearing and Settlement) System operated by the ICC.

Tapu Takas (Title Deed Payment Transfer): Payment of Real Estate Purchase and Sale Price through Takasbank

Tapu Takas service has been provided by Takasbank since 17 April 2015 under the protocol signed with the General Directorate of Land Registry and Cadastre with the goal of preventing issues encountered by buyers and sellers during the exchange of ownership right and the purchase and sale price, through a modern, safe and technological infrastructure used for all parties and by ensuring:

- · simultaneous exchange of the real property and the cash amount corresponding to the sales price of the property;
- · elimination of the trust issues of the parties;
- · elimination of the risks of carrying money in cash and counterfeit money risks;
- fast transfer at low costs.

Taşıt Takas (Vehicle Transfer)

Taşıt Takas (Vehicle Transfer) System, the resulting product of the joint efforts conducted between the Republic of Türkiye Ministry of Commerce and the Notaries Union of Türkiye in order to prevent fraud and theft events frequently experienced in vehicle purchase and sale transactions, was launched on 3 February 2020 by Takasbank as the first escrow agent in the Secure Payment System.

Tasit Takas System allows for simultaneous exchange of the ownership right of the vehicle and the cash sales price in a safe and secure manner in order to prevent any adversities faced by the buyer and seller at the time of exchange of the ownership right and the purchase and sale amounts in second-hand vehicle purchase and sale transactions.

Major Developments in 2023

Records, New Practices and Developments:

In 2023, Takasbank provided to its members debt securities transfer service in the total amount of 3.763.192,77 million TL/ Nominal, comprising the portions of 12.450,29 million TL/Nominal and 3.775.643,06 million TL/Nominal, which were transferred on free and conditional basis, respectively,

Debt Securities Transfers in 2023				
Туре	Units	Nominal (Million TL)		
Bilateral Transfer	1.276	12.450,29		
Free Transfer	225.700	3.763.192,77		
Total	226.976	3.775.643,06		

In 2023, fund share creation and redemptions totalling 100.510,90 million TL were executed in exchange-traded funds based on shares, precious metals, government domestic debt securities and foreign securities.

In 2023, within the scope of equity and equity instrument transfers, transactions with a total amount of 3.125,61 billion TL were executed in the Bilateral/Conditional Transfer System allowing for simultaneous securities and cash transfer. Nearly 85% of the transactions were executed "Partial Not Allowed" and 93% of the transactions were executed on an "On-Exchange" basis. In addition, collective investment institutions executed free transfers with a total market value of 6.274,75 billion TL.

Equity Transfers in 2023					
Туре	Units	Amount (Billion TL)			
Bilateral Transfer	838.935	3.125,61			
Free Transfer	387.094	6.274,75			
Total	1.226.029	9.400,36			

Thanks to the integration of the Bilateral/Conditional Transfer System with the SWIFT system; SWIFT member organizations may send their bilateral transfer orders via SWIFT and SWIFT orders are directly accepted into Takasbank Bilateral Transfer System. In 2023, 57,85% of the orders received in the Bilateral Transfer System came through the SWIFT system.

System improvements were implemented to facilitate file transfers and record entries for the transfer transactions (Share Physical Transfer) of shares not traded on the Exchange, intended to be realized through the Takasbank system.

As part of the "Strengthening the Functions of Conditional Transfer Cash Closing Screens" initiative, specifically requested by foreign custodian banks, the "Hold" feature has been optionally added to the screen for cash debt closing transactions of Conditional Transfer instructions made through the BISTECH system.

As part of the SWIFT ISO 20022 update, Banking Systems were developed and integrated into the new structure in March 2023. In line with these improvements, incoming directional MX messages were successfully converted into MT messages, and the corresponding amounts were effectively transferred to the accounts.

The participation agreement signed between Takasbank and the CBRT in October 2022 initiated tests for joining the FAST system in 2023, with the transition to the production environment anticipated for 2024.

The data in the CPMI Redbook Statistics document, requested annually by the CBRT, was updated in 2023.

In 2023, 46.626 transfers (compared to 37.865 in 2022) involving a total of 20.234.711 grams (compared to 14.405.932 grams in 2022) were executed in the Precious Metals Transfer System. This system enables the low-cost transfer of gold, fully physically held in BİAŞ vaults, in grams and multiples of 1 gram, eliminating transportation risk.

Tests with member state banks for the BiGA project were successfully conducted, paving the way for the productization of BiGA. The necessary infrastructure is currently being established, with plans for a pilot process to be completed in 2024.

As part of the e-Government integration of the Land Registry Clearing and Settlement System, a ceremony was held at Borsa İstanbul on January 10, 2023, with the participation of the Presidential Digital Transformation Office, the Republic of Türkiye Ministry of Environment, Urbanization and Climate Change, the Banking Regulation and Supervision Agency, the General Directorate of Land Registry and Cadastre, Türksat A.Ş., and senior executives and authorized employees of Borsa İstanbul Group companies.

As of November 3, 2023, secure access to the Vehicle Clearing and Settlement service was made available via e-Government, and a gong ceremony was held on December 12, 2023, at Borsa İstanbul with the participation of project stakeholders, the Digital Transformation Office of the Presidency of the Republic of Türkiye, the Notaries Association of Türkiye, Türksat A.S., senior executives of Borsa İstanbul Group, and officials of the institutions receiving Vehicle Clearing and Settlement service.

Objectives

- Ensuring uninterrupted service in all payment and transfer services
- Continuing the development and regulation efforts to further increase the efficiency of the services provided
- · Making developments and improvements in the systems in line with the requests to be received from members
- Providing specific services also outside EFT hours through the CBRT FAST System membership and integration
- Ensuring instant transfers by integrating the CBRT FAST system with the Vehicle Clearing and Settlement System

Key Indicators

billion FUR)

Total Amount transferred via Foreign Currency Payment Transfer (USD/ EUR) 172,9 billion USD, 24,2 billion EUR

(2022: 146,8 billion USD, 29,7

Total Amount transferred via Local Currency Payment Transfer 77,7 Trillion TL

Total Number of Transfers via Local Currency Payment Transfer

Total Number of Transfers via Foreign Currency **Payment Transfer** 38.000 (USD).

7.261 (EUR) (2022: 28.125 (USD), 5.640 (EUR))

(2022: 38,7 Trillion TL)

2,796,784 (2022: 1.874.402) Number of Members

53

registered in TETS (2022: 53) **Total Number Realized with**

TETS Members 1.743.513 (2022: 1.005.934)

50

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Trading Volume via TETS Members 10.06 trillion TL (2022: 4,43 trillion TL)

Number of Members in the Precious Metals Transfer System

(2022:18)

Number of Members of the **BiGA Platform**

(2022:8)

Amount of Sales via Tapu Takas System 765.621.733 TL (2022:1.048.683.935 TL)

Number of Sales via Tasıt **Takas System** 2.243 (2022: 2.107)

Amount of Sales via Tasıt Takas System 1,374,506,595 TL (2022: 720.426.775 TL)

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Other Services:

Market/Service

Legal Entity Identification

Takasbank has been allocating LEI (Legal Entity Identifier) codes in accordance with international standards (ISO 17442) since 2013.

Securities Identification

Takasbank was authorized as the "National Numbering Agency" by the CMB in 1995; and has been allocating international securities identification codes (ISIN - ISO 6166) and financial institution classification codes (CFI - ISO 10962) to all securities and other financial instruments issued in the local market. In 2018, Takasbank started to assign FISN (Financial Instrument Short Name) codes complementary to ISIN codes in line with ISO 18744 standard.

Member Information Management

In the fiscal year of 2023, the membership and account opening procedures performed for the institutions receiving services within the scope of Capital Market transactions and the relevant markets have also been continued with gradual increase.

Periodic Data Transfer to Data Vendors

Within the scope of the Service of Periodic Data Transfer to Data Vendor Companies; consolidated securities balances of mutual funds, pension mutual funds and investment trusts, their fund portfolio breakdown details, fund company details, fund analyses, and the information about the funds traded in TEFAS are provided.

Suspended Brokerage House Transactions

The processes regarding the brokerage houses with their activities suspended in accordance with the legislation and the assignments of the CMB were continued during 2023.

Repo-Reverse Repo Transactions and Their Monitoring and Reporting

It is required that repo and reverse repo transactions executed by brokerage houses and banks outside BİAŞ and the transactions executed by breaking the maturity should be reported to Takasbank and the securities subject to such transactions should be deposited at Takasbank.

Blockage of Collaterals of Brokerage Houses

Fund Valuation and Reporting to the CMB

The Service regarding Fund Valuation and Reporting to the CMB has been provided by Takasbank under its capacity as the custodian to the relevant institutions since 2011, pursuant to article 22 entitled as Takasbank's Obligations as specified in the Capital Markets Board's "Communiqué on Principles regarding Portfolio Custody Service and the Institutions that will provide this Service" governing Collective Investment Institutions (mutual funds/investment trusts) and article 29 entitled as Custodian's Duties as specified in the "Regulation on Principles regarding the Establishment and Activities of Pension Mutual Funds" governing Pension Mutual Funds.

Investor Compensation Center Lapse of Time Transactions

The transactions executed as of 2021 include the opening of investor accounts at the ICC and on an individual customer basis in integration with the CRA with respect to the investor accounts expiring due to lapse of time in the investment institutions and their transfer to the ICC where the relevant accounts are held for safekeeping purposes.

Crowdfunding Escrow Agent

With the CMB's "Crowdfunding Communiqué-III-35/A.2", Takasbank has been appointed as the "escrow agent" that will block the funds collected through platforms under its capacity as the escrow agent until they are transferred to the funded company or returned to the investors.

Major Developments in 2023

Records, New Practices and Developments:

Takasbank is one of the 13 global institutions allocating both ISIN and LEI codes. Takasbank completed the accreditation process it has conducted since 2015 with GLEIF acting as the international authorized board for allocation of LEI codes on 30 January 2018 and was accredited as a local operating unit. Since then, it has successfully renewed its accreditation every year.

Within the operating year, services were provided to 2.388 institutions and 8.469 active users. Accordingly, within the scope of the relevant member transactions and information services, 19.474 telephone calls, 74.276 e-mail notifications and directions, 1.093 representative designations according to the institutions' signature circulars, and finally, definition and entry of 13.161 securities traded in various markets were performed.

Member Accounts (as of 31 December 2023)	
Member Type	No.
Brokerage Houses	61
Banks	46
Electricity Market	1.628
Other	47
Natural Gas Market	74
Pension Companies	15
Factoring Companies	48
Financial Leasing Companies	15
Financing Companies	14
Turkish Agricultural Credit Cooperatives	1
Real Estate Investment Trusts	35
Venture Capital Investment Trusts	22
Participation Banks	8
Precious Metals Brokerage Houses	64
Institutional Investors	13
Portfolio Management Companies	65
Insurance Companies	18
Licensed Warehouses	192
Asset Management Companies	12
Investment Trusts	10
Total	2.388

In 2023, within the scope of suspended brokerage house transactions, the transactions regarding dividend distribution and increase of capital through bonus issues and the lapse of time procedures related with the share certificates of the customers of suspended brokerage houses, which were under the responsibility of Takasbank, were followed up and the transfer requests received from investors were fulfilled.

The monthly breakdown of the securities deposited at Takasbank by brokerage houses and banks as provisions to be blocked for repo transactions in 2023 is provided below.

Months	Nominal (Million)
January	503.179,03
February	374.700,97
March	397.246,93
April	319.498,86
Мау	358.802,03
June	356.424,37
July	373.707,75
August	386.666,35
September	386.910,24
October	371.947,22
November	393.351,60
December	355.484,64

As of 31/12/2023, the total amount of collaterals held in custody at Takasbank on behalf of the CMB is 3,76 million TL; and their breakdown by collateral types is provided in the table below.

Collateral Type	Market Value (TL)
TL	2.169.050,84
Government Bonds	170.986,10
Letters of Guarantee	1.424.200,00
Total	3.764.236,94

Within the scope of the service regarding Fund Valuation and Reporting to the CMB, the total size of the funds of collective investment institutions (mutual funds, private pension mutual funds and investment trusts) for which services were provided increased by 113%, reaching 2.564 billion TL. The size of mutual funds increased by 128% reaching 1.519 billion TL while the size of private pension mutual funds increased by 74% reaching 755 billion TL. As of 30 December 2023, services were provided to 2.440 collective investment institutions. The Regulatory Constraint Controls Project between Takasbank and Central Registry Agency (Merkezi Kayıt Kuruluşu A.Ş.) was completed and launched.

Fund Type	No.	Fund Total Value
Pension Fund	376	755.109,08
Mutual Fund	1543	1.519.334,91
Real Estate Mutual Fund	165	75.745,83
Real Estate Investment Trust	35	21.272,69
Exchange-Traded Fund	21	64.536,34
Venture Capital Mutual Fund	290	126.691,53
Investment Trust	10	1.221,26
Total	2.440	2.563.911,64

As of 31/12/2023, there are 118.200 accounts opened at the ICC by 76 investment institutions; and there are cash and capital market instruments in the amount of approximately 137,1 million TL held in such accounts.

In 2023, Takasbank served as the first and only custody authority for a total of 26 crowdfunding platforms, 14 of which were listed by the Capital Markets Board (CMB), solidifying its position in Türkiye's newest organized investment system.

Discussions and exchanges of opinions on legislation related to crowdfunding services were conducted through meetings with the Capital Markets Board (CMB), where Takasbank served as the Escrow Officer within the scope of crowdfunding services.

Objectives

- Continuing to provide uninterrupted service
- · Continuing the development and regulation efforts to further increase the efficiency of the services provided · Making developments and improvements in the systems in line with the requests to be received from members
- · Adding alternative payment institutions to the system for credit card payments
- Ensuring instant realization of crowdfunding investments with the CBRT FAST system

Key Indicators

36.886

(2022: 36.522)

Number of LEI Codes allocated by Takasbank 941 (2022: 1.262)

Number of ISIN Codes

allocated by Takasbank

(2022: 668)

Signed

(2022: 24)

Number of Institutions whose Account **Relationships were** terminated

Account Agreements

61

62

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Number of Data Vendors **Provided with Data**

10 Receivers, 6 Sub-receivers (2022: 10 Receivers, 3 Subreceivers)

Number of Successful Campaigns in the **Crowdfunding Escrow** Agent Service

(2022:45)

Raised Amount of Funds in the Crowdfunding Escrow Agent Service 767.191.379 TL (2022: 217.947.707 TL)

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INFORMATION TECHNOLOGIES, PROJECT DEVELOPMENT AND RELATED ACTIVITIES

Project Status Summary:

Project Portfolio	Number of Completed Projects in 2023	Number of Ongoing Projects by the end of 2023	Number of Completed R&D Projects in 2023	Number of Ongoing R&D Projects by the end of 2023
Business	8	18	4	6
Development				
Corporate	0	0	0	0
Development				
IT Infrastructure	14	8	1	1
Development				
Total	22	26	5	7

Major Business Development Projects

Different Application of Risk Parameters on Account Basis Project

In the project, a parametric field has been established to apply risk parameters by multiplying them with a coefficient parameter for specified accounts, allowing for the application of varying risk parameters based on defined coefficient values for specific accounts. The project underwent scope analysis, development studies, and was commissioned in 2023.

ISIN Portal Phase 2 Project

"ISIN Türkiye Portal" was launched on 1 March 2022 within the scope of the Securities Identification Service provided by Takasbank. The Portal allows for faster and more practical ISIN applications in a fully-automated environment thanks to its user-friendly interface.

The process which required ISIN issuers to bring their ISIN application documents to Takasbank in the form of physical documents before the portal has been facilitated after the deployment of the portal with the online uploading feature allowing issuer institution users to log into the ISIN Türkiye Portal system and upload the relevant documents according to the category of securities online via the website; and thus decreased the workload of the institutions.

Issuers filing ISIN applications can monitor their ISIN application status online via the web portal and report the ISIN codes that they receive on an individual date basis.

In this context, various developments and improvements have been continued to be made in relation to ISIN portal and operation screens after the project transition within 2023.

BiGA Mint Gold Transfer Project

The project aims to establish a system facilitating the sale, repurchase, and physical delivery of the BiGA value represented in the blockchain for one gram of physical gold, held at the Mint, to BiGA member banks through Takasbank screens. It enables banks to transfer purchased BiGAs to their customers through the established blockchain network with banks. Developments were completed in 2023, and the project was commissioned.

Blockchain-Based Payment System

As part of Takasbank's Strategic Plan, one initiative involves transforming physical assets into digital assets and establishing platforms and services for their transfer. The Blockchain Development Team is being strengthened with new personnel to enhance expertise and develop a payment system infrastructure using blockchain technology.

The completed and commissioned project in 2023 aimed to establish a reliable and alternative payment system infrastructure using blockchain technology, envisioning the emergence of a 24/7 payment system as an alternative to conventional systems.

BEFAS Credit Disbursement Project

The project, aimed at facilitating the distribution of settlement receivables by offering instant credit to members struggling to meet their cash settlement obligations, completed its analysis and development phase in 2023 and has been

Fund Constraint Controls Project

successfully commissioned.

This is the project for completion of legislative controls to be made with the data that will be received from the CRA in relation to the special constraint controls in the prospectuses of funds.

Within the scope of constraint controls, the data related with the funds are obtained from the CRA PDP, Database Center (DBC) system via web service integrations and entered into and recorded in Takasbank system. Constraint violations are identified with new constraint control software in Takasbank system. In addition, fund constraint controls will be made for the constraints that can be provided over the data in Takasbank.

The project was commissioned on June 1, 2023.

Takasbank Shareholding Structure Transactions Management Module Project

The project, designed to integrate Takasbank shareholding information into the system, was successfully commissioned in 2023, allowing various transactions and processes related to Takasbank shareholder information to be efficiently performed and reported through a unified system;

- The migration of shareholder numbers/amounts to the system,
- Share transfers.
- Capital increases through rights and bonus issues,
- Pledging of partnership shares,
- Prospectus issuing.
- Attendance list creation and
- Dividend payments

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The New Risk Batch Project, completed in October 2023, aims to establish upper limits on the total position value a registry can take in VIOP's PTRM (pre-trade risk management) module, group underlying assets, and set limits. If the total open positions of a registry in a group exceed the specified limit, the registry won't be able to enter position-increasing orders from contracts based on all shares in the group.

The project implemented during the year streamlined collateral instructions, transitioning from email or fax to receiving instructions via banking applications. Additionally, the system entries for pledge agreements given by brokerage houses for loans were revised, allowing brokerage houses to input these agreements directly, enhancing efficiency in the loan process.

Separate Limit Allocation to Funds in Takasbank Money Market

The project, implemented in 2023, introduces a dedicated limit exclusively for Fund Purchase transactions, supplementing the existing limits for members engaging in Takasbank Money Market trading. In 2023, the analysis and development work for the project was concluded, and the project was successfully launched.

Implementing registry-based limit controls in VIOP accounts through the New Risk Batch Project

Credits Customer Documents and Collateral Entry Screen Revision Project

INFORMATION TECHNOLOGIES. PROJECT DEVELOPMENT AND **PELATED ACTIVITIES**

ISIN ASB Reporting Development Project

The project's objectives include sending the ASB daily file every weekday, automating the quarterly transmission of the Master File, aligning international reporting with local legislation, and complying with international standards by reporting the fund's own LEI in the "Issuer LEI" field and the LEI of the fund founder in the "Fund Manager's LEI" field to ANNA. The legal reporting section related to ASB was successfully developed and implemented in 2023, and ongoing efforts are focused on automatically transmitting the daily ISIN information file to the ASB via FTP within the automation system.

ADX Takasbank Cooperation Project

This is the project regarding the testing and integration of new trading and post-trade products purchased by Abu Dhabi Exchange from Nasdaq, conducting their data migration steps, and providing consultancy services for any subject matters needed within the scope of business and IT. Within the scope of the cooperation agreement signed by Borsa Istanbul with Abu Dhabi Stock Exchange, preliminary analyses, costing and contract execution efforts were completed as ADX. Borsa Istanbul and Takasbank; and project development and testing efforts were continued in 2023. Project management service, data migration code development, integration consultancy service, and testing management service are provided within the scope of this project.

TÜRİB Technological Transformation Clearing, Settlement, Risk and Collateral Management Project Phase 1 (SPOT)

In 2023, a service protocol with TÜRİB was signed on September 20, 2023, as part of the project, enabling Takasbank to provide clearing, settlement, risk, collateral, and default management operations for the TÜRİB Electronic Warehouse Receipt Market. The project underwent scope and cost studies, and development work commenced in alignment with the agreements between the involved parties. Ongoing collaboration with the business and technical teams of both CRA and TÜRİB continues throughout the project.

Public Collateral Management Phase 2 (Final Guarantees and Accounting Integration)

The project's goal is to integrate performance guarantees used in electronic tenders into Takasbank Public Collateral Management System, encompassing both e-guarantee letters and surety bonds, and to transfer them to the Accounting System. In 2023, the project advanced with scope, cost, and planning studies, and development work began, reaching its final stages. Collaboration with key stakeholders, including the Public Procurement Authority, the General Directorate of Accounting, the Credit Bureau, the Insurance Information and Surveillance Center, and TÜBİTAK, is ongoing.

Date-Based Offsetting of Advance Transactions in the Spot Electricity Market

The project aims to prevent exceptions with transaction dates in the Spot Electricity Market from being offset with other transaction files on the settlement date. In 2023, the project initiated analysis studies, and developments are currently onaoina.

CCP - VIOP Transactions

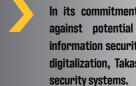
As part of central counterparty controls, 19 VIOP-specific reports are planned to be prepared. In 2023, scope and analysis studies were conducted, and development work is currently in progress.

Funds Instant and Continuous Transfer (FAST) Project

The project was initiated to leverage the FAST (Funds Instant and Continuous Transfer) System developed by the CBRT, allowing Vehicle Settlement and Crowdfunding services to benefit from the FAST system. In 2023, the project underwent necessary scope and analysis studies, and development work is currently in progress.

TakasChain Cryptological Structure Development Project

Since 2017, Takasbank has been engaged in blockchain studies to establish a blockchain infrastructure that complies with existing regulations and operates on a privacy basis. By the end of 2019, the first target was achieved, and a working structure was proven with a live environment involving 8 banks. Subsequently. Phase-2 studies were conducted



In its commitment to fortify security measures against potential disruptions, and to uphold information security amid the evolving landscape of digitalization, Takasbank continued to enhance its

to enhance the blockchain infrastructure, increasing the transaction space from 232 to 264 and reducing the size of one transaction from 21 KB to 5,5 KB. The Phase-2 transition took place with 5 banks on April 14, 2023. However, performance tests revealed the need for improvements in the existing structure, leading to ongoing analysis and improvement works in the cryptological transaction infrastructure.

TakasChain Infrastructure Improvement Project

The project involves updating technical and informative documents for the Blockchain-based Takasbank-specific infrastructure to enhance security and services, completing web service integrations with the Mint, preparing SDKs. making the integration application independent from the existing structure, customizing a special explorer application, designing processes for offline transactions and private keys, and the project is currently in progress.

BISTECH Equity Market Historical Simulation Risk Calculation Project

This is the project for transition to historical simulation model as the risk calculation methodology in the Equity Market. The settlement risk in the Equity Market will be started to be calculated with the historical simulation method instead of the delta hedge risk calculation method currently used in the Futures and Options Market and Equity Market. Risk calculations for more sensitive clearing & settlement positions will be made using the confidence interval parametrically determined in the Equity Market as well as the historical closing prices.

Smart Software Solutions to Distortions in Yield Curve Project

The project, initiated in 2023, aims to identify anomalies in the yield curve generated by the Price Server process through hourly and end-of-day batches, suggest software-generated input prices to address issues, and draw the yield curve in the process cache using the approved software-produced prices. Analysis studies for the project are currently in progress.

Information Security Management Activities

Takasbank implements security measures to safeguard the confidentiality, integrity, and accessibility of critical information and data, with designed processes and activities executed and reported to ensure comprehensive cybersecurity.

Takasbank meticulously documents information security policies, procedures, and processes, aligning them with security requirements across stakeholder processes. The bank employs regular security vulnerability scans on corporate applications, networks, and system components, promptly reporting findings to the relevant parties, ensuring a proactive approach to cybersecurity.

In August 2023, Takasbank underwent an external audit to validate the ISO 27001 Information Security Management System Certificate, ensuring the effectiveness of ISMS activities and compliance with international standards. The successful completion of the ISO 27001 certificate renewal audit signifies that the Bank maintains and sustains a healthy Information Security Management System.

In 2023, Takasbank concluded its ISO 27001 internal audit and continuous improvement activities. To enhance information security awareness, online ISMS awareness training was conducted for Takasbank personnel and personnel from supplier companies involved in information systems activities. Social engineering tests, including simulated phishing attacks, were performed to increase awareness, and ongoing efforts aimed at enhancing the information security awareness of employees persisted. New employees at the Bank received information security awareness training, and monthly information security bulletins were consistently published across the organization.

In its commitment to fortify security measures against potential disruptions, particularly cyber threats, and to uphold information security amid the evolving landscape of digitalization. Takasbank continued to enhance its security systems. The completion of the Cyber Security Center establishment at Borsa İstanbul A.Ş. in 2022 marked a pivotal step, and collaborative security efforts within the group further intensified in 2023. The bank sustained its 24/7 monitoring of security incidents, consistently implementing refined integrations to take prompt and effective actions in response.

INFORMATION TECHNOLOGIES. PROJECT DEVELOPMENT AND **PELATED ACTIVITIES**

As with every year, Disaster Recovery Drills covering critical services were conducted with the participation of members and stakeholders this year.

In 2023, comprehensive root cause analysis studies were conducted for the findings identified in independent penetration test studies. The resulting action plan, approved by the Takasbank Board of Directors, is being diligently implemented and closely monitored.

Furthermore, Takasbank continued compliance activities and internal audit processes in line with the Information and Communication Security Guidelines published by the Presidential Digital Transformation Office.

During 2023, the comprehensive deployment of the "Attack Simulation and Security Verification Product" was successfully finalized, enhancing the effectiveness of security measures and fortifying defenses against dynamic and evolving threats.

Throughout 2023, Takasbank implemented enhancements in critical areas like brand protection controls, attack surface management, vulnerability intelligence, and supplier monitoring, significantly elevating its security maturity within the realm of cyber threat intelligence processes.

The Information Security Committee held two meetings in February and October, reviewing information security activities and presenting relevant decisions for approval. Following these sessions, an information security activity report was compiled and presented to the Takasbank Board of Directors.

Takasbank employs a comprehensive approach to manage counterparty risks, conducting technical competence and risk analyses prior to engaging with suppliers. Supplier reliability and technical competence are assessed, considering information security and business continuity. These factors are integrated into supplier selection criteria to effectively manage outsourced cyber security threats.

IT Process and Quality Activities

Throughout the year, Takasbank initiated the annual audit process for the Information Systems Regulation of the Banking Regulation and Supervision Agency (BRSA) and the Information Systems Management Communiqué issued by the Capital Markets Board (CMB). The audit is set to conclude with the reporting process in the upcoming January.

Takasbank continued to uphold business continuity and IT service management activities in accordance with ISO 22301 and ISO 20000 Standards, maintaining a cycle of planning, implementation, measurement, and improvement throughout 2023. The Bank conducted various activities, including training sessions, surveys, and announcements, to enhance employee awareness and ensure the effectiveness of its processes while complying with the standards.

As with every year, Disaster Recovery Drills covering critical services were conducted with the participation of members and stakeholders this year. During these drills; the period elapsing from the onset of failures until the restoration of services by switching from primary to secondary systems has remained within the minimum recovery time targeted for all critical services tested. In addition, individual tests for restoration from back-up systems, cyber drills, failover tests, and tests for implementing other business continuity recovery plans such as operation from the secondary servers of the PDC were also conducted within the year.

Internal audits were conducted in October and external audits were conducted in November and December in order to confirm the efficiency of the Business Continuity Management System and Service Management System activities and their compliance with international standards. As with the previous years, these audits have also provided important inputs this year in terms of the improvement of Takasbank Business Continuity and IT Service Management processes and the addressing of important areas for development.

R&D Center Management

As of April 20, 2017, Takasbank, operating as an On-Site R&D Center, successfully concluded a total of 5 R&D projects in 2023, including the "Blockchain-Based Payment System Project," "BiGA Mint Gold Transfer Project," "PostTrade Interaction of Dynamic Load Distribution of Exchange Trading System Architecture," "Gateway Infrastructure Project," and "Limit Controls in VIOP Accounts on Registry Basis with Risk Batch." As listed below, there are ongoing 7 R&D projects that have been in progress by the end of the year;

- "TÜRİB Technological Transformation Clearing," Settlement, Risk and Collateral Management Project",
- "BISTECH CL Multi Partition Project",
- "TAKASCHAIN Cryptological Structure Development Project",
- "TAKASCHAIN Infrastructure Improvement Project",
- "Project for Blocked Operation of the Securities Preferred Repo Market and Equity Repo Market",
- · "Smart Software Solutions to Yield Curve Distortions" and
- "Single Collateral Pool Project"

The R&D activities conducted by the Bank have been audited by the Ministry and the audits have been successfully completed in 2023.

As part of the blockchain studies, Takasbank engaged in discussions with numerous domestic and international institutions, participated in globally recognized conferences including Istanbul Blockchain Week, Binance Blockchain Week, and Ethereum Devconnect, and collaborated with universities, public institutions, and sector representatives to exchange ideas.

R&D employees working in the Bank benefit from the grants announced for starting/completing a master's program, starting a Ph.D. program, passing the Ph.D. qualification exam, receiving a Ph.D. degree, publishing research books, and publishing papers, as stipulated in the R&D Incentive Procedure. In this context, a total of five employees have benefited from such grants within the year 2023.



The R&D activities conducted by the Bank have been audited by the Ministry and the audits have been successfully completed in 2023.

CORPORATE GOVERNANCE

Takasbank, in alignment with its commitment to sustainable and responsible service, embraces a governance structure that prioritizes transparency and accountability, adhering to principles of corporate governance and banking ethics.

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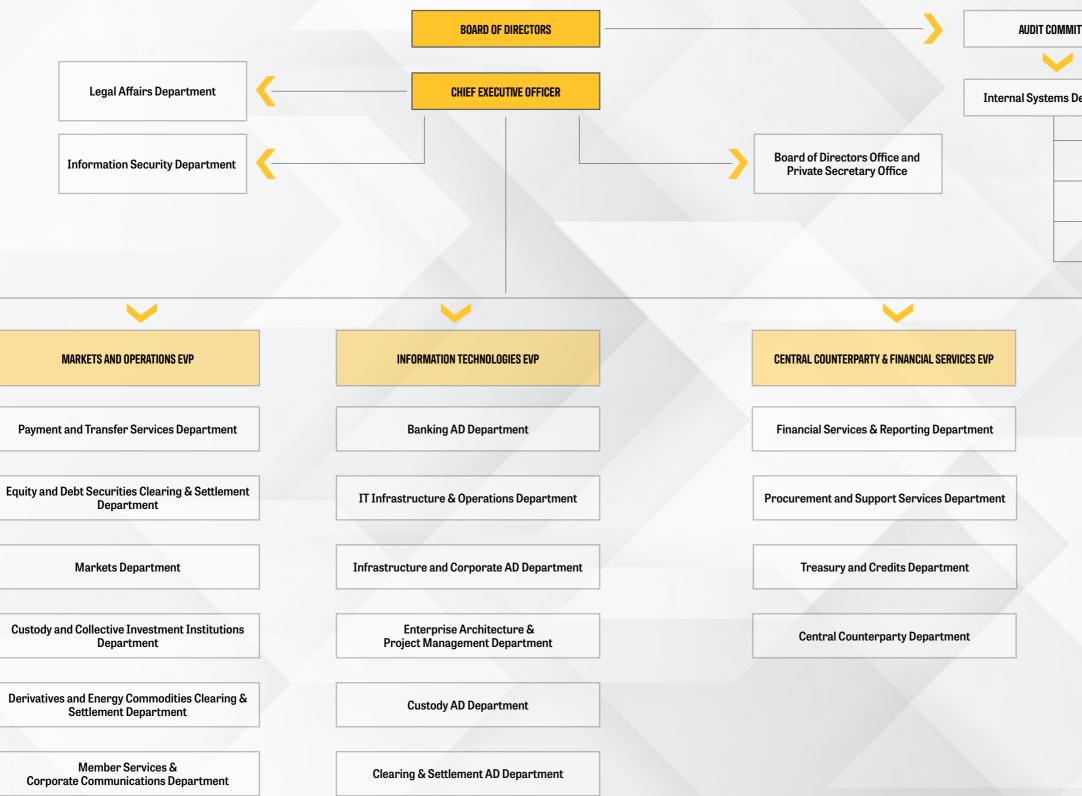
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>>>> ORGANIZATION CHART OF THE BANK

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`	Internal Audit Department	
>	Internal Control Department	
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BOARD OF DIRECTORS

Name & Surname	Position	Area of Responsibility	Education	University	Faculty/Institute	Department
5.44			Bachelor's Degree	Boğaziçi	Economics and Administrative Sciences	Political Science and International Relations
Dr. Mahmut KAYACIK	Chairman	Chairman of the Board of Directors	Master's Degree	Marmara	Institute of Social Sciences	International Economics
			Ph.D.	Medipol	Inst. of Social Sciences	Banking and Finance
Korkmaz	Vice	Vice Chairman	Bachelor's Degree	Ankara	Political Sciences	Business Administration
ERGUN	Chairman	of the Board of Directors	Master's Degree - Ph.D.	Marmara	Economics	Economics
		Chief Executive Officer	Bachelor's Degree	METU	Engineering	Aerospace Engineering
Avşar R. SUNGURLU	CEO Member	Member of the BoD Chairperson of the Credit Committee	Master's Degree	METU	Engineering	Aerospace Engineering
			Master's Degree	Long Island	Management	Business Administration
		Member of the BoD	Bachelor's Degree	Ankara	Political Sciences	Public Administration
Bilal ŞENTÜRK	Member	Permanent Member of the Credit Committee Chairperson of the Corporate Governance Committee	Master's Degree	Ankara	Institute of Social Sciences	Public Administration
		Member of the BoD	Bachelor's Degree	İstanbul	Political Sciences	Public Administration
Muhsin ATCI	Member	Substitute Member of the Credit Committee Chairperson of the Remuneration Committee	Master's Degree	Duke	Development Policy	Development Policy
Murat ONUK	Member	Member of the BoD Permanent Member of the Credit Committee Member of the Corporate Governance Committee	Bachelor's Degree	İstanbul	Economics	Economics
		Member of the BoD Member of the Audit	Bachelor's Degree	İstanbul	Management	Business Administration (English)
Murat TACİR	Member	Committee Chairperson of the Risk Committee	Certificate	Berkeley	Marketing	Marketing
		Member of the BoD Chairperson of the Audit Der Committee Member of the Risk	Bachelor's Degree	Ankara	Political Sciences	Economy Administration
Prof. Dr. Münevver ÇETİN	Member		Master's Degree	Ankara	Institute of Social Sciences	Educational Administration and Planning
		Committee	Ph.D.	Istanbul	Institute of Social Sciences	Money and Market Policy
Yusuf		Member of the BoD Substitute Member of the	Bachelor's	Uludağ	Economics and Administrative Sciences	Business Administration
KARALOĞLU	Member	Credit Committee Member of the Remuneration Committee	Master's Degree	Erzincan	Institute of Social Sciences	Public Law

BoD Committee Memberships

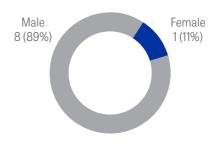
- > Credit Committee
- Remuneration Committee
- Corporate Governance Committee
- Audit Committee
- **Risk Committee**

B means that the person is the chairperson of the relevant committee.

A means that the person is a permanent member of the relevant Committee.

 ${\bf Y}$ means that the person is a substitute member of the relevant Committee.

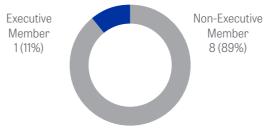
Breakdown of Board Members by Gender (%)



Independence Status of Board Members (%)



Executive Responsibility of Board Members (%)



* The members of the Board of Directors other than the Chairman, Vice Chairman and Chief Executive Officer are listed alphabetically.

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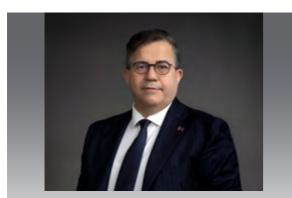
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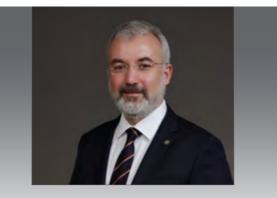


BOARD OF DIRECTORS

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Dr. Mahmut KAYACIK Chairman of the Board of Directors



Korkmaz ERGUN Vice Chairman of the Board of Directors

Dr. Mahmut KAYACIK received a bachelor's degree from the Department of Political Science and International Relations at Boğaziçi University and a master's degree from the Department of International Economics at Marmara University. Having successfully completed INSEAD Senior Executive Program, Mr. KAYACIK has received his doctoral degree on Banking and Finance at Istanbul Medipol University. Having started his career at Yıldız Holding where he led notable merger and acquisition and initial public offering projects, Mr. KAYACIK served as the CEO and a Member of the Board of Directors of Takasbank between 2016-2019. Having served as the Founding CEO and a Member of the Board of Directors of Kızılav Real Estate and Venture Capital Portfolio Management as well as the Board Member of Kızılay Yatırım Holding A.Ş. before joining Türkiye Wealth Fund in March 2021 as the Executive Vice President of Finance and Operations, Dr. Mahmut KAYACIK serves as a Member of the Investment Committee at the Informatic Valley Venture Capital Investment Fund, one of the leading technology-based funds of Türkiye. Deemed worthy of the Capital Markets Honour Award by Turkish Capital Markets Association in 2019. Mr. KAYACIK was re-elected as the Chairman of Takasbank Board of Directors on 28 April 2022.

Korkmaz ERGUN earned his undergraduate degree at Ankara University Faculty of Political Science, Department of Business Administration and started his career at Borsa İstanbul the same year. He completed his masters' degree and PhD at Marmara University, Faculty of Economics. Having 26 years of Stock Exchange and Capital Markets experience, Mr. ERGUN has administered the evaluation of the initial public offerings of numerous companies, and the examination and market activities of the companies listed on Borsa İstanbul. Moreover, Mr. ERGUN is the Deputy Chairman of Takasbank Board of Directors. He is also a Board Member of the World Federation of Exchanges (WFE). Mr. ERGUN was re-elected as the Deputy Chairman of Takasbank Board of Directors on 28 April 2022.



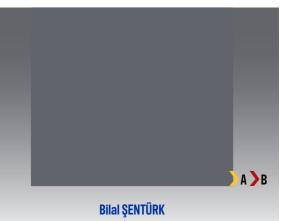
Avsar R. SUNGURLU CEO and Member of the Board of Directors

Avşar SUNGURLU, born in Gümüşhane in 1968, completed his high school education at Ankara Atatürk Anatolian High School. He graduated from the Department of Aeronautical Engineering at the Middle East Technical University in 1990 and received his master's degree at the same department in 1993. He completed his master's degree in Business Administration at the Long Island University in New York in 1995. Having worked as a design engineer at Tusas Aviation and Space Industry (TAI) for a while, he started his career in the finance sector as a research specialist at Inter Investment in 1997. Having worked at Bizim Menkul Değerler company between 2003-2015, Mr. SUNGURLU served as the CEO and a Board Member of Bizim Portfolio Management until 2017. After this date, he served as the Executive Vice President at Albaraka Portföy Yönetimi A.Ş. and a member of the Board of Directors at Albaraka Tech and Albaraka Kültür Sanat A.Ş.. Mr. SUNGURLU, the Chief Executive Officer of Takasbank, was elected as a Board Member of Takasbank on 29 March 2021.

Bilal ŞENTÜRK, born in Çaykara/Trabzon in 1972, is a distinguished public servant with a notable career. He graduated from Ankara University, Faculty of Political Sciences, Department of Public Administration in 1995 and completed his master's degree at the same university in 1999. His civil service journey began in 1996 as a Samsun District Governor Candidate. Over the years, Bilal SENTÜRK served as District Governor in various districts, including Düzce-Yığılca, Sivas-Doğanşar, Afyonkarahisar-Şuhut, Bitlis-Ahlat, and Yalova-Termal, from 2000 to 2012. His contributions extended to roles such as Branch Manager at the Ministry of Interior General Directorate of Provincial Administration (2012-2013), Deputy Minister's Private Secretary (2013-2014), Head of Department at the General Directorate of Personnel (2014-2015), Member of the Presidential State Supervisory Board (2015-2016), General Director of Personnel at the Ministry of Interior (2017-2018), and Governor of Bilecik (2018-2021). On July 14, 2021, Bilal ŞENTÜRK was appointed as the General Director of Personnel and Principles of the Presidency of the Republic of Türkiye by the Presidential Decree, and he continues to serve in this capacity. Mr. SENTÜRK was elected as a member of the Takasbank Board of Directors on August 3.2023.

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TAKAS İSTANBUL 2023 ANNUAL INTEGRATED REPORT



Member of the Board of Directors

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BOARD OF DIRECTORS
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Murat ONUK Member of the Board of Directors

Muhsin ATCI, born in 1979 in Ereğli, graduated from Istanbul University, Faculty of Political Sciences, Department of Public Administration, and pursued his Master's degree in Development Policy at Duke University, USA, graduating in 2014. Mr. ATCI is currently working on his PhD at Ankara Hacı Bayram Veli University in the Department of Finance. His professional journey began in 2003 when he embarked on a career as an Assistant Tax Inspector. Over the years, he held various roles, including trainee Revenue Controller in 2005, Revenue Controller in 2008, and Deputy Head of Administrative and Financial Affairs Department in 2010. In 2011, he was appointed as a Tax Inspector with the establishment of the Tax Audit Board Presidency. Notably, Muhsin ATCI served as Group President between September 15, 2014, and July 7, 2017, and as Vice President of the Tax Audit Board between July 31, 2017, and April 18, 2019. Married with three children, Muhsin ATCI is fluent in English. He was appointed as the President of the Tax Audit Board by the Presidential Decree published in the Official Gazette on October 7, 2023. He officially assumed his duties on October 9. 2023. Additionally. Mr. ATCI was elected as a member of Takasbank Board of Directors on October 20, 2023.

Murat ONUK, born in Istanbul in 1974, graduated from the Faculty of Economics at Istanbul University in 1999. He worked in various managerial positions in the IT sector between 1993-1999. After having worked in managerial positions in Microsoft Türkiye between 1999-2004, he held a variety of senior executive positions at Microsoft headquarters (Redmond, USA) including responsibilities assumed, firstly, for EMEA (Europe, Middle East, and Africa), and then, for all countries worldwide between 2004-2009. He served as the Executive Vice President at TTNET between 2009-2010 and as a Consultant to the Chief Executive Officer at Türk Telekom between 2010-2012. He was involved in angel investment activities in various organizations while serving as a member of the Boards of Directors in such organizations between 2013-2016. In 2017, he joined Arz Portfolio where he still serves as a Managing Partner at present. He has served as the President of the Legislative and Regulatory Commission in Türkiye Venture Capital Council at the Union of Chambers and Commodity Exchanges of Türkiye (TOBB) since 13 May 2020. Mr. Murat ONUK was appointed as a member of the Board of Auditors in Türkive Capital Markets Association (TCMA) on 4 September 2020, and re-elected as the Member of Takasbank Board of Directors on 28 April 2022.



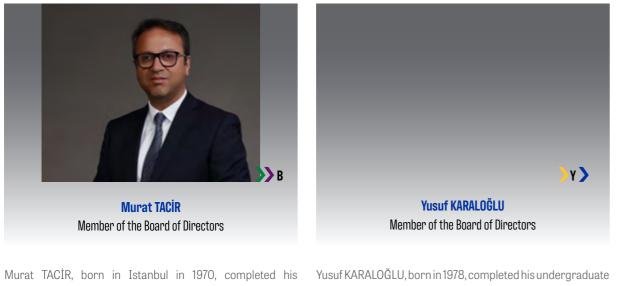
Prof. Dr. Münevver CETİN Member of the Board of Directors

Prof. Dr. Münewer ÇETİN completed her master's degree at Ankara University Institute of Social Sciences in 1985, and her doctorate at Istanbul University Institute of Social Sciences in 1988. She received the title of Associate Professor in 1998. She has given lectures on insurance seminar, insurance business management, human resources management, total quality management, and introduction to business administration at Marmara University Banking and Insurance Institute and the School of Banking and Insurance since 1998. In the meantime, she also provided master and doctorate thesis consultancy on banking and insurance issues and served as a jury member for doctoral thesis monitoring, proficiency and final exams. She also served as the Head of Insurance Department (2004-2007) and Board Member (2002-2007) at the Banking and Insurance Institute. In the meantime, she taught strategic management, organizational theories, management and organization, customer relations management, total quality management, human resources management, and organizational behaviour courses and she also managed postgraduate theses on these topics at Beykent University Institute of Social Sciences, Doğus University Faculty of Economics and Administrative Sciences, and Maltepe University Faculty of Economics and Administrative Sciences. She taught strategic planning, organizational behaviour, and total quality management courses and also served as a jury member in thesis consultancy and theses monitoring, proficiency, and thesis defence exams on these issues at Kadir Has University Institute of Social Sciences (2003-2008). She worked as a project manager on the Scale Economies and Efficiency in the Insurance Sector at

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Marmara University (2005). She still teaches at the School of Banking and has been a Member of the Board of Directors for 19 years. She received the title of Professor in 2005. Some of the finance theses that she managed include: The Risk of Lack of Ownership in the real Economy and Banking Sector (2009), Private Sector Bond Pricing in Terms of Alternative Financing Sources in International Markets (2007), Development and Effects of E-Business and Alternative Distribution Channels in the Financial Sector in Türkiye (2006), The Place of Mortgage Banking in Housing Finance in Emerging Economies (2009). An Application for the Determination and Distribution of Capital in the Determination of the Financial Adequacy of Insurance Companies (2008). The paper jointly presented at the Eight Strategy Congress (2008) is entitled as "The Effects of Leadership Styles and the Communication Competency of Bank Managers on the Employee's Job Satisfaction: The Case of Turkish Banks". She served as the Advisor to the Head of Disaster and Emergency Management between 2014-2016. She served as an Advisor to the Undersecretariat of the Prime Ministry between 2016- 2017 Mrs. CETIN was re-elected as a Member of Takasbank Board of Directors on 28 April 2022.

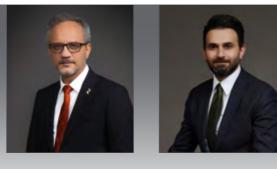
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BOARD OF DIRECTORS
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high school education in Kadıköy Anatolian High School and his undergraduate education at Istanbul University, Department of Business Administration in English in 1993. After completing the Marketing certificate program at the University of California Berkeley, Murat TACIR started his career by working in the Marketing and Finance departments of Sümer Plastik A.Ş. In 1995, he met with capital markets at Tacirler Yatırım Menkul Değerler A.Ş. and worked in different positions and still serves as the Vice Chairman of the Board 28 April 2022. of Directors in the same company. In the last period of ISE (Istanbul Securities Exchange), he served as the Auditor of the Board of Directors (2012-2013) and he also served as a Member of the Board of Directors at Borsa Istanbul (2014-2017). Mr. TACIR still serves as the Deputy President of the Capital Markets Council at TOBB (Union of Chambers and Commodity Exchanges of Türkiye). He is married and has 2 children. Mr. TACİR was re-elected as a Member of Takasbank Board of Directors on 28 April 2022.

education at Uludağ University, Department of Business Administration in 2001. He received his master's degree in the field of Public Law at Erzincan University Institute of Social Sciences in 2013. He served as a District Governor between 2007-2015, and as the Head of Presidential Strategy between 2015-2018. He has been serving as the General Manager of Presidential Security Affairs since 2018. Mr. KARALOĞLU was re-elected as a Member of Takasbank Board of Directors on

EXECUTIVE MANAGEMENT



Avsar R. SUNGURLU Chief Executive Officer Member of the Board

Gökhan ELİBOL **Executive Vice President**

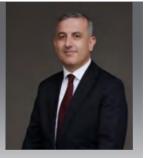
Name &	Desitien	Area of	Education	University	Fooulty	Donontment		Professional Expe	rience	
Surname	Position	Responsibility	Education	University	Faculty	Department	Years	Institution	Position	
			BSc/BA	METU	Faculty of Engineering	Aeronautical Engineering	1997	Türk Havacılık ve Uzay San.	Engineer	
							1997 2003	Inter Yatırım Menkul Değerler	Manager	
A	CEO					2003 2015	Bizim Menkul Değerler	Executive Vice President		
Avşar R. SUNGURLU	Board Member		MSc/MA	METU	Faculty of Engineering	Aeronautical Engineering	2015	Bizim Portföy Yönetimi	CEO	
	mornbor				2017	Albaraka Türk Portföy Yönetimi	Executive Vice President			
						-	2021 2021 Present	İstanbul Takas ve Saklama Bankası A.Ş.	CEO	
			BSc/BA	Ankara	Political Sciences	Economy	2006 2006	Ministry of Finance	Tax Inspector	
Gökhan	Executive Vice	/ice Iviarkets and			Law	Law	2006	BRSA	Assistant Sworn-in Bank Auditor	
ELİBOL	LIBOL Descident Uperations		BSc/BA	Beykent			2016		Sworn-in Bank Auditor	
			2016 Present	İstanbul Takas ve Saklama Bankası A.Ş.	Executive Vice President					
		Information		İstanbul	Engineering	Electrical Electronics Engineering	1998 2000	Siemens Business Services Siemens A.G	Systems Manager	
Taşkın							2001 2016	İstanbul Takas ve Saklama Bankası A.Ş.	Service Manager	
ÖKER							2016 2020	İstanbul Takas ve Saklama Bankası A.Ş.	Director	
									2020 Present	İstanbul Takas ve Saklama Bankası A.Ş.
			BSc/BA	METU	Economics & Administrative Sciences	International Relations	1997 1998	Sümerbank	Corporate Marketing Assistar Specialist	
							1998 2001	Etibank	Inspection Board – Authorized Assist. Inspector	
	Executive	Central					2001 2009	İstanbul Takas ve Saklama Bankası A.Ş.	Inspection Board – Chief Inspector	
Murat GÖRGÜN	Vice President	Counter-Party and Financial Services	BSc/BA Marr	Marmara	Banking & Insurance	Banking	2009 2011	İstanbul Takas ve Saklama Bankası A.Ş.	Risk Management Unit Manager	
					Institute	9	2011 2021	İstanbul Takas ve Saklama Bankası A.Ş.	Financial Services & Reporting Dept Director	
							2021 Present	İstanbul Takas ve Saklama Bankası A.Ş.	Executive Vice President -Central Counter-Party and Financial Services	

			DOC/DA	Alinala	Sciences
Gökhan ELİBOL	Executive Vice President	Markets and Operations	BSc/BA	Beykent	Law
Taşkın ÖKER	Executive Vice President	Information Technologies	BSc/BA	İstanbul	Engineering

GRI 2-9, 2-11, 2-17



Taskın ÖKER Executive Vice President



Murat GÖRGÜN Executive Vice President

DEPARTMENTS UNDER INTERNAL SYSTEMS

Name &	Position	Area of	Education	University	Faculty	Department		Professional Expe					
Surname		Responsibility				- optime in one	Years	Institution	Position				
					Ecoulty of		2011 2017	Albaraka Türk Katılım Bankası A.Ş.	Assistant Auditor, Auditor				
Okan BAYKAL	Director	Internal Systems	BSc/BA	Gazi	Faculty of Economics and	Business Administration	2017 2022	Albaraka Portföy Yönetimi A.Ş.	Internal Systems Department Manage				
DATINAL		Department			Administrative Sciences	AUTINIISU AUON	2022 Present	İstanbul Takas ve Saklama Bankası A.Ş. Internal Systems Dept.	Director				
			BSc/BA	Hacettepe	Faculty of Science and Letters	Statistics	2008 2013	T.C. Ziraat Bankası A.Ş. Head of Internal Control & Risk Management Dept.	Assistant Specialist, Specialist				
Şölen	Department	Internal Audit					2014 2017	İstanbul Takas ve Saklama Bankası A.Ş. Risk Management Unit	Specialist, Senior Specialist				
ÇETİN	Manager	Unit	MSc/MA	Hacettepe	Faculty of Economics & Administrative Sciences	Economics	2017 2021	İstanbul Takas ve Saklama Bankası A.Ş. Internal Control & Compliance Unit	Chief Specialist, Service Manager, Compliance Officer				
	2021 Present	İstanbul Takas ve Saklama Bankası A.Ş. Internal Audit Unit	Service Manager										
			BSc/BA	METU	Faculty of Economics & Adm. Sciences	Politics and Public Man.	2012 2019	Türkiye Halk Bankası A.Ş. Internal Control Department	Assistant Internal Controller, Internal Controller, Senior Internal Controller				
Halil Zühdü	Department Manager	Internal Control Unit	Unit			2019 2021	Türkiye Halk Bankası A.Ş. Treasury Management Department	Senior Specialist					
ERDUĞAN	managor	vianager Control Unit		/BA Bahçeşehir	Faculty of Law	Law	2021 2022	İstanbul Takas ve Saklama Bankası A.Ş. Internal Audit Unit	Chief Inspector				
							2022 Present	İstanbul Takas ve Saklama Bankası A.Ş. Internal Control Unit	Service Manager				
			BSc/BA	Yıldız Teknik	Faculty of Economics & Adm. Sciences	Business Administr.	2004 2005	İnan Plastik Makineleri Ltd.	Foreign Trade Specialist				
			MSc/MA	Bahçeşehir	Social Sciences Institute	Capital Markets & Finance	2005 2006	Gülaylar Kuyumculuk A.Ş.	Finance Specialist				
Vanac	Department	Legislation and					2008 2015	Kuveyt Türk Katılım Bankası A.Ş.	Auditor, Treasury & Capital Markets Business Dev. Manager				
Kenan DEDE	Department Manager	Compliance Unit			Banking &	Capital Markets	2015 2018	KT Portföy Yönetimi A.Ş.	Internal Control, Legislation & Risk Manager				
	Ph.D. Marmara Insurance Institute			Marmara Insura	νh.D. Marmara	Ph.D. Marmara	'h.D. Marmara). Marmara	ra Insurance & Stock	& Stock	2018 2022	İstanbul Takas ve Saklama Bankası A.Ş. Int. Control & Comp. Unit	Service Manager, Deputy Director
							2022 Present	İstanbul Takas ve Saklama Bankası A.Ş. Legis. & Compliance Unit	Service Manager				
Mustafa Mert	Department	Risk Management	BSc/BA	Gazi	Faculty of Science- Literature	Statistics	2008 2014	T.C. Ziraat Bankası A.Ş. Head of Internal Control & Risk Management Dept.	Assistant Specialist Specialist				
ÖZDİLER	Manager	Unit	MSc/MA	Gazi	Science Institute	Statistics	2014 Present	İstanbul Takas ve Saklama Bankası A.Ş. Risk Management Unit	Specialist, Senior Specialist, Chief Specialist, Service Manager				

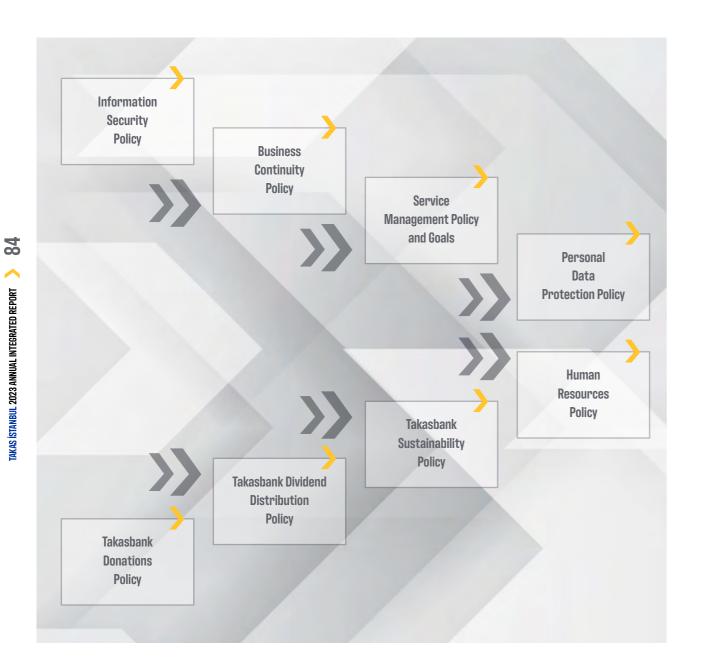
Emre ERHAN IT Infrastructure & Operations Dept.	Emre KOÇBEY Custody & Collective Investment Institutions Dept.	Faruk Selman LEKESİZ Infrastructure & Corporate AD Dept.	Hasan DEMİRCAN Clearing & Settlement AD Department
Hasan Hilmi YAVUZ Legal Affairs Department	İbrahim BEKTAŞ Purchasing & Support Services Department	İlker KUŞCU Custody AD Department	Kerim ARICAN Enterprise Infrastructure & Project Man. Dept
Metin KÜLÜNK Member Services and Corporate Communicat. Dept.	Muhterem ÇELİK Equity and Debt Securities Clearing & Settlement Dept	Nesrin ÖZKURT Derivatives & Energy Commodities Clearing & Settlement Dept	Niyazi Burak AKAN Central Counterparty Department
Okan BAYKAL Internal Systems Department	Oya DEMİRDAĞ Financial Services & Reporting Dept.	Sait Zekeriya ÖZGEL Payment &Transfer Services Department	
Semanur CERRAHOĞLU Treasury and Credits Department	Zehra Zeynep ÖÇAL Markets Department		

GRI 2-9, 2-11, 2-17

Information on Takasbank Policy Documents, Activities of the Committees reporting to or formed to assist the Board of Directors within the Framework of the Provisions of the Relevant Legislation, Committee Members' Attendance in Meetings held within the Fiscal Period, and the Names and Surnames and Fundamental Duties of the **Chairpersons and Members of These Committees**

TAKASBANK POLICY DOCUMENTS

Takasbank has developed various policy texts for the long-term development of the institution with a sustainable governance approach, considering all its shareholders in line with its mission and vision and corporate governance principles.



STRUCTURE AND FORMATION OF THE BOARD OF DIRECTORS

Definitions

Top Management / Executive Management: means the Board of Directors and Senior Management of the Bank.

Senior Management: means the Bank's Chief Executive Officer and Executive Vice Presidents, Internal Systems Department Director, managers/heads of the units within the scope of internal systems as well as the managers of the units except for consultancy units, bearing titles equivalent to or higher-ranking than an executive vice president in terms of their powers and duties even if they are employed with or under different titles.

Operating Principles of the Board of Directors

The Board of Directors convenes at least once a month. It is also possible to hold meetings at more Frequent intervals when deemed necessary. The Chairman, or in the absence of the Chairman, the Vice Chairman of the Board is authorized to convene the Board of Directors for a meeting and to determine its agenda. However, each board member is entitled to request from the Chairman of the Board to convene the Board of Directors for a meeting or to propose items to be included in the agenda. The Board of Directors convenes with the simple majority of the number of members and resolutions are taken by the majority of the attendants in the meeting. The issues regarding the activities of the Board of Directors and the principles and procedures regarding Board meetings are specified in the Bank's articles of association.

Information on Board Members' Attendance in the Relevant Meetings held within the Accounting Period

The Board of Directors convening at least once a month pursuant to the Bank's articles of association has held 22 meetings in 2023.

Number, Structure and Independence of the Committees formed under the roof of the Board of Directors

Takasbank Board of Directors has formed the Audit Committee, Credit Committee, Corporate Governance Committee, Risk Committee and Remuneration Committee to assist the Board in its business and operations in accordance with the obligations specified in the relevant legislation.

Other rights such as allocation of vehicles, insurance, etc. granted to the Board of Directors and Executive Management are determined in accordance with Takasbank Human Resources Directive and the related procedures; and travel allowances and expenses to be paid for travels are determined in accordance with Takasbank Travel Expenses Directive.

No borrowing-lending or surety or security relationships have been created with any of the Board Members and Executive Managers in 2023.

There are no transactions executed or activities performed within the scope of non-competition by the executive body members with the Bank in their own name or on behalf of others pursuant to the permission granted by the Bank's General Assembly.

Explanations regarding Administrative or Legal Sanctions imposed against the Company or Executive Body Members due to Practices against Legislative Provisions

There are no administrative or legal sanctions imposed against the company and its executive body members due to the practices in breach of the provisions of applicable legislation.

In the fiscal year of 2023, independent audits have been conducted at Takasbank by the PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.

GRI 2-9, 2-10, 2-12, 2-19, 202-2

Information on the Total Amounts of Financial Rights granted, Allowances given, and Travel, Accommodation and Representation Expenses, Real and Cash Allowances, Insurances and Other Similar Guarantees provided to **Board Members and Senior Managing Officials**

The financial rights such as remuneration and dividend bonuses granted to the Board Members are determined by the General Assembly in accordance with the provisions of the Turkish Commercial Code. The rights such as remuneration, bonuses, etc. granted to the Executive Management of Takasbank are determined within the framework of Takasbank Human Resources Directive; and general remuneration increases are put into application after they are approved by the Board of Directors.

Information on the Transactions executed by the Executive Body Members with the Bank in Their Name or on behalf of Others within the Framework of the Permission given by the Bank's General Assembly and their Activities within the **Scope of Non-Competition**

Explanations regarding Private Audit and Public Audit conducted within the Accounting Period

GRI 2-9, 2-12

COMMITTEE STRUCTURES

As detailed below, there are ten committees established directly under the roof of or formed to assist the Board of Directors in order to ensure efficient and uninterrupted management of all corporate governance activities within the structure of Takasbank. These committees convene at regular intervals; develop policies and strategies on necessary issues and take decisions in line with the current developments and needs within the framework of the statutory regulations.

CREDIT COMMITTEE

Duties and Responsibilities

· Responsible to allocate credit limits pursuant to the Banking Law and related legislation and within the framework of the authorization granted by the Board of Directors.

Members

Chairperson (CEO and Member of BoD)	Avşar R. SUNGURLU	
Permanent Member	Murat ONUK	
(Member of the BoD)	WILL AL ONOR	
Permanent Member	Bilal ŞENTÜRK	
(Member of the BoD)	Dilai ŞLIVI OKK	
Substitute Member	Muhsin ATCI	
(Member of the BoD)	WUIISIII ATOI	
Substitute Member	Yusuf KARALOĞLU	
(Member of the BoD)	TUSUI NARALUGLU	

Meeting Frequency

Credit limits allocated by the Bank are decided by the Board of Directors.

Information on Participation in Meetings

No meeting was held in 2023.

AUDIT COMMITTEE

Duties, Powers and Responsibilities

- Tasked with monitoring and ensuring compliance with the Bank's internal policies, implementation procedures related to internal control, internal audit, legislation, compliance, and risk management, while providing recommendations to the Board of Directors for necessary corrective measures.
- Responsible for ensuring the adequacy of the internal audit system, reviewing plans to cover the Bank's activities and associated risks, monitoring the independent and impartial performance of auditors, and overseeing measures taken in response to identified issues in internal audit reports..
- Mandated to conduct preliminary assessments for the selection of independent audit institutions, rating agencies, valuation, and support service providers by the Board of Directors. Furthermore, it is responsible for regularly monitoring the activities of these institutions selected and contracted by the Board of Directors,
- Tasked with ensuring the accuracy of the Bank's financial reports, verifying their compliance with the Banking Law and other relevant legislation, and addressing any detected errors and irregularities,
- Responsible for evaluating the methods, tools, and implementation procedures in place to identify, measure, monitor, and control the risks carried by the Bank. Additionally, it oversees the audit and control process to provide assurance on the adequacy and accuracy of the ICAAP (Internal Capital Adequacy Assessment Process).

Members

Member of the Audit Committee	Prof. Dr. Münevver
(Member of the Board of Directors)	ÇETİN
Member of the Audit Committee (Member of the Board of Directors)	Murat TACİR

Meeting Frequency

At least once a month

Information on Participation in Meetings

In 2023, 15 meetings were held with the participation of the Chairperson and Member of the Audit Committee.

CORPORATE GOVERNANCE COMMITTEE

Duties and Responsibilities

- To assist the Bank's Board of Directors in setting forth the mission and vision of the Bank, and to oversee that the Bank operations are conducted in line with the specified mission and vision.
- To identify conflicts of interests arising from any failure to ensure full compliance with corporate governance principles and to ensure the establishment of necessary policies for management of such conflicts of interests.
- To supervise the processes regarding the development and updating of the standards, policies, instructions, and implementing procedures with respect to the Bank's operations and transactions.
- · To evaluate social responsibility projects,
- · To review critical complaints and requests concerning corporate governance practices, and to present their comments and opinions in relation thereof to the Board of Directors.

Members

Chairperson of the Corporate Governance	Bilal
Committee (Member of the Board of Directors)	ŞENTÜRK
Member of the Corporate Governance	Murat
Committee (Member of the Board of Directors)	ONUK

Meeting Frequency

Minimum once a year

Information on Participation in Meetings

In 2023, 2 meetings were held with the participation of the Chairperson and Member of the Corporate Governance Committee.

RISK COMMITTEE

Duties and Responsibilities

- Responsible to notify their advisory opinions to the Bank's Board of Directors with respect to the CCP regulations and the management of CCP risks pursuant to the Capital Markets Law. In this context, important issues that may affect the markets to which the CCP service is provided, such as the following, are discussed and the issues to be recommended to the Board and their content are decided;
 - Significant changes to CCP membership types and criteria,
 - Significant changes to initial and variation margin calculation methods and models used in the markets to which CCP services are provided,
 - Significant changes to the calculation of the guarantee fund.

GRI 2-9, 2-12, 2-15, 2-19, 2-20

- Significant changes to collateral valuation methodologies or collateral composition,
- Significant changes to the assets accepted as collateral,
- Significant changes to the CCP's default management policies and procedures

Members

Chairperson of the Risk Committee (Member of the Board)	Murat TACİR
Member of the Risk Committee	Prof. Dr. Münevver
(Member of the Board)	ÇETİN

Meeting Frequency

Biannually (twice a year)

Information on Participation in Meetings

In 2023, 2 meetings were held with the participation of the Chairperson and Member of the Risk Committee.

REMUNERATION COMMITTEE

Duties and Responsibilities

Responsible for:

- Establishing the remuneration policy and submitting it to the Board for approval,
- · Monitoring and reviewing remuneration practices on behalf of the Board,
- · Regularly reviewing the consistency and effectiveness of the remuneration policy with the Bank's risk appetite and obiectives.
- Preparing remuneration resolutions for submission to the Board of Directors for approval,
- Submitting a proposal to the Board of Directors regarding the compensation of senior executives with administrative responsibilities.

Members

Muhsin ATCI	
TUSUI NARALUGLU	

Meeting Frequency

The Remuneration Committee reviews the remuneration policy and presents the results in the form of a report to the Board of Directors at least once a year.

Information on Participation in Meetings

In 2023, 4 meetings were held with the participation of the Chairperson and Member of the Remuneration Committee.

GRI 2-9, 2-12

ASSETS - LIABILITIES COMMITTEE

Duties and Responsibilities

- · To discuss and evaluate the Bank's balance sheet structure, income-expense balance, budget, fund management strategy, and the implications of the local and global developments in money and capital markets for the Bank,
- · To develop prospective policies based on the currently available data.
- To analyze the maturity and interest rates of resources and disbursements, assess the reflections of expectations on the balance sheet, and determine strategies for mitigating negative effects on the bank's income and expenditure balance.

Members

800

Chief Executive Officer

Executive Vice Presidents

Director of Treasury and Credits Department

- Director of Financial Services and Reporting Department
- Director of Central Counterparty Department Director of Equity and Debt Securities Clearing and Settle-
- ment Department
- Director of Markets Department
- Director of Custody and Collective Investment Institutions Department Director of Derivatives and Energy Commodities Clearing & Settlement Department Director of Payment and Transfer Services Department Director of Internal Systems Department Director of Risk Management Unit

Meeting Frequency

The Assets - Liabilities Committee convenes every month.

Information on Participation in Meetings

In 2023, 12 meetings were held by the Assets - Liabilities Committee

INFORMATION SYSTEMS STRATEGY AND STEERING COMMITTEE

Duties and Responsibilities

This committee is responsible for the following:

- · To monitor and oversee whether IS investments are used appropriately in accordance with Takasbank IS Strategy Plan and the compatibility of the bank's business objectives with IS objectives, and to report to the Board of Directors in relation to these issues at least once a year within the scope of the Strategic Plan Progress Report;
- To review the parts of Takasbank Strategic Plan related with IS strategies at least once a year by considering the relationship and compatibility of IS strategies with business strategies, and to ensure that they are revised when necessary and submitted to the Board of Directors for approval purposes;
- To determine the order of priority of IS investments and projects;
- To monitor the status of ongoing IS projects;
- To resolve the resource conflicts between projects;
- To provide necessary steering to ensure compliance of IS architecture and IS projects with the legislation;
- · To monitor the service levels of IS services.

Members

Chief Executive Officer
Executive Vice Presidents
IT Units Representatives
Director of Financial Services and Reporting Dept.
Manager of Human Resources Department
Director of Legal Affairs Department
Director of Internal Systems Department
Manager of Internal Audit Unit
Manager of Internal Control Unit
Manager of Legislation and Compliance Unit
Service Manager, Strategic Planning and Investor Relations Team

Meeting Frequency

At least twice a year

Information on Participation in Meetings

The Information Systems Strategy and Steering Committee held 4 meetings in 2023.

INFORMATION SECURITY COMMITTEE

Duties and Responsibilities

This committee is responsible for the following:

- The review and approval of the information security policy;
- The approval of the bank's information assets classification quidelines;
- The approval of the information security awareness training program;
- The evaluation of any and all security incidents and findings;
- · The assessment of information security issues of Takasbank and its major internal projects;
- · The evaluation of information security planning, application, monitoring, and improvement activities; and
- · The evaluation of the needs for resources and allocation of such resources for information security activities.

Members

Chief Executive Officer
Executive Vice Presidents
Director of IT Infrastructure and Operations Dept.
Director of Legal Affairs Department
Director of Internal Systems Department
Manager of Internal Audit Unit
Manager of Internal Control Unit
Manager of Legislation and Compliance Unit
Director of Risk Management Unit
Manager of Information Security Unit
Manager of Human Resources Department
Information Systems Internal Control Officer
Meeting Frequency
At least twice a year

Information on Participation in Meetings

In 2023, the Information Security Committee held 2 meetings and submitted a report to the Board of Directors once a year.

BUSINESS CONTINUITY MANAGEMENT COMMITTEE (INFORMATION SYSTEMS CONTINUITY COMMITTEE)

Duties and Responsibilities

This committee is responsible for the following:

- To declare a crisis situation by considering all factors related to the events that have occurred, to decide on the activation of the Information Systems Continuity Plan, and to establish coordination with the other rescue, continuity, and response teams:
- To provide consultancy for the activities within the scope of the planning, implementation, control and improvement of the BCMS:
- To evaluate applicable legal and regulatory requirements for the continuity of the Bank's activities and services and the steps taken or to be taken in relation thereof at the periodic meetings.

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Members

Executive Vice Presidents

Director of IT Infrastructure and Operations Department

Director of Enterprise Architecture & Project Management Department

Director of Clearing & Settlement AD Department

Director of Custody AD Department

Director of Banking and Markets AD Department

Director of Legal Affairs Department

Director of Member Services & Corporate Communications Department

Director of Infrastructure and Corporate AD Department

Director of Internal Systems Department

Manager of Legislation and Compliance Unit

Organization and Personnel Management Team Service Manager

Career Planning and Performance Management Team Service Manager

Process and Quality Team

Meeting Frequency

At least once a year

nformation on Participation in Meetings

in 2023, the Business Continuity Management Committee held 1 meeting.

INFORMATION SHARING COMMITTEE

Duties and Responsibilities

This committee is responsible for the following:

Within the scope of the Law, the Regulation and other relevant legislation, coordinating requests for the sharing of customer and bank secrets, taking into account the principles of purpose limitation, proportionality and necessity,

Evaluating the appropriateness of incoming requests for information sharing,

• If a decision is made to share information, reviewing whether the information and documents prepared by the relevant business and information technology units and the Information Asset Owner Unit comply with the principles set forth in the Law and Regulation and the Takasbank Disclosure Policy Directive before they are submitted to the person/entity requesting the information, and approving the sharing of the prepared documents.

Members

ector of Internal Systems Department
ector of Legal Affairs Department
ector of Member Services & Corporate Communications
partment
nager of Internal Audit Unit
nager of Internal Control Unit
nager of Legislation and Compliance Unit
nager of Information Security Unit
evant Directors Regarding Information Sharing Request
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STRATEGY, VALUE CREATION AND STAKEHOLDER RELATIONS

Takasbank aligns with its vision to become an institution offering reliable, effective, innovative, and internationally standardized clearing, settlement, banking, and central risk management services by supporting its four strategic goals through 11 main initiatives associated with these goals.

- 92 STRATEGY
- 94 MATERIAL ISSUES
- **100 TAKASBANK BUSINESS MODEL**
- **102 VALUE CREATION**
- **104 STAKEHOLDER RELATIONS**
- 120 INFORMATION ON THE RISK MANAGEMENT POLICIES APPLIED BY RISK TYPES

GRI 3-3

Strategic Goals

STRATEGY

>>> Vision

To become an internationally preferred, reliable, efficient and innovative organization, offering clearing & settlement, collateral and risk management and banking services at international quality standards

>>> Mission

To contribute to markets development by offering reliable and effective post-transaction services

Our Values

- > Trust
- > Stability
- > Customer Focus
- > Efficiency
- > Strong Financial Structure
- > Transparency
- > Sustainability

Efficiency and Deepening of Markets

Strategic Goals

Strong Financial Structure

Takasbank supports its four strategic goals that it has determined in line with its vision and mission through 11 main targets and the initiatives that it has associated with such targets.

> To increase the depth in capital markets and other markets by expanding currently existing and new products and services to be developed both under the roof of Takasbank and in the markets that it serves

> To strengthen the technological infrastructure with local and national solutions and to lead innovations related with digital transformation as Takasbank and Borsa Istanbul Group

To ensure the continuity of competent and trained human resources, and to keep employee satisfaction and loyalty at the highest level possible

and to increase the shareholder value

infrastructure institution providing financial services in the fields of clearing, settlement, collateral and risk management at national and international levels

To provide innovative, efficient, uninterrupted, transparent and reliable services at international standards

To increase the efficiency in IT processes, and to strengthen intra-group cooperation and synchronization in business processes

The purposes of the strategic goals of Takasbank are as follows: The targets listed under the heading of "strong financial structure" are aimed at protecting our shareholders' interest; the targets listed under the heading of "efficiency and deepening of markets" are aimed at contributing in the development of our country's economy and the sector; the targets listed under the heading of "digital transformation and operational competency" are aimed at ensuring that our members continue to receive quality and uninterrupted service and that technological developments are incorporated into existing services; and the targets listed under the heading of "increasing organizational efficiency and group synergy" are aimed at increasing the satisfaction and competency of our employees as well as the synergy within Borsa Istanbul Group.

GRI 3-3



GRI 2-14, 2-29, 3-1, 3-2, 3-3

MATERIAL ISSUES

Takasbank's material issues are those highly affecting Takasbank and its key stakeholders and likely to affect its value creation capacity. The Bank's material issues that are of priority may vary over time due to the effects of the Bank's strategy, stakeholders' expectations, and the economic, social, and environmental context that the Bank operates in.

When determining material issues, current developments in the world and in our country were taken into account in line with the mission assumed by Takasbank and its vision for the future; and various factors such as our stakeholders' opinions were also used. In addition, a wide range of best practice examples in the sector were utilized and the Bank Top Management 's opinions were taken into account.

The material issues that affect Takasbank's value creation in the short, medium and long run and Takasbank focuses on within the scope of is strategy are reviewed annually. In 2023, Takasbank's material issues have been reviewed in line with our strategic goals and in a way to include also our stakeholders' views and opinions; and there are no differences in such issues compared to the previous year.

The material issues specified under the strategic goals include the "Strong Financial Structure" and "Efficient Risk Management" headings under the strategic goal of "Strong Financial Structure", the "Development and Deepening of Markets" heading under the strategic goal of "Efficiency and Deepening of Markets", the "Customer Satisfaction", "Technology and Innovation", "Uninterrupted Secure Service", and "R&D Center Activities" headings under the strategic goal of "Digital Transformation and Operational Efficiency", and the "Competent Human Resources and Employee Satisfaction" and "Stakeholder Relations and Corporate Governance" headings under the strategic goal of "Increasing Organizational Efficiency and Group Synergy".

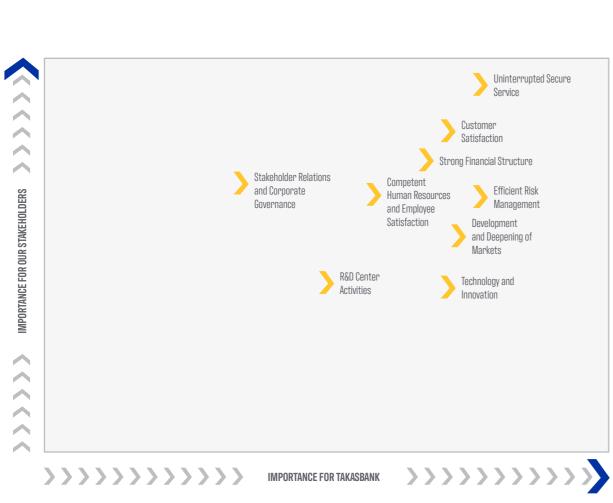


Efficient Risk Management

Strong Financial Structure

Increasing Organizational Efficiency and Group Synergy

- Competent Human Resources and Employee Satisfaction
- Stakeholder Relations and Corporate Governance





MATERIAL ISSUES

GRI 2-14, 2-29, 3-1, 3-3

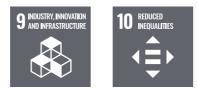
RELATIONSHIP OF MATERIAL ISSUES WITH SUSTAINABLE DEVELOPMENT GOALS AND CAPITAL ELEMENTS AND THE BANK'S APPROACH TO MATERIAL ISSUES

A call for action entitled Sustainable Development Goals (SDG) was made by the United Nations to produce solutions to global issues, aiming to standardize the monitoring of progress within the scope of sustainable development. The United Nations has defined the period between the years of 2020-2030 as the "Decade of Action" for realization of the 17 specified SDGs. In the implementation of the said SDGs, the fulfilment of responsibilities falling on the part of all states, public and private sectors, universities, and non-governmental organization is extremely important for achievement of the goal of creating a future that leaves no one behind.

Takasbank supports the United Nations Sustainable Development Goals and considers its contribution it makes for these goals as an important element of the value creation process. Takasbank directly contributes to 5 goals that are in its area of influence as they stand out in line with its activities. A summary of the contribution made to these goals is provided in this section.

Takasbank has determined the goals that it focuses on within
the framework of Sustainable Development Goals as follows:





MATERIAL ISSUE	RELATIONSHIP WITH SDGs	RELATIONSHIP WITH THE STRATEGY	RELATED CAPITAL ELEMENT
	8 DECENT WORK AND 9 INDUSTRY, ENOUNTED A		Financial Capital
UNINTERRUPTED SECURE SERVICE		Digital Transformation and	Social and Relational Capital
SECORE SERVICE			Manufactured Capital
TAKASBANK'S	Continuing business processes in a safe and secure manner and without interruption; increasing the		
APPROACH	Bank's ability to quickly	y respond in case of a business interru	Iption
The Bank places signi	ificant emphasis on busin	ess continuity risks. recognizing that a	any disruption in its services could impact

all capital markets. Further details about the Bank's activities in business continuity management can be found in the "IT Process and Quality Activities «" section under "Information Technologies, Project Development and Related Activities «" in the Report. In 2023, infrastructure development projects persisted, aligning with Takasbank's strategy to enhance the speed, safety, and uninterrupted operation of the markets. The Bank also focused on strengthening its technological infrastructure by exploring new technologies and staying abreast of the latest advancements.

MATERIAL ISSUE	RELATIONSHIP WITH SDGs	RELATIONSHIP WITH THE STRATEGY	RELATED CAPITAL ELEMENT
CUSTOMER SATISFACTION	8 ICON INSI AN ICONT CONTACTOR	Efficiency and Deepening of Markets Digital Transformation and Operational Competency	Financial Capital Social and Relational Capital
TAKASBANK'S Approach	Working with members and relevant institutions in an environment of constant collaboration and solidarity; ensuring member satisfaction by taking necessary actions in line with the needs and requests received from members		

Ensuring the satisfaction of its members and market participants is a key objective for Takasbank. The Bank employs various measures, including surveys and meetings, to gauge member satisfaction. Requests and suggestions from members are actively collected and thoroughly evaluated. The Bank's commitment to customer satisfaction is detailed under the "Social Principles «" subheading in the "Sustainability Efforts «" section of the Report.

MATERIAL ISSUE	RELATIONSHIP WITH SDGs	RELATIONSHIP WI STRATEGY
STRONG FINANCIAL STRUCTURE	8 ECONTRECATION	Strong Financial St
TAKASBANK'S APPROACH	Maintaining financial assets at the level new commitments given to markets and clearin efficient clearing & settlement, custody and markets	

One of Takasbank's strategic priorities is to increase the capital value by ensuring the continuity of the Bank's strong financial structure. To this effect, the increase in the banking service incomes has also been continued, banking service revenues have been diversified with new products and services, strong capital adequacy ratio has been maintained, and regular dividend payments to bank shareholders has been continued in 2023.

Takasbank maintained its successful financial performance in 2023, reflecting a robust financial structure. Comprehensive information about the Bank's financial strength can be found under various headings such as "Five-Year Summary Financial Information Data Including the Report Period, «" "Takasbank Business Model, «" "Value Creation, «" "Sustainability Performance, «" and "Financial Reports and Annexes. «"

MATERIAL ISSUE	RELATIONSHIP WITH SDGs	RELATIONSHIP STRATEC
EFFICIENT RISK MANAGEMENT	8 ECONT WORK AND ECONTRE ADDATE	Strong Financial
TAKASBANK'S Approach	Ensuring identification, measurement, mo to, through the policies, implementing pro if necessary, change the risk-return struct nature and level of its activities	
manner, striking a b	to a comprehensive risk alance between income limits outlined in all regu	and expenses. The E

intaining its activities in a manageable and controllable Bank meticulously manages its risks to stay within the SA, and below the risk appetite sanctioned by the Board of Directors. A detailed account of the Bank's risk management process can be found under the heading "Information on Risk Management Policies Applied by Risk Types 4" in the "Strategy, Value Creation, and Stakeholder Relations 4" section of the Report.

GRI 2-14, 2-29, 3-1, 3-3

ITH THE

RELATED CAPITAL ELEMENT

Structure

Financial Capital

ecessary to cover the risks assumed and to fulfil the ing & settlement members within the framework of d central counterparty services provided in financial

WITH THE

RELATED CAPITAL ELEMENT

Structure

Financial Capital Intellectual Capital Social and Relational Capital

onitoring and reporting of the risks the Bank is exposed ocedures and limits determined to monitor, control, and, ture of the Bank's future cash flows, and accordingly, the

MATERIAL ISSUES

GRI 2-14, 2-29, 3-1, 3-3

MATERIAL ISSUE	RELATIONSHIP WITH SDGs	RELATIONSHIP WITH THE STRATEGY	RELATED CAPITAL ELEMENT
DEVELOPMENT AND DEEPENING OF MARKETS	8 RECHT HURK MOR ROMANNE GROWTH ROMANNE GROWTH ROMANNE ROMANNNE ROMANNNE ROMANNNE ROMANNNE ROMANNNE ROMANNNE ROMANNNE ROMANNNE ROMANNNE ROMANNE ROMANNNNE ROMANNNE ROMANNNE ROMANNNE ROMANNNE ROMAN	Efficiency and Deepening of Markets	Intellectual Capital Social and Relational Capital
TAKASBANK'S APPROACH	Producing solutions that will further improve the efficiency of financial system and contribute in the development of markets through the clearing & settlement, custody, and related banking services and practices; developing projects meeting the current and future needs and demands of members/ customers		

Takasbank maintains a strategic focus on enhancing the efficiency and depth of the markets it serves while diligently fulfilling its legislative obligations. Throughout 2023, the bank persistently worked towards improving efficiency and productivity in its operated markets. Simultaneously, it actively engaged in developing new products and services within its domain and across other markets it serves. Further details on the annual progress in this regard can be found under the heading "2023 Developments "in the "2023 Performance " section of the Report.

MATERIAL ISSUE	RELATIONSHIP WITH SDGs	RELATIONSHIP WITH THE STRATEGY	RELATED CAPITAL ELEMENT
			Financial Capital
TECHNOLOGY AND	4 count Boardon I Boardon	Digital Transformation and Operational Competency	Intellectual Capital
INNOVATION			Manufactured Capital
			Social and Relational Capital
TAKASBANK'S APPROACH	Continuing infrastructure development projects in line with its strategy to ensure the operation of markets in a faster and uninterrupted manner and to strengthen Takasbank's technological infrastructure and to closely follow up the state-of-the-art technologies by experiencing new technologies		

realization of numerous projects. Key initiatives included the development of novel products and services, enhancement of core technological capabilities, and the ongoing refinement and expansion of the transaction infrastructure. A comprehensive overview of the major projects and activities undertaken by Takasbank in the realm of information technologies and project development during 2023 can be found in the "Information Technologies, Project Development and Related Activities «" section of the Report.

MATERIAL ISSUE	RELATIONSHIP WITH SDGs	RELATIONSHIP WITH THE STRATEGY	RELATED CAPITAL ELEMENT
COMPETENT HUMAN RESOURCES AND EMPLOYEE SATISFACTION	4 source billion in the week week week week week week week we	Increasing Organizational Efficiency and Group Synergy	Human Capital Intellectual Capital
TAKASBANK'S	Ensuring the deve	elopment of the Bank employees and i	ncreasing employee satisfaction by

developing human resources strategies in line with Takasbank's mission and objectives

Takasbank has continued to apply its approach of using objective assessment criteria in meeting its labour force requirements. The Human Resources Department conducts competency-based interviews and department managers conduct technical interviews in the recruitment process. The human resources policy containing equal opportunity and personnel recruitment criteria is published on the Bank's corporate website; and the text of the policy is available at https://www.takasbank.com.tr/en/about-us/corporate/human-resources/career-management.

Detailed information about the Bank's human resources practices regarding employee loyalty and satisfaction, equal opportunity and inclusion, remuneration and fringe benefits provided to employees, career and performance management, employee development and trainings received by employees is provided under the subheading of "Employees «" in the "Stakeholder Relations «" section of the Report; and the figures regarding human resources practices are provided under the subheading of "Sustainability Performance «" in the "Sustainability «" section of the Report.



As part of the R&D center projects, Takasbank successfully completed several initiatives in 2023, including the "Blockchain-Based Payment System Project," "BiGA Mint Gold Transfer Project," "PostTrade Interaction of Exchange Trading System Architecture Dynamic Load Distribution Project," "Gateway Infrastructure Project," and "Limit Controls in VIOP Accounts on Registry Basis with Risk Batch." Additionally, ongoing efforts were directed towards seven other projects as of the year-end. Comprehensive details regarding the Bank's endeavors under R&D Center management can be found in the "Information Technologies, Project Development, and Related Activities «" section of the Report, specifically under the subheading "R&D Center Management «".

MATERIAL ISSUE	RELATIONSHIP WITH SDGs	RELATIONSHIP V STRATEG
STAKEHOLDER RELATIONS AND CORPORATE GOVERNANCE	4 Source boold in the second	Strong Financial S Efficiency and Deepeni Increasing Organizatio and Group Syr
TAKASBANK'S APPROACH	0 0	communications with sta creating permanent valu

Recognizing the pivotal role of robust corporate governance in ensuring long-term sustainability, Takasbank has embraced a commitment to adhere to the fundamental principles of transparency, fairness, responsibility, and accountability. To operationalize these principles, the institution established the "Corporate Governance Committee" and enacted the "Takasbank Corporate Governance Principles Directive." This directive serves as a blueprint for formulating and implementing effective management structures, processes, and policies aligned with the tenets of sound governance. An annual milestone in this commitment is the publication of the "Takasbank 2023 Corporate Governance Principles Compliance Report" by the "Corporate Governance Committee." This comprehensive report, encapsulating insights into the Bank's corporate governance initiatives, is prominently featured under the "Corporate Governance Principles Compliance Report «" section of the annual Report, embodying Takasbank's dedication to transparent, responsible, and accountable governance practices.

Shareholders, members, regulatory and supervisory agencies, employees, subsidiaries and suppliers are the main stakeholders of the Bank. Detailed information about the Bank's relations with its stakeholders is provided under the "Stakeholder Relations " heading of the Report.

APPROACH

GRI 2-14, 2-29, 3-1, 3-3

RELATED CAPITAL ELEMENT

Human Capital Manufactured Capital

Intellectual Capital

Having operational sustainability and a strong technological infrastructure by providing innovative

VITH THE

RELATED CAPITAL ELEMENT

Structure ning of Markets ional Efficiency /nergy

Social and Relational Capital Human Capital Natural Capital

takeholders within the framework of transparency, trust alue for all stakeholders

TAKASBANK BUSINESS MODEL

GRI 203-1, 203-2



100

Şişli building

R&D activities

INPUTS

billion TL

- Strong technological infrastructure and equipment used
- A wide range of banking products and services

Social and Relational Capital

- · Efficient and transparent stakeholder communications
- Effective communications with regulatory and supervisory agencies
- National and international collaborations
- · Member and employee feedbacks

Natural Capital

- Waste management
- Environmental impact management with digitalization efforts
- · Efficient use of energy

GRI 203-1, 203-2

Profit Before Tax: 5.034 million TL (2022:

Net Profit: 3.639 million TL (2022: 1.732) Average Return on Equity 61,7% (2022: 44,7%) Return on Average Assets 3,5% (2022: 2,6%) 122,5% growth in banking service revenues

- High employee satisfaction score 81,48/100
- Female employee ratio **40,94%** (2022: 43,4%) Rate of female employees returning to work after maternity leave: 100% (2022: 100%)
- 89 newly employed personnel (2022: 72)
- 8,48% female and 8,82% male employee turnover rate (2022: 6,1% female and 11,5%
- 57 short-term and 20 long-term internship opportunities for university students

- 5 completed R&D projects (2022: 4)
- 22 completed business development, institutional development and IT infrastructure
- Land Registry Clearing and Settlement Vehicle Clearing and Settlement e-Government

Social and Relational Capital

- Member overall satisfaction score 92% (2022:
- Services for 2.388 Institutions and 8.469
- 19.474 Phone Calls and 74.276 E-Mail
- A total added value of 907,8 Million TL for social development and improvement

- Desktop Computers Virtualization Project
- Active Participation in Workshops and
- environmental impact through paperless

VALUE CREATED FOR STAKEHOLDERS

Shareholders

 866 million TL dividend payments to shareholders

Employees

- 686 million TL total wages and fringe benefits provided to Takasbank employees (2022: 232,3 million TL)
- Corporate culture pursuing equal opportunity
- Professional and personal development
- Employee satisfaction and lovalty to the Institution
- Opportunity to work full-time at the Bank following the "Long-term internship" program for final year university students

Members

- · Safe, innovative, transparent and quality service
- Sustainable customer satisfaction
- Infrastructure development projects designed for faster and uninterrupted operation of markets

Regulatory / Supervisory Authorities

- 1.650 million TL payments to tax and regulatory agencies (2022: 637,3 million TL)
- Contribution to regulatory compliance and development

Society

- · Contribution to economic growth and sustainable development
- Contribution to employment
- Contribution to increasing financial literacy
- Contribution to meet physical needs of the schools in different cities. including computers, bookcases, lockers, etc

GRI 201-1, 203-1

>>>> VALUE CREATION

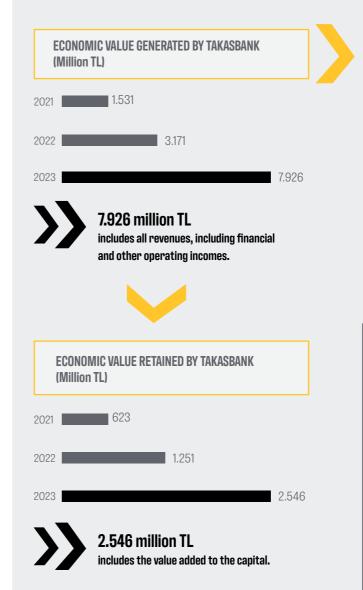
The "Takasbank Value Creation Model" is a business model evaluating the Bank's financial, human, social and relational, intellectual, manufactured, and natural capital elements in an integrated manner and focusing on creation of sustainable value for all stakeholders of the Bank. With this business model, Takasbank aims to create value for all of its stakeholders both in the short and long run.

Takasbank has positioned sustainability as one of the main focal points at the center of its value creation goal and business model; and conducts its activities related thereof through a process led by the Senior Management, and including, also the participation of all its employees and the views and opinions of its stakeholders.

Pursuing not only the needs of its stakeholders, but also the social benefit, Takasbank associates the outputs that it has achieved as a result of its value creation goal and the business model established to this effect with the United Nations Sustainability Development Goals; and thus, emphasizes its support for international development goals in the field of sustainability.

Takasbank will continue its activities with its approached focused on sustainable growth, and more importantly, adding value to the national economy, without compromising its service quality and financial performance.

VALUE PROPOSITION FOR
SHAREHOLDERSVALUE PROPOSITION FOR
MEMBERSVALUE PROPOSITION FOR
EMPLOYEESVALUE PROPOSITION FOR
SOCIETY



>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>		>)		
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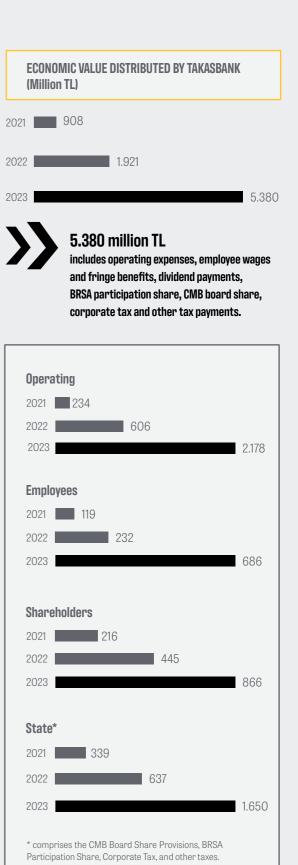
GRI 201-1, 203-1, 203-2

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INTEGR/

2023

STAN



GRI 2-6, 2-29

STAKEHOLDER RELATIONS



Associated with reputation, transparency, trust and dignity in the eyes of its stakeholders since its establishment, Takasbank is determined to maintain strong communications with and to create permanent value for its stakeholders at all times. Takasbank actively engages in meaningful and reciprocal interactions with its stakeholders across diverse platforms. The institution places significant emphasis on incorporating the perspectives and recommendations of its stakeholders, utilizing their input not only in shaping the Bank's long-term strategies but also in enhancing day-to-day operations through continuous improvement initiatives. Recognizing stakeholder communication as a pivotal element, Takasbank values the feedback received from stakeholders as a fundamental input in the development of sustainable policies and strategies.

Shareholders, customers/members, regulatory and supervisory agencies and institutions, including especially the BRSA, CMB and CBRT, employees, subsidiaries, and suppliers are the main stakeholders of the Bank.



Shareholder	Ratio* (%)	Relationship with the Strategy	Material Issues	Affected Capital Element
Borsa İstanbul A.Ş.	64,18		Strong Financial	
Tacirler Yatırım Menkul Değerler A.Ş.	5,00	Strong Financial Structure -	Structure	Financial Capital
Phillip Capital Men. Değ. A.Ş.	5.00		Efficient Risk	
	- /		Management	
Türkiye Garanti Bankası A.Ş.	4,95	Efficiency and Deepening	Development	
Yapı Kredi Yat. Men. Değ. A.Ş.	4,38	of Markets	and Deepening of	Social and Relational
Türkiye İş Bankası A.Ş.	4,37		Markets	Capital
		Increasing Organizational	Stakeholder	
Türkiye Vakıflar Bankası T.A.O.	4,37	Increasing Organizational	Relations and	
Other (24 Brokerage Houses)	4,40	Efficiency and Group	Corporate	Natural Capital
Other (8 Banks)	3,35	Synergy	Governance	

* as of 31/12/2023

COMMUNICATION CHANNELS

E-mail addresses spy@takasbank.com.tr, rap@takasbank. com.tr, and muh@takasbank.com.tr, general assembly meetings, annual reports, newspapers, risk management synergy meetings, and information provided via Takasbank website and social media channels

COMMUNICATION TOPICS

Stakeholders' questions, institutional performance, dividend, donation policy, strategy, risks, corporate governance and sustainability, share transfers

MAJOR ISSUES AND DEVELOPMENTS IN 2023

The 28th Ordinary General Assembly Meeting was held on August 3, 2023. Our shareholders attended the Ordinary General Assembly Meeting both physically and via the e-General Assembly online system. At Takasbank's 28th Ordinary General Assembly Meeting, the updated "İstanbul Takas ve Saklama Bankası A.Ş. Donation Policy" (https:// www.takasbank.com.tr/en/about-us/corporate/takasbank-<u>donation-policy</u>) was unanimously approved.

In 2023, the portion of 866 million TL was distributed from the profit for 2022 as dividend to our shareholders.

There have been no changes in the Bank's capital and shareholding structure in the fiscal period.

Takasbank Shareholding Structure



Name & Surname/ Trade-Name Share Amounts (Thousand TL) Share Ratios Borsa İstanbul A.S 385.067 64.18%

104 Ē NTEGRAT 2023

GRI 2-6, 2-29

INFORMATION ON THE NAMES, TITLES AND SHARES OF NATURAL OR LEGAL PERSONS HOLDING QUALIFIED SHARES

64,18% of Takasbank's shares is held by Borsa İstanbul A.Ş.. While Borsa İstanbul A.Ş. was a public legal entity operating under the trade-name of İstanbul Menkul Kıymetler Borsası (Istanbul Stock Exchange), it was turned into a joint-stock company with a private legal entity in accordance with the Capital Markets Law no. 6362. Established to conduct exchange activities pursuant to article 138 of the Law, Borsa İstanbul A.Ş. gathered all exchanges in our capital markets under a single roof, and obtained its operating license through direct registration and promulgation of its articles of association on 3 April 2013.

The primary operational purpose and business line of Borsa İstanbul A.Ş. are to ensure that capital market instruments, foreign currencies, precious metals and stones and other contracts, documents and assets deemed eligible by the Capital Markets Board are traded in an easy and secure manner under free competition conditions in a transparent, efficiently competitive, fair and stable environment in accordance with the provisions of the law and applicable legislation; to match or facilitate the matching of buy and sell orders in relation thereof in a way to conclude and settle them; to establish, operate, and develop markets, marketplaces, platforms, systems and other organized marketplaces in order to determine and announce the prices formed in relation thereof; to manage and/or operate them as well as other exchanges or the markets of such exchanges; and to conduct the other activities specified in its articles of association. (https://www.borsaistanbul.com/en/ sayfa/2096/about-us 🕅

Pursuant to the Bank's Articles of Association, the share of the shareholders other than BİAS may not exceed 5%. The Bank did not have any privileged shares by 31 December 2023. (31 December 2022: None.)

Paid-in Shares (Thousand TL)	Unpaid Shares (Thousand TL)
385.067	-

GRI 2-6, 2-29



Members

ACTIVITIES OF THE CONTROLLING COMPANY AND ITS AFFILIATES

Pursuant to article 199 of the Turkish Commercial Code no. 6102; it is required that a report should be issued by the Bank's Board of Directors in respect of the Bank's relationships with its controlling shareholder Borsa Istanbul A.S. and the other affiliate Merkezi Kayıt Kuruluşu A.Ş. (CRA - Central Registry Agency) within the first quarter of the fiscal year, and that the conclusion part of the said report should be included in the annual report.

The conclusion part of the Report issued by the Bank's Board of Directors reads as follows:

"The transactions executed with the controlling company Borsa Istanbul A.Ş. and the other affiliate, the CRA are conducted within the framework of the capital markets and banking legislation. The said transactions are ordinary business activities as set forth in the Bank's articles of Association and the banking legislation.

Our Bank assessed all legal transactions executed with the controlling company Borsa Istanbul A.Ş. and the other affiliate, the CRA, within the fiscal year of 2023 as well as all measures taken or avoided in favour of these companies.

Regarding the fiscal year of 2023, it has been concluded to the best of our knowledge that our Bank did not suffer any loss due to any transactions made with the controlling company or the affiliate under the known conditions and circumstances; that a suitable counteraction was taken in each transactions; that no measures were taken or avoided with any possible consequence of loss for the Bank; and that there were no transactions or measures that would require any benefit and loss reconciliation in this context.".

> EXPLANATIONS ABOUT THE SHARES, IF ANY, HELD BY THE CHAIRMAN AND MEMBERS OF THE BOARD OF DIRECTORS, THE CEO AND EXECUTIVE VICE PRESIDENTS OF THE BANK

The Chairman and Members of the Board of Directors, the CEO and Executive Vice Presidents of the Bank do not have any shares in the Bank.

INFORMATION ON THE TRANSACTIONS EXECUTED BY THE BANK WITH ITS RISK GROUP

The information on the transactions executed by the Bank with its risk group is provided in detail in the independent audit report.

Bank's Risk Group	Jointly-Controlled	Subsidiaries, Affiliates and Jointly-Controlled Partnerships (Joint Ventures)		Bank's Direct and Indirect Shareholders		Other Natural and Legal Persons included in the Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash	
Loans							
Opening Balance	-	-	2.107.175	34.398.499	-	-	
Closing Balance	-	-	840.953	17.831.604	-	-	
Received Interests and Commission Incomes	171.684	-	497.657	30.568	23.850	-	

Brokerage Houses	
Commercial Banks	
 Participation Banks 	Strong Financial Struct
Development and Investment	
• Insurance and Pension Comp	anies
Portfolio Management Compa	anies
Financial Leasing Companies	
 Factoring Companies 	Efficiency and Deepenir
 Financing Companies 	of Market
Asset Management Companie	es
 Borsa İstanbul A.Ş. 	
 Merkezi Kayıt Kuruluşu A.Ş. 	
Collective Investment Institution	ons
 Crowdfunding Platforms 	

Institutions

Payment and Electronic Money Services

- Institutional/Corporate Investors
- Licensed Warehouses
- · Precious Metals Brokerage Houses
- Institutions engaged in Precious Metals Production or Trading
- Electricity Market Members
- Natural Gas Market Members
- Authorized Institutions
- Agencies and Institutions requesting LEI/ Efficiency and Group Synergy ISIN Codes
- Data Vendor Companies

COMMUNICATION CHANNELS

Official correspondences, general letters, face-to-face and electronic interviews, seminars and conferences, Registered Electronic Mail (REM), announcements, information e-mails, surveys, annual reports, and information provided via Takasbank website and social media channels

COMMUNICATION TOPICS

Services provided by the Bank, membership procedures, member screens, system-related developments, product and service commission tariffs and commission accruals and collections, withholding tax details, legal opinions on members' power of attorney and signature circular documents, central counterparty member audits, evaluation of member requests in terms of their compliance with the legislation

MAJOR ISSUES AND DEVELOPMENTS IN 2023

· Throughout the operational year, Takasbank delivered services to 2.388 institutions and 8.469 active users. This included handling 19.474 phone calls, 74.276 e-mail notifications and routing, executing 1.093 representative

>	>	>	>	>	>	FINANCIAL REPORTS AND ANNEXES	>	>	
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GRI 2-6, 2-25, 2-26, 2-29, 418-1

Relationship with the Strategy	Material Issues	Affected Capital Element
Strong Financial Structure	Strong Financial Structure	
Efficiency and Deepening of Market	Development and Deepening of Markets	
Digital Transformation and	Customer Satisfaction	Financial Capital Social and Relational Capital
Operational Competency	Uninterrupted Secure Service	_
Increasing Organizational Efficiency and Group Syneroy	Stakeholder Relations and Corporate Governance	-

identification transactions in accordance with institutions' signature circulars, and identifying 13.161 securities traded in various markets.

• A total of 89 general letters covering various topics were published and made accessible to members through corporate platforms such as the website and communication channels like REM.

• In the context of the training program initiated for members within the Borsa Istanbul Group in 2023, Takasbank offered 10 different training sessions spanning a total of 62 hours, benefiting a total of 133 individuals.

· On-site audits were conducted at 10 brokerage houses functioning as CCP members. Additionally, consultancy services were provided, offering insights and recommendations on various matters based on member requests.

· As with every year, members' satisfaction has been measured at Takasbank through surveys and meetings, their requests and suggestions have been collected and all requests have been reported to the Executive Management and each request has been evaluated individually in 2023.

GRI 2-6, 2-29

NEGULATORY AND SUPERVISORY AUTHORITIES



Regulatory and Supervisory Authorities	Relationship with the Strategy	Material Issues	Affected Capital Element
• BRSA	Strong Financial Structure	Efficient Risk Management	
 CMB CBRT Digital Transformation Office of the 	Efficiency and Deepening of Markets	Development and Deepening of Markets	-
Presidency of Türkiye	Digital Transformation and	Technology and Innovation	
Republic of Türkiye Ministry of Industry and Technology	, , , ,	Uninterrupted Secure Service	Social and Relational Capital
 Republic of Türkiye Ministry of Environment, Urbanization and Climate Change 			Financial Capital
Republic of Türkiye Ministry of Trade			Intellectual Capital
• TMSF • MASAK			Natural Capital
• EMRA • EACH			
• ESMA			
Other Regulatory and Supervisory			
Public Authorities			

COMMUNICATION CHANNELS

Official correspondences, Banking Data Transfer System (BDTS), Electronic Data Transfer System (EDTS), Rapid Information Transfer System (HBAS), Financial Crimes Investigation Board (MASAK) (EMİS Online), Registered Electronic Mail (KEP (REM)), Electronic Data Repository System (e-VEDO), direct communications and meetings

COMMUNICATION TOPICS

Audit and surveillance activities, legal reporting activities, legal regulations, updating of product/service fees and commission tariffs, legislation regarding the Bank's activities and legislation update requests, collateral, transaction and default data for the markets, exemption requests, information/ data requests for various issues, and obtaining approval for new products, services and projects

MAJOR ISSUES AND DEVELOPMENTS IN 2023

- · Routine legal reporting required to be made on a daily, weekly, monthly, quarterly and annual basis were prepared and reported by the Risk Management Department and the Reporting Team. In this context, there have been no delay or disruption in the reporting made within the year.
- · According to the relevant legislation, Takasbank shared various reports and audit findings with regulatory and supervisory authorities. These include the internal audit plan, annual risk assessment report, management declaration reports, annual reports, internal legislative updates, audit results from the Presidency Digital Transformation Office, CCP, and IT audit reports, member audit reports, and one investigation report issued by the Internal Audit Unit.
- Under the BRSA's "Regulation on the Sharing of Confidential Information", the confidential information shared by the

Bank with third parties is reported to the BRSA on a semiannual basis.

- Takasbank diligently prepared periodic reports covering diverse aspects such as daily transactions and default information in the Equity and Debt Securities Market via EVAS, monthly submission of SLM and TMM reports to the Board as part of the CMB Preventive Warning Mechanism, daily custody information on a warehouse basis to the CBRT via EVAS, regular reporting to the CBRT and the CMB within the Cheque Clearing System, and monthly default information on gross settlement in the Equity Market to the CMB via KEP (REM).
- Self-Assessment Questionnaires and Assessment Questionnaire (Principles for Financial Market Infrastructures - PFMI) requested by the CBRT every year were answered.
- Opinions were provided on draft legislation prepared by the relevant regulatory and supervisory authorities.
- Internal regulatory changes have been communicated to relevant regulatory and supervisory authorities.
- In strict compliance with legal requirements, Takasbank expeditiously implemented necessary measures in response to transaction suspension and asset freeze decisions, while also diligently compiling and submitting all required information to MASAK in accordance with legislation.
- Controls regarding international sanctions lists were performed within the scope of AML regulations.
- Product/service fee updates have been submitted to the CMB for information and/or approval.
- Various information and document requests received from the relevant regulatory and supervisory authorities were met in addition to periodic reporting made to them.

Institutions	Relationship with the Strategy	Material Issues	Affected Capital Element
Bank's domestic and overseas	Efficiency and Deepening of	Development and Deepening	
partnerships	Markets	of Markets	
	Digital Transformation and	Technology and Innovation	⁻ Financial Capital
	Operational Competency	Uninterrupted Secure Service	Social and Relational
	Increasing Organizational Efficiency and Group Synergy	Stakeholder Relations and Corporate Governance	Capital

COMMUNICATION CHANNELS

Official correspondences, board memberships, general assembly meetings, synergy meetings, face-to-face and electronic interviews

COMMUNICATION TOPICS

Group synergy, mutual commission agreements, new projects, joint events, mutual exchange of information within the framework of applicable legislation, legal opinions, provision of information and documents within the framework of control activities

Share Ratio (%)
64,90
10,50
5,00
5,00
4,12
0,15
0,02
-

108

GRI 2-6, 2-29

MAJOR ISSUES AND DEVELOPMENTS IN 2023

• In 2023, Takasbank attended the General Assembly meetings of CRA, SPL, TÜRİB and ELİDAŞ on behalf of Takasbank

· In the General Assembly meeting held on 3 August 2023, the third article entitled "Purpose and scope of activity" specified in the CRA articles of association was revised.

• As part of the crowdfunding campaign, one-on-one and group meetings were held with CRA to resolve issues related to system integration and system improvements.

• Investor Compensation Center (ICC) Process development meetings were held with CRA to automate statute of limitations transactions

• Development efforts are conducted jointly with the CRA for process improvements regarding TMM collaterals held in custody at the CRA.

· Synergy Committee meetings are held with Group companies; joint procurements are evaluated at the meetings in order to create a synergy between institutions, and the demands of similar nature are tried to be procured collectively and at once in a single transaction (in order to ensure a price advantage and operational convenience).

SUPPLIERS

Takasbank Subsidiaries - Fields of Service and Activities



MERKEZI KAYIT Merkezi Kayıt Kuruluşu A.Ş.

ISTANBUL As the Central Depository of the Turkish Capital Markets, the CRA provides its members with depository, trade repository and reporting, corporate governance and investor services. The CRA also offers data and technological services to local and foreign capital and financial institutions through its in-house developed software, systems and platforms as part of its role as an R&D center. https://www.mkk.com.tr/en/about-us/about-us/



Borsa İstanbul A.Ş.

Pursuant to article 138 of the Capital Markets Law no. 6362 which entered into force upon its publication in the Official Gazette on 30 December 2012, Borsa İstanbul A.Ş. was established on the enforcement date of the Law to conduct securities exchange activities. The main purpose and field of activity of Borsa Istanbul are "to ensure that capital market instruments, foreign currencies, precious metals and precious stones and other contracts, documents and assets approved by the Capital Markets Board are traded in an easy and secure manner under free competition conditions in a transparent, efficiently competitive, fair and stable environment in accordance with the provisions of the law and applicable legislation; to establish, operate, and develop markets, marketplaces, platforms, systems and other organized marketplaces in order to match or facilitate the matching of buy and sell orders in relation thereof in a way to conclude and settle them and to determine and announce the prices formed in relation thereof; to manage and/or operate them as well as other exchanges or the markets of such exchanges; and to conduct the other activities specified in its articles of association." https://www.borsaistanbul.com/en/sayfa/2096/about-us



Sermaye Piyasası Lisanslama Sicil ve Eğitim Kuruluşu A.Ş.

Sermaye Piyasası Lisanslama Sicil ve Eğitim Kuruluşu A.Ş. has been authorized by the CMB to grant licenses to the existing or future employees of capital market institutions and publicly-held corporations, to keep records of license holders, and to organize training programs relating to licenses and started its activities in 2011. https://www.spl.com.tr/icerik/hakkimizda 🌶

SAS E

Sarajevo Stock Exchange

Sarajevo Stock Exchange (SASE) was founded on 12 September 2001 by eight equal brokerage houses from the Federation of Bosnia and Herzegovina. Trading at SASE officially started on 12 April 2002 and the first auction totalled 3.099 KM. SASE's mission is to ensure the highest standards in the trading of securities and to be one of the leaders of the full development of the capital market and economic development of Bosnia and Herzegovina. http://www.sase.ba/v1/en-us/SASE/About-SASE/SASE-Profile

ELIDAŞ Ege Tarım Ürünleri Lisanslı Depoculuk A.Ş.

Ege Tarım Ürünleri Lisanslı Depoculuk A.S. was established with the permission given in the letter no. 6844 dated 24 December 2010 sent by the Ministry of Customs and Trade to Izmir Commodity Exchange, one of the founding partners of the company; registered with Izmir Trade Registry Office on 04 January 2011, and published in the Trade Registry Gazette dated 13 January 2011. The purpose of the Company is to conduct licensed warehousing activities for preservation of the agricultural products within the scope of the license under healthy conditions and for commercial storage. http://www.elidas.com.tr/

Türkiye Ürün İhtisas Borsası A.Ş. **TURIB**

S.W.I.F.T. SCRL

TMEX (Turkish Mercantile Exchange) was founded on 08 June 2018 with reference to the Council of Ministers' decree no. 2017/9986 published in the Official Gazette no. 30030 dated 06 April 2017 upon the proposal of the Republic of Türkiye Ministry of Trade and the Capital Markets Board in order to conduct operations subject to the Turkish Commercial Code no. 6102 within the framework of the provisions of article 53 of the Law no. 5174 on the Union of Chambers and Commodity Exchanges of Türkiye, the Agricultural Products Licensed Warehousing Law no. 5300, and other applicable laws and regulations. The main operational purpose and line of business of TMEX is "to conduct exchange operations in order to ensure the trading of electronic warehouse receipts issued by licensed warehouse enterprises as well as the futures contracts based on electronic warehouse receipts in accordance with the Law no. 5300 and other relevant legislation." https://www.turib.com.tr/en/about-us/



Swift SWIFT is a global member-owned cooperative and the world's leading provider of secure financial messaging services. https://www.swift.com/about-us/discover-swift ?

Relationship with the Strategy	Material Issues	Affected Capital Element
Suppliers Strong Financial Structure Efficient Risk Management		
Digital Transformation and		Social and Relational
Operational Competency	Uninterrupted Secure Service	Capital
Increasing Organizational	Stakeholder Relations and Corporate	Financial Capital
Efficiency and Group Synergy	Governance	
	Strong Financial Structure Digital Transformation and Operational Competency Increasing Organizational	Strong Financial StructureEfficient Risk ManagementDigital Transformation and Operational CompetencyUninterrupted Secure ServiceIncreasing OrganizationalStakeholder Relations and Corporate

COMMUNICATION CHANNELS

Direct communications and meetings, e-mails, surveys

COMMUNICATION TOPICS

Procurement processes including texts of agreements, purchase amounts, etc., suppliers' annual performance assessments, audits of external service providers including support services, maintenance of products and/or services procured

MAJOR ISSUES AND DEVELOPMENTS IN 2023

- Service Level Agreement Reports have been prepared.
- Audit results of external service providers including support services have been addressed in the reports prepared by internal system units such as IT audit report prepared biannually, Digital Transformation Office of the Presidency and management statement efforts, etc.
- · In a continued effort to raise awareness and promote sustainability, Takasbank extended its practice of integrating sustainability considerations into the supplier selection and evaluation process, initiated at the end of 2022 for information technology-related procurements. In 2023, all suppliers on the approved list underwent a comprehensive sustainability assessment through surveys by year-end.
- · Information on outsourced services for the improvement of information systems during the year has been reported to the CMB in accordance with the provisions of the relevant legislation.

Various Information and Data About Takasbank Supply Chain

Number of Contracts Signed

Percentage of Local Suppliers (operating within the boundaries of Türkiye) in the Procurement Budget used within the year

Percentage of Candidate Suppliers Screened using Environmental and Social Criteria

Percentage of Approved Suppliers Evaluated using Environmental and Social Criteria**

Number of Suppliers identified to have Existing and Potential Materia Adverse Environmental and Social Impacts

Total Number of Confirmed Cases where Contracts with the Bank's Business Partners were Terminated or Not Renewed due to **Corruption-Related Breaches**

* The screening process was started as of December 2022; however, the whole year was taken into account in the calculation of the ratio. ** All suppliers included in the Approved Suppliers List were evaluated by the end of the year.

GRI 2-6, 2-29, 204-1, 205-3, 308-1, 308-2, 414-1, 414-2

TAKASBANK PROCUREMENT PROCESS

Rules and methods have been determined to ensure that all products and services to be procured by Takasbank can be purchased with high guality, at cost-effective prices and at any time desired. All processes regarding purchasing activities are already written in the Bank's internal procedures and applicable in the workflow schedules. It has been determined which unit can request which goods and services; and it is expected that each request is forwarded by the related team.

TAKASBANK RESPONSIBLE SUPPLIER RELATIONS MANAGEMENT

· Determined to create a more effective and sustainable supply chain, Takasbank takes into account the environmental and social performance of its suppliers with which it conducts purchasing activities and aims to further increase their awareness in the field of sustainability. In the long-term strategic partnerships that it will establish with its suppliers, the Bank pays attention to its suppliers' sustainability perspective and their relevant goals in this field. In line with this approach, sustainability activities have also been started to be taken into account in the supplier selection and evaluation process in the procurement of goods and services related with information technologies as of 2022. Takasbank also pays attention to give priority to local companies in the selection of supplier firms.

	2022	2023		
	242	138		
	99%	98%		
	2%*	100%		
	100%	100%		
al We have no suppliers identified to have material adverse environmental and social impacts				
In 2022 and 2023, there have been no violations related with corruption.				

GRI 2-6, 2-7, 2-29, 401-1, 404-1, 404-2, 404-3

EMPLOYEES

Employees	Relationship with the Strategy	Material Issues	Affected Capital Element
Qualified human resources	Strong Financial Structure	Efficient Risk Management	
respectful to ethical principles	Digital Transformation and	R&D Center Activities	-
and giving importance to values	Operational Competency	Rad Genter Activities	Human Capital
	Increasing Organizational	Competent Human Resources and	
	Increasing Organizational Efficiency and Group	Employee Satisfaction	Intellectual Capital
		Stakeholder Relations and Corporate	-
	Synergy		

COMMUNICATION CHANNELS

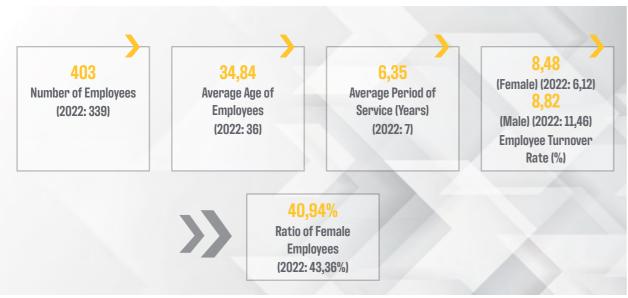
Internal communication channels, information e-mails about human resources practices, satisfaction surveys, face-to-face meetings held by the Senior Management with employees, "Önerim Var" (I have a Suggestion) application on the Takasbank Portal, performance evaluation meetings, face-toface meetings with the "İK ile Bi' Mola-Short Break with HR" application, orientation programs, trainings

COMMUNICATION TOPICS

Performance assessments, talent management, organizational arrangements, improvements to the working environment, audit and internal control activities, operational risk database updates, operational risk loss database updates, information provided with respect to the Bank activities and projects and legislation, legal opinions.



- In 2023, Takasbank has also continued to maintain its efforts and practices to preserve a modern corporate culture focused on sustainable growth and to increase employee motivation.
- In parallel with the gradually diversified and intensified operations of Takasbank, the number of employees has reached 403, including 238 male and 165 female employees by the end of 2023. As of the end of 2023, the management staff, including the Service Manager, Director, Executive Vice President and CEO positions, are comprised of 66 people; and there are 9 members of the Board of Directors, including the Chief Executive Officer.



Employee Engagement and Satisfaction

Considering its human resources as its most important asset within the framework of its sustainable growth vision, Takasbank aims to achieve the development of its employees and to increase their effective communication and satisfaction by developing human resources strategies in line with its mission and goals. Takasbank considers it as one of its fundamental responsibilities to provide a working environment where its employees will feel themselves happy and safe. Establishing a corporate culture supporting longterm employment still remains to be one of the top priorities of the Bank.

Takasbank actively monitors new working models and industry developments, conducting studies on various models while considering employee preferences. Embracing changes in working conditions, such as the impact of the pandemic in 2020, Takasbank successfully implemented flexible models like remote and hybrid work, ensuring their continuity in 2023.

In 2023, 96% of employees participated in the Employee Satisfaction Survey held for the year 2022. The main results standing out in the survey held are as follows:

Outstanding Results of Takasbank Employee Experience Survey



The highest employee satisfaction scores were achieved in **Other Services** (health, food and transportation services provided by the Bank) with 86,49% and **Teamwork** with 83,99%.

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Various events were organized to improve the relations among employees within the year; and these practices will also be continued in the upcoming periods. As part of its commitment to enhancing internal communication and employee motivation, Takasbank's Human Resources Department has implemented various activities. These include sending informative emails on significant occasions like promotions, anniversaries, births, and condolences; providing gift vouchers for employees' birthdays; planting saplings in the name of employees and their relatives;

expressing gratitude to mentor groups with special gifts; commemorating Mother's and Father's Day with special gifts; distributing stationery gifts to employees with school-age children at the start of the academic year; and recognizing the trainer and mentor group on Teacher's Day. In addition, the Bank supports the development of its employees engaged in sports activities, including, especially, basketball, tennis and mountaineering, by providing sponsorship support for them.

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GRI 2-6, 2-7, 2-25, 2-26, 2-29, 401-1, 404-1, 404-2, 404-3

With a focus on optimizing human resources and enhancing employee loyalty and satisfaction, the Bank plans to sustain the hybrid system in the future.

Takasbank considers its human capital as its most important wealth and believes that listening to the thoughts and suggestions of its employees constitutes the basis of its business success. Accordingly, Employee Satisfaction Survey is conducted every year to develop actions to improve the corporate culture with arrangements oriented towards the improvement of the working environment and increasing employee motivation. With this survey, employees' feedbacks on working life, processes and functioning are obtained and future period plans are prepared in line with these feedbacks. Ensuring a feedback culture within the organization remains the main goal of Takasbank's human resources strategy.

The largest year-over-year improvement was in Cleaning, Lighting, Heating, Maintenance and Repair, and Landscaping. In addition, the Other Services category also saw an increase in scores over the previous year.

Considering employees' suggestions and requests, necessary plans have been prepared and shared with employees to meet the expectations with respect to the issues standing out as a result of the survey, such as **individual training, new period working models,** and **in-house socialization and events.**

STAKEHOLDER RELATIONS > EMPLOYEES

GRI 2-6, 2-7, 2-12, 2-29, 401-1, 401-2, 403-6, 404-1, 404-2, 404-3, 405-2, 406-1, 408-1, 409-1

GRI 2-6, 2-7, 2-12, 2-19, 2-20, 2-29, 401-1, 401-3, 404-1, 404-2, 404-3

Equal Opportunity and Inclusion

Takasbank offers equal rights and opportunities to all its employees by adopting an approach that stands against any and all forms of discrimination based on race, language, religion, age, gender, ethnic origin, nationality, political opinion, disability, marital status, etc. and that does not allow forced or child labour under its roof under any circumstances. Within the framework of the principle of equality and inclusion, the Bank considers it as one of its most fundamental

responsibilities to provide its employees with a safe working environment. No cases of discrimination were observed in the Bank within the reporting period. The Bank's Human Resources Policy has been developed by taking account of the basic principles of the United Nations Universal Declaration of Human Rights.

The Bank maintains its communications with its employees with an attitude in line with the basic principles of its Human Resources Policy.

Basic Principles of Takasbank Human Resources Policy

- It is essential that all employees respect their own personality and the personality of other employees.
- · Employees are provided with proper working conditions and growth and development opportunities according to their knowledge, skills and competencies.
- · Employees are encouraged to achieve success, provided with opportunities to improve their knowledge and professional competence, and those displaying outstanding achievements are rewarded.
- · Employees are provided with a comfortable and safe working environment suitable for the importance and nature of their jobs.
- Employees' knowledge and skills are taken into consideration in their assignments.
- · Timely and adequate information on matters concerning them is given to employees. Measures are taken to make it easier for employees to notify their views, opinions, and suggestions to their managers.
- · Managers at all levels endeavour to create a working atmosphere improving employees' enthusiasm and strength and to establish good relations.
- · Employees' performance is assessed with objective criteria and appropriate wages and other fringe benefits are provided in line with market conditions.

TAs part of its commitment to internal communication and feedback, Takasbank has established the 'I Have a **Suggestion'** platform, providing employees with an avenue to submit their ideas and suggestions. This platform allows employees to contribute individual ideas, valuable insights, and suggestions aimed at improving and developing the Bank's services, enhancing effectiveness and efficiency, reducing costs, managing risks, expanding the Bank's service portfolio, and boosting customer and employee satisfaction. The Human Resources management conducts sensitive and confidential evaluations of the submissions, determining appropriate actions to be taken. Owners of value-added suggestions are rewarded in accordance with Takasbank Human Resources Directive.

Inaugurated in 2023, the 'İK ile Bi' Mola - Short Break with **HR'** application facilitated one-on-one employee interviews conducted with the Bank's employees throughout the year. The objective was to gather employee feedback on various aspects including experiences, career goals, training requests, working conditions, satisfaction, and complaints. Action plans were then formulated based on these feedbacks, adhering to confidentiality principles.

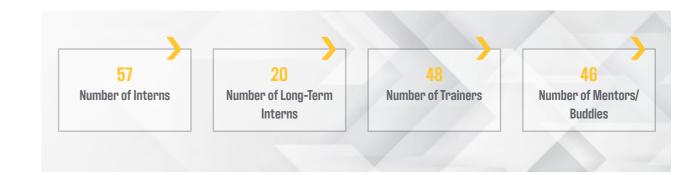
Maternity Leave Practices

The Bank takes necessary measures in line with the Labour Legislation in order to ensure that its female employees are not adversely affected during their pre- and postnatal periods. Female employees can return to work in the same positions after taking their maternity leaves. Employees can, upon their request, benefit from the half-time working opportunity after they return from maternity leave. Male employees whose wives have given birth are granted the right to take paid leave for 10 business days beyond the Labour Legislation. The figures regarding the Bank's maternity leave practices are provided under the heading of "Sustainability Performance " in the "Sustainability «" section of the Report.

Remuneration and Fringe Benefits provided to Employees

Takasbank has established a fair, transparent and equitable remuneration policy; and offers various fringe benefits, considering the fundamental rights of its employees. There is a Remuneration Committee established under the roof of the Board of Directors of the Bank in order to ensure an independent and efficient remuneration system, which is in charge of overseeing remuneration policies, processes and practices.

Pay scale is updated within the scope of market researches, position in the sector, internal analyses and economic indicators in order to establish ideal wage levels within the Bank. Standard entry-level wages of all employees are above the local minimum wages at Takasbank. As with previous years, the Bank has followed a policy of increasing wages and other financial benefits in a way to raise employees' living standards in addition to rewarding productive efforts in 2023; and it has conducted efforts aiming to keep employees' motivation high, such as giving bonuses after successful implementation of projects.



The Bank offers its employees various social rights and benefits beyond the statutory regulations in order to further increase employee loyalty and thus, the work efficiency. This category of fringe benefits includes, inter alia, a multi-faceted healthcare service covering also employees' dependants such as their spouses and children in addition to standard SGK healthcare services, various social benefits (maternity benefit, marriage benefit, etc.), and the rights and opportunities such as birthday leave, etc.

Career and Performance Management

Takasbank has continued to apply its approach of using objective assessment criteria in meeting its workforce requirements; and effective and efficient management of human resources has remained as one of the main focus areas of the Bank. The Human Resources department conducts competency-based interviews and department managers conduct technical interviews in the recruitment process. All employment processes are conducted with a transparent and merit-based approach, by offering equal opportunities to all candidates.

Organizational changes may be made to strengthen the Bank's corporate structure and improve operational efficiency. Takasbank supports intra-bank appointments for new jobs or positions created within the institution, in order to increase its employees' competencies and to develop their technical skills. When making appointments, priority is given to the employees considered eligible for the relevant positions in the career plans and performance assessments. The Bank has offered its 22 employees the opportunity to gain new experiences in different teams in 2023. The figures regarding the Bank's career and performance management practices are provided under the heading of "Sustainability Performance «" in the "Sustainability «" section of the Report.

STAKEHOLDER RELATIONS > EMPLOYEES

GRI 2-6, 2-7, 2-12, 2-29, 401-1, 404-1, 404-2, 404-3

At Takasbank, the performance assessment process is conducted for the purpose of evaluating employees' competencies and increasing their productivity. Contributing to employees' career developments through performance feedbacks has remained as one of priorities of the Bank. In 2023, performance assessments have been made on both target and competency basis; and managers' scorecards have been created within the framework of the Bank's corporate goals. Within the framework of the scorecards created as such, each employee's own scorecard has been created and provided input for the performance management system at the end of the year. The performance assessment process includes, respectively, the stages of the "Manager Evaluation Survey" whereby employees evaluate their managers that they directly report to; the "Internal Customer Satisfaction Survey" whereby employees evaluate the teams that they work in cooperation with; the "Employee Targets and Competencies Evaluation" whereby managers evaluate their employees; the feedback meetings held between managers and employees; and finally, the "Performance Process Evaluation Survey" whereby all employees evaluate the process.

The 'Critical Role, Employee, and Employee Backup' study and associated plans were initiated during the year to assess the criticality level of each business role and employee at the Bank and determine their backup status. This initiative aims to identify and monitor aspects such as the criticality level of each business role, the significance of individual employees, backup status, and the readiness of backup employees.

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In 2023, exit interviews were held with the employees leaving their jobs in order to benefit from feedbacks. The issues such as increasing employee satisfaction, succession planning of employees at critical positions in terms of business continuity, detailed elaboration of surveys for submission to Executive Management are considered among the priority targets for the future periods.

Takasbank provides summer internship opportunities to third and fourth-year university students, aiming to attract new talents and contribute to the development of students at the early stages of their careers. Successful interns may be offered full-time or part-time employment. Following the positive feedback from the 2022 internship program, the 2023 interns were assigned a buddy/mentor and underwent an orientation program to facilitate their adaptation to the institution. Throughout the internship, one-on-one interviews were conducted with both interns and the Bank's teams, resulting in overall satisfaction expressed by the students and unit managers. In 2023, 57 students participated in summer internships, with 20 continuing as long-term part-time interns and 5 graduates joining as assistant specialists.

Takasbank intends to sustain its internship program in the upcoming years, aiming to attract and recruit new talents into the organization.

Employee Development and Trainings

Takasbank aims to contribute to its employees' development, both on the basis of their job competence, and on a personal level, through various training programs. Encouraging continuous learning and intending to contributing in the development of qualified workforce within the organization. the Bank conducts efforts to identify employees' areas for improvement and to prepare training programs as a result of the performance assessment process. Takasbank meticulously evaluates training needs identified in individual employee interviews and survey feedback, formulating training plans to foster both professional and personal development among its employees.

In 2023, training activities have been continued in a manner supplementary to other human resources practices in line with corporate goals. Personal development trainings, competency development trainings, and technical trainings have been provided online and face to face.

In order to contribute to the development journey of the Bank's employees, the "Takas Academy" training platform, which has a wide digital training catalog that can be accessed quickly and easily, was launched in 2023. In addition to the periodic trainings planned to improve the competencies of employees, employees can access other trainings that they think will contribute to their development or that interest them through this unique training platform at any time both on the website and via the mobile application. "How to Become a Team: The Building Blocks of Being a Team", "Expert Views on Adaptation to Change", "Communication that Makes a Difference", "Dealing with Uncertainty and Stress Management", etc. are some of the trainings available on the platform. In addition, employees can access various trainings such as "Zero Waste", "Sustainability", "Individual Awareness for a Sustainable World", which will increase the knowledge and awareness of employees in the field of sustainability.

In 2023, Takasbank continued the 'Takasbank Professional Trainers Program,' initiated in 2022 to build a proficient training team for both internal and external programs. The program, featuring 'Train the Trainer' and 'Presentation Techniques Training,' underwent renewal sessions during the year. Leadership and mentoring trainings were extended to the expert staff, with programs like 'Leader's Journey' and 'Executive Development,' complemented by one-on-one coaching for executive personnel to enhance managerial

In 2023, Takasbank achieved an increased employee participation rate in the online training programs offered by the Banks Association of Türkiye compared to the previous year. The Bank actively monitored periodically shared training catalogs and assessed requests to ensure that TBB training programs contributed effectively to the professional and personal development of its workforce. As part of a commitment to employee development, the Bank initiated collaborations with various institutions to provide English language training programs, aiding in exam preparation and daily conversational practice. Moreover, to incentivize employees to obtain Capital Markets Activities Licenses, the Bank covered the certification fees for all eligible employees pursuing SPL Level 2, Level 3, and Derivatives licenses.

As part of the legal obligation, employees have access to various online trainings through the Takasbank Training Portal, including Business Continuity Management System Awareness Training, MASAK - Combating Laundering of Criminal Proceeds and Financing of Terrorism Training, ISO 20000-1 Service Management System Training, Occupational Health and Safety Refresher Training, IT Service Management Awareness Training, Personal Data Protection Law Training, Information Security Management System Awareness Training, etc.

GRI 2-6, 2-7, 2-12, 2-29, 401-1, 404-1, 404-2, 404-3



skills. The 'Mentors Shaping the Future' program, aligning with the Bank's 'Buddy' initiative, supported career and performance development for new hires, aiding in their rapid integration into the corporate environment. Additionally, newly recruited employees received in-person 'Effective Communication' training.

STAKEHOLDER RELATIONS > EMPLOYEES

GRI 2-6, 2-7, 2-12, 2-29, 401-1, 404-1, 404-2, 404-3

The Bank offers various voluntary trainings to its employees. Those with Basic First Aid Training certificates can join the First Aid Team within the Bank's Emergency Teams. In 2023, employees with Basic First Aid Training certificates also received refresher training. Disaster Awareness Training provided by the Disaster and Emergency Management Presidency (AFAD) to Borsa İstanbul Group employees on earthquake preparedness was another voluntary training. The training was broadcast live for those unable to attend physically. Additionally, plans are in place for Borsa İstanbul Group employees to receive light search and rescue training at the Istanbul AFAD Training Center in 2024.

In October, Breast Cancer Awareness Month, Takasbank conducted a seminar featuring a specialist doctor to raise awareness among employees and emphasize the importance of early diagnosis. The Bank plans to continue efforts to promote awareness and consciousness regarding various health issues among its employees in the coming years.

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After completing trainings, employees provide feedback through surveys to evaluate the training and measure their satisfaction, and necessary actions are taken based on the collected feedback.

All personnel newly employed within the year are subject to an orientation training program aimed at familiarizing them with the organization. With this practice, it is aimed to accelerate the process of employees' adaptation too the working environment and organizational culture and to strengthen their communications with other employees. After each orientation program, surveys are conducted with the employees who participated in the program and improvements are made in the training program in line with the feedback received through these surveys.

Takasbank aims to support the development of all of its employees in the field of sustainability, including, the employees in the Sustainability Working Group in particular. In this context, an employee from the Strategic Planning and Investor Relations Team and an employee from the Legislation and Compliance Department have successfully completed the "Sustainability Expertise Certificate Program" comprising 33 courses and 66 hours, held through cooperation of the Capital Markets Association of Türkiye and the Sustainable Training Development and Excellence Association, and received their sustainability expertise certificates in 2023. In addition, the 'Sustainability' training at Takas Academy, designed to enhance basic awareness of sustainability, is scheduled to be mandatory for all employees in 2024.

As with previous years, the employees pursuing master's/ doctorate degree studies were also allowed to take educational leaves in 2023. Of the employees, 26% have doctorate and master's degrees; 65% have bachelor's degrees; and 9% have high school and two-year undergraduate degrees.

Various performance data regarding the trainings received by employees in 2023 (annual average training hours per employee, ratio of digital trainings in total trainings, etc.) are provided under the heading of "Sustainability Performance «"in the "Sustainability «" section of the Report.



Occupational Health and Safety

Takasbank's basic occupational health and safety principle is to create, implement and maintain an occupational health and safety culture supported by the Executive Management and adopted and implemented by all employees, which is audited, reviewed, made open and available for monitoring by the related parties and continuously improved. Takasbank includes all works performed under the roof of the Bank as well as all places where these works are conducted. and all employees, guests and interns within the scope of application of this principle. Accordingly, the obligations arising from the Occupational Health and Safety Law no. 6331 and the relevant legislation are fulfilled by the Human Resources Department. With the efforts conducted, not only the regulatory compliance requirements are met, but also employees are included in the processes by creating an occupational health and safety culture. The occupational health and safety-related responsibilities of the Executive Management, employees, Human Resources Department, Purchasing and Support Services Department, Occupational Safety Specialist and Workplace Doctor, technical team and employee representative within the Bank are stipulated in Takasbank Occupational Health and Safety Procedure.

Pursuant to the provisions of the relevant legislation, the Occupational Health and Safety Board was established under the roof of the Bank; and this Board convenes for a meeting on a guarterly basis. In this context, four meetings were held in 2023. The most fundamental responsibilities of the Occupational Health and Safety Board are to identify occupational health and safety hazards in the workplace, to perform risk analysis and risk assessments, to determine the measures that can be taken, and to notify the employer or the employer's representative in relation thereof. In addition, the Board prepares an annual report regarding the current occupational health and safety status of the workplace, evaluates the efforts conducted in that year, determines the issues to be included in the works schedule of the following year according to the experience gained, and submits a proposal to the Senior Management of the Bank.

The Bank performs a risk assessment within the framework of the Occupational Health and Safety Law no. 6331 and the Occupational Health and Safety Risk Assessment Regulation and within the given periods necessary for the relevant hazard groups in order to identify the hazards currently existing in the Bank or likely to be caused by external factors, and the factors causing such hazards to turn into risks, to ensure the proactive analysis and rating of the risks arising from hazards, and to decide on control measures.

Emergency Response Teams were formed, comprising the employees working at the Bank, and with different employees assigned to each floor. In this context, First Aid Team, Firefighting Team, Rescue Team, Protection Team and Social Assistance Team were formed and the duties and responsibilities of these teams were stipulated with internal regulations. The issues such as the trainings to be completed and/or the certificates to be held by the employees taking part in such teams are followed up by the Human Resources Department.

At the premises where the Bank conducts its activities. an emergency drill is conducted for not more than once a year within the specified scenarios, ensuring the participation of all employees in the drills. The deficiencies identified during the drills and the issues thought likely to be improved are specified in the form of a report and corrective actions are taken. In the drill conducted in 2023, full compliance was achieved with the target of evacuating the building within the specified time.

Considering that the OH&S awareness of its employees and the continued maintenance of this awareness are as important as providing a safe working environment, Takasbank organizes periodic trainings within the year in order to further increase the OH&S awareness of all employees. The performance data regarding the OH&S trainings received by employees in 2023 are provided under the heading of "Sustainability Performance "in the "Sustainability "section of the Report.

GRI 2-6, 2-12, 2-29, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-10

INFORMATION ON THE RISK MANAGEMENT POLICIES **APPLIED BY RISK TYPES**

MANAGEMENT OF THE PILLAR 1 RISKS

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Takasbank Risk Management Regulation approved by the Board of Directors has established in detail, the procedures and principles regarding the functioning of the Bank's risk management system, risk management policies and implementing procedures, risk management activities, and the organizational structure and duties, powers and responsibilities of the Risk Management Department. The Bank's overall risk Policy is to maintain the Bank's operations by assuming reasonable risks at a manageable and controllable level so as to establish an income-expense balance. The Bank's risk capacity is determined in accordance with the capital adequacy Policy.

Takasbank manages its risks by ensuring that they remain above/below the minimum/maximum limits stated in all applicable statutory regulations and below the risk appetites approved by the Board of Directors. The results of activities related with risk management are taken into account in the Bank's strategic decision-making processes. Prior to offering new products and services, the Bank performs a risk assessment together with all relevant departments and under the coordination of the Risk Management Department, taking into consideration all of the risks that the Bank is exposed to.

The principle of proportionality was taken into account pursuant to the statutory regulations and best practices guidelines in establishing and implementing the Bank's risk management system and internal capital adequacy assessment process (ICAAP).

By the year-end of 2023, the Stress Test Report and the ICAAP Report prepared in coordination of the Risk Management Department and its attachment, i.e., the Validation Report prepared by the Internal Control Department, and the Examination Report prepared by the Internal Audit Department were submitted to the BRSA following their approval at the Board of Directors meeting no. 450 dated 24/03/2023.

Takasbank's risk appetite structure is reviewed at least once a year, and its general risk and risk-type based risk limits and signal values are reviewed according to the changes in market conditions and the Bank strategies. In cases where the allocated risk appetites, risk limits and signal values are exceeded, the relevant authorities are notified thereof.

The Risk Management Department manages and coordinates the operations regarding identification, measurement, assessment, monitoring, and reporting of the risks the Bank is exposed to, in accordance with the banking legislation, under the supervision of the Audit Committee and within the scope of the internal regulations approved by the Board of Directors.

CREDIT RISK MANAGEMENT

Credit transactions involve the possibility that members or guarantors using the credit cannot fulfil their obligations in time and according to their prior written commitments and agreements; in other words, the credit risk. The counterparty credit risk is considered within the scope of the credit risk.

Takasbank's cash credit transactions consist of the credits extended to intermediary institutions. In Takasbank Money Market (TMM), these transactions are considered as noncash loans pursuant to the banking legislation, since the Bank has guarantees for the obligations of the members to each other in accordance with the guarantees received from the members, and its allocated and committed capital. Takasbank provides CCP services to the Securities Lending Market (SLM) established under its structure, and the Futures and Options Market (VIOP) established under the structure of BIAS, as well as the Money Market, Debt Securities Market, SWAP Market and over-the-counter derivatives transactions. The obligations arising from such transactions are also considered non-cash credits.

Credit limits are updated according to the changes in members' financial positions. The implementation of limit, risk and collateral controls electronically and continuously on an individual transaction basis minimizes operational errors.

Internal credit rating scores are used in determination of the credit or position limits to be allocated to members and the membership types of the members that will execute transactions in the markets or capital market instruments for which CCP services are provided; and the said limits enter into force following approval by the Board of Directors. Credit risk is managed with the presence of an efficient and strong collateralization mechanism and allocation of appropriate limits.

Takasbank manages the credit risk that it is exposed to by taking account of the credit risk appetite, credit risk limits established, signal values determined under the early warning system, and the legal and internal capital requirements.

Pursuant to the regulations published by the BRSA, the credit risk amount is calculated according to the standard approach by the end of months and the results are reported to the BRSA.

MARKET RISK MANAGEMENT

Market risk is defined as the probability of loss that may be caused by the Bank's exposure to on- and off-balance sheet positions due to foreign currency risk and interest rate risk arising from the movements in market prices.

The Bank's fund management operations are mostly carried out with state banks and the banks the Board of Directors allocates limits to. The Bank includes in its securities portfolio government bonds issued by the Republic of Türkiye Ministry of Treasury and Finance, debt securities and lease certificates issued by banks established in Türkiye, and TL denominated debt securities issued abroad by supranational institutions resident abroad. Derivative products may be used for the bank portfolio for hedging and liquidity management purposes. In addition, the Bank may also use derivative products for riskmitigating transactions for the positions assumed as a result of CCP services.

The Treasury Team and Senior Management constantly monitor Takasbank's portfolio distribution in terms of maturity and instruments, and revise fund management strategy according to market developments.

The Bank manages the market risk to which it is exposed by considering the market risk appetite, established market risk limits, signal values determined within the scope of the early warning system, and the legal and internal capital requirements.

The amount subject to market risk is calculated at the Bank using the standard method in accordance with the regulations published by the BRSA, and reported to the BRSA on a monthly basis. In addition, market risk is also measured daily using the internal model; in this context, the value at market risk and the economic capital requirement are calculated, and back testing, stress testing and scenario analyses are performed. The reports prepared are periodically reported to the Senior Management.

risk.

The practices such as keeping software and hardware used at Takasbank always ready and available for use together with their alternatives, simultaneous copying of data onto different media; keeping communications, energy, human resources and their backups ready and available; and ensuring business continuity and emergency planning allow for efficient management of operational risks that may arise from information systems.

At Takasbank, the authorities and responsibilities regarding critical transactions are separated from each other. Management controls are applied during execution of transactions through the approval authorization mechanisms implemented. In addition to these controls performed by management levels in a hierarchical structure; the transactions executed are controlled by the Internal Control Department conducting the control function and reporting to the Board of Directors, within the framework of the Internal Control Lists approved by the Audit Committee; and they are also periodically audited by the Internal Audit Department.

The loss or damages arising from operational, reputational and strategic risks that the Bank is exposed to the IT risk considered within the scope of operational risks, and the legal risks are monitored with the "Operational Risk Loss Database". The Bank's service- and subservice-based risks related with all business and information technologies are also monitored using the "Operational Risk Database", and the records related with this database also provide input for the management statement efforts.

GRI 2-16, 2-23, 2-24, 2-25

OPERATIONAL RISK MANAGEMENT

Operational risk is defined as the possibility of loss arising from insufficient or unsuccessful internal processes, people and systems, or external events, and including, also, the legal

While Takasbank considers employees as its most important resource; it has adopted the fundamental principle of conducting its activities with a focus on systems and processes, rather than people in order to ensure the establishment of its institutional structure.

INFORMATION ON THE RISK MANAGEMENT POLICIES APPLIED BY RISK TYPES

GRI 2-16, 2-23, 2-24, 2-25

The actions recommended for the risks with net risk level equal to or above the operational risk appetite approved by the Board of Directors and key risk indicators are monitored by the Internal Control Department in the Operational Risk Database; and necessary actions are taken by the Senior Management. In addition, possible risks that may be caused by any disruptions in the activities and their potential impacts are assessed with business impact analyses.

Self-assessments are performed for the purposes of developing a common operational risk culture among Bank employees, ensuring the adoption of risk management practices under the roof of the bank, enabling interdepartmental communications, and meeting the needs for revision and updating of the databases, which will enable the Senior Management to take swift actions.

The risks that may arise from service procurements are assessed by the Bank in order to ensure the continuity of support services and the services procured from external service organizations. The operational risks that the Bank is/ may be exposed to are substantially secured with insurance policies taken out to that effect.

The Bank manages the operational risk that it is exposed to by taking account of the established operational risk appetite, the signal value determined under the early warning system. and its legal and internal capital requirement. The amount subject to operational risk is calculated using the basic indicator method on an annual basis and the results are reported to the BRSA in accordance with the regulations published by the BRSA.

MANAGEMENT OF PILLAR II RISKS

The Bank's Pillar II risks include liquidity risk, the interest rate risk in the banking books, and the central counterparty general business risk.

The guarantee funds and trading guarantee provisions in various payables or temporary liability accounts due to Takasbank operations are held available as active liquid values. When the factors such as Takasbank's assets, credit quality and concentrations related with credit collaterals are assessed together with the resource structure and the depth of securities market; it is observed that there is a low possibility of experiencing liquidity problem in meeting obligations due to inconsistency of terms of maturity.

Liquidity planning is made by taking account of Takasbank's existing and under-stress liquidity needs and its risk appetite and capacity. Liquidity planning is intended to prevent Takasbank from falling below the statutory rates even under stress conditions. Takasbank manages the liquidity risk that it is exposed to as well as the interest rate risk arising from its banking accounts by taking account of the limits stipulated in all statutory regulations in practice, its risk appetite, its risk limits established, its signal values determined under the early warning system, and its internal capital requirements.

The Risk Management Department regularly monitors the distribution of the Bank's assets and liabilities based on particular currencies and maturities/repricing periods, liquidity deficit/surplus, resources that may be created in case of a possible liquidity crisis, and available shareholders' equity. In addition, Takasbank also follows up local and global changes in macroeconomic variables, money and capital markets, banking industry, and settlement and custody issues within the scope of the country risk.

The Bank conducts the remaining maturity and liquidity gap analyses with regard to the liquidity risk, and duration and repricing gap analyses with regard to the interest rate risk arising from the banking books. In addition, partial stress tests are conducted on a monthly and yearly basis in order to calculate the amounts of possible losses that may arise from the liquidity risk at Takasbank's certain statistical confidence levels, and the results of such tests are reported to Takasbank Senior Management. The stress tests conducted with respect to the interest rate risk arising from banking accounts and the central counterparty general business risk are handled within the scope of ICAAP.

Sustainability and Climate Change Risks

In 2023; there have been no financial risks affecting the Bank's business model regarding sustainability and climate change-related risks; and the statutory regulations issued in this area, especially by the Ministry of Environment, Urbanization and Climate Change, the BRSA and the CMB are followed up rigorously.

As Takasbank, it is planned to prepare and implement the strategy and action plans for the struggle against climate crisis in line with the goals specified with respect to Environmental, Social and Governance issues in the upcoming period.

In addition, detailed information about the development of the Bank's "Sustainability Policy" and the efforts for other policies and procedures supporting the Sustainability Policy is provided under the subheading of "Sustainability Efforts - General Principles «" in the "Sustainability «" section of the Report.

Early Detection and Management of Risks Committee Activities

The Bank has not established an Early Detection and Management of Risks Committee.

Future Risks on Sales, Efficiency, Revenue Generation, Profitability, Debt/Shareholders' Equity Ratio and Similar Matters

The internal capital adequacy ratio is calculated based on the budget, strategic plan and financial models approved by the Board of Directors for the next three-year period for Pillar I and II risks that Takasbank is exposed to, pursuant to the Regulation on Internal Systems and Internal Capital Adequacy Assessment Process of Banks as published by the BRSA; and the operations are conducted and maintained by taking both legal and internal capital adequacy ratios into account.

GRI 2-23, 2-24, 2-25



SUSTAINABILITY



With a commitment to consistently enhance its environmental, social, and corporate governance performance, Takasbank strives to operate with the objective of generating sustainable value for all its stakeholders.

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SUSTAINABILITY APPROACH

The climate crisis, which threatens the entire ecosystem and human life in particular, with its many global consequences such as increasing natural disasters and extreme weather conditions, epidemics, etc., remains one of the biggest risk factors on a global scale in 2023. According to the 2023 Global Risks Report published by the World Economic Forum (WEF), inadequate mitigation and adaptation to climate change tops the list of the most serious risks that will threaten the world over the next 10 years unless more effective action is taken to combat climate change, while natural disasters and extreme weather events, biodiversity loss and ecosystem collapse stand out as other major risk factors. According to the 6th Assessment Report of the Intergovernmental Panel on Climate Change (IPCC) to be published in 2023, although various impacts caused by the climate crisis, such as melting glaciers, rising sea levels and loss of biodiversity in ecosystems, have become inevitable, it seems possible to limit the extent of these impacts with deep, rapid and sustained reductions in greenhouse gas emissions. At this point, the actions to be taken at the societal and institutional levels to leave a sustainable world for future generations are of great importance.

Takasbank, a key player in Türkiye's financial markets, systematically evaluates the environmental, social, and economic ramifications of its activities, prioritizing the creation of sustainable value for all stakeholders. Aligning with this commitment, the Bank actively contributes to the enduring development of the Turkish economy, aspiring to enhance its initiatives to meet global sustainability standards.

The Strategic Planning and Investor Relations Team takes charge of orchestrating the Bank's sustainability endeavors, overseeing, and documenting the Bank's sustainability achievements. To accomplish this role effectively, the team collaborates with all staff and pertinent stakeholders, with a special emphasis on the "Takasbank Sustainability Working Group".

TAKASBANK SUSTAINABILITY WORKING GROUP

The sustainability efforts conducted by Takasbank started, at first, with the preparation of the "Corporate Governance Principles Compliance Report" to ensure compliance with the "Corporate Governance Communiqué" no. II-17.1 and the public disclosure of this report every year. Pursuant to the "Sustainability Principles Compliance Framework" prepared by the CMB, the "Sustainable Banking Strategic Plan" published by the BRSA and international best practice examples in this field; the Bank expanded the scope of its efforts in the field of sustainability as of 2021; and the issue of "sustainability" has become one of the top priority issues in the Bank.

In 2021, a Sustainability Working Group was formed under the chairmanship of the Executive Vice President of Central Counterparty and Financial Services and with the participation of the managers and employees from the Financial Services and Reporting Department, Risk Management Department, Legislation and Compliance Department, and Member Services and Corporate Communications Department; thus, an important and concrete step was taken towards the achievement of the Bank's goal of integrating sustainability with its business model and corporate strategy. However, the participation of all stakeholders in the efforts is supported, including, without limitation, the aforementioned departments, by adopting the principle of voluntariness for sustainability efforts; and the views and suggestions forwarded by stakeholders are taken into account and sustainability efforts are tried to be further expanded. The Sustainability Working Group convenes periodically to discuss the issues such as suggestions, activities, performance results, reporting, etc.

In this context, the main duties and responsibilities of the Sustainability Working Group include, without limitation, the following:

- · Conducting efforts to determine the Bank's sustainability goals in line with the Bank's strategy and market conditions;
- Preparing action plans in accordance with the Bank's specified sustainability goals and to support the activities conducted under the coordination of the Strategic Planning and Investor Relations Team accordingly;
- Ensuring the follow-up of the efforts in the field of sustainability and strengthening the sustainability performance of the Bank;
- Conducting efforts to ensure integration of sustainability into all units and processes of the bank;
- Ensuring the compliance of Takasbank's material issues with sustainability issues:
- Identifying, prioritizing and managing the risks and opportunities arising from climate change;
- Establishing a transparent and fair communication environment with the Bank's stakeholders on sustainability and overseeing this environment established as such;
- Following national and international legislation on and the best practice examples regarding sustainability;
- Conducting research on and making recommendations about the collaborations that the Bank may become a member of and provide support in the field of sustainability.

GRI 2-12, 2-13, 2-14, 2-18, 3-3

Takasbank, a key player in Türkiye's financial markets, systematically evaluates the environmental, social, and economic ramifications of its activities, prioritizing the creation of sustainable value for all stakeholders.

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SUSTAINABILITY EFFORTS

The CMB made an amendment in the Corporate Governance Communiqué no. II-17.1 on 2 October 2020, requiring that the basic principles that publicly-held companies are expected to disclose while conducting their environmental, social and corporate governance activities (Sustainability Principles Compliance Framework) be shared with their stakeholders. In this context, it has been stipulated that annual reports will include explanations regarding sustainability principles, that the implementation of sustainability principles is voluntary, and the principles regarding the content and publication of the Sustainability Principles Compliance Framework will be determined by the CMB. In addition, with the Board's decision no. 34/977 dated 23 June 2022, it was decided that the disclosures to be made by the companies whose shares are traded in the Main Market, Star Market and Sub-Market of the Stock Exchange within the scope of sustainability principles compliance framework pursuant to the Corporate Governance Communiqué no. II-17.1 be made using the Sustainability Report template provided in the annex to the decision via the PDP, which would be used starting from the reporting for 2022.

Since it is not a publicly-held corporation, Takasbank is not required to comply with the said sustainability principles and to report using the Sustainability Report template; however, Takasbank still monitors its activities falling within the scope of ESG in the light of the Sustainability Principles Compliance Framework, and reports its sustainability efforts in this section of the Annual Integrated Report. In this context, the activities conducted by Takasbank in 2023 within the scope of sustainability efforts are summarized below under the headings as included in the "Sustainability Principles Compliance Framework".

General Principles

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With Takasbank Sustainability Policy that entered into force on June 24, 2022, Takasbank has, in brief, ensured at the level of its Board of Directors, i.e., the Bank's highest Governance Body, that it will conduct its activities in compliance with statutory regulations and national and international developments regarding the issues falling within the scope of sustainability and adopt an efficient governance model in this field; take actions to mitigate its environmental impacts, conduct efforts to raise the awareness of its stakeholders, and develop incentivizing policies for dissemination of

capital market instruments supporting SDGs; and establish a corporate culture rejecting any and all forms of discrimination, protecting employee rights and ensuring equal opportunity, and adopting the principle of zero tolerance against bribery, corruption, the laundering of proceeds of crime and the financing of criminal activities. The Bank's Sustainability Policy is available at https://www.takasbank.com.tr/ tr/hakkimizda/kurumsal/takasbank-surdurulebilirlikpolitikasi. 🏱

Although the efforts regarding the draft versions of the supplementary/supportive policies and internal legislation regarding sustainability, including, the Environmental Management Policy, Corporate Human Rights Policy, etc., which support Takasbank Sustainability Policy, are still ongoing; the said efforts are planned to be disclosed to the public after they are completed and necessary approvals are obtained.

Takasbank 2023 Strategic Plan Evaluation was completed by the end of 2023; and sustainability issues have also been taken into account in the reviews made in relation thereof.

Bank employees were asked to provide their opinions and suggestions regarding sustainability activities under the coordination of the Bank's Strategic Planning and Investor Relations Team in November 2023. The Strategic Planning and Investor Relations completed the preliminary works by consolidating the previously determined short-, medium-, and long-term ESG goals with the views and suggestions forwarded by employees. The execution of established targets and corresponding action plans for 2024 is anticipated, with periodic updates throughout the year to apprise stakeholders of the progress toward achieving these objectives.

Contributing to the United Nations Sustainable Development Goals is one of the main focal points of the Bank; and the SDGs that the Bank's material issues are directly related to are provided under the heading of "Strategy, Value Creation and Stakeholder Relations «" in the Report.

The data regarding the sustainability performance of the Bank are disclosed in the "Sustainability Performance «" section of the Report. While disclosures about sustainability efforts conducted are made under various headings in the annual integrated report; it is aimed to continue to make similar disclosures through the annual integrated reports that will be prepared in the upcoming years.

Environmental Principles

Takasbank is aware of the critical role that environmental sustainability plays in the struggle against climate crisis, which constitutes one of the most important problems of our time; therefore, it takes actions to mitigate its direct and indirect environmental impacts, and aims to contribute to Türkiye's 2053 net zero emission and green development targets. Takasbank actively works on the issues such as ensuring maximum compliance with environmental legislation; reducing greenhouse gas emissions originating from its activities; and raising awareness in the field of environmental sustainability among all stakeholders. In this context, the data about environmental performance are followed up, monitored and periodically reported. The data regarding environmental performance such as the amount of greenhouse gas emissions are shared in the "Sustainability Performance «" section on an annual basis, and, in comparison with the previous years. The Bank neither breached any rules nor was subject to any fine or penalty imposed due to adverse environmental impacts in 2023

Comprehensive details on Takasbank's participation in workshops and meetings pertaining to the Emissions Trading System and Carbon Market, along with a workshop organized in alignment with the Climate Change Action Plan for the implementation of activities addressing climate change, are available in the "Representation and Promotion «" section of the "2023 Performance «" Report. The Bank actively engages in these initiatives to align with the 2053 Net Zero Emission target and the National Contribution Declaration of our country.

In response to the escalating challenges posed by the surge in population and industrialization, the substantial quantities of waste generated in production and consumption processes have emerged as a critical global issue. The surge in waste not only results in considerable resource losses but also contributes to substantial emissions. In an effort to mitigate the adverse impacts of waste on the environment and human health and to optimize the utilization of limited resources crucial for sustainability, diverse solutions are being developed globally and locally under the supervision of pertinent regulatory bodies. Within this framework, adhering to the Zero Waste Regulation issued by the Ministry of Environment, Urbanization and Climate Change

GRI 2-12, 2-13, 2-14, 302-1, 302-4, 305-1, 305-2, 305-3, 305-4, 306-2

of the Republic of Türkiye in 2019, which mandates gradual compliance for institutions and organizations, including business centers, the Zero Waste Project initiated by Borsa Istanbul Group in 2022 was successfully concluded in 2023, earning the Zero Waste Certificate. Sifir Atik Within the scope of the project, in 2023, in summary;

As a result of the identification studies conducted throughout the building and campus to separate waste at the source, waste stations were identified and 5 and 2 stations were placed in certain parts of the campus. This eliminated all indoor trash cans. The 5 stations include paper, glass, plastic, metal and non-recyclable waste types, while the 2 stations include recyclable and non-recyclable waste types.

The distribution of plastic water bottles, which caused a lot of plastic waste, was stopped and glass water bottles specially made for employees were distributed.

Water fountains have been installed throughout the building and are regularly maintained and disinfected.

"Zero Waste Training" was provided to increase employee knowledge and awareness.

Geographical data themes were created with the relevant legislation of the Republic of Türkiye Ministry of Environment, Urbanization and Climate Change in order to realize many goals specified in the United Nations Sustainable Development Goals such as "Sustainable Cities and Communities", "Affordable and Clean Energy", "Industry, Innovation and Infrastructure", and "Climate Action", and to create smart cities. In this context, Takasbank obtained a Geographic Data License for address contact this year, as it did last year, to operate throughout Türkiye.

Throughout the year, several measures were implemented in alignment with the Bank's objective to enhance energy efficiency and decrease its environmental impact. These measures included the adoption of sensor lighting equipment in offices, installation of sensor faucets in sinks, utilization of paper towels designed to dissolve in water and decompose in nature within a shorter timeframe, and the introduction of low-emission electric cars assigned to executives by November 2023. In addition, Takasbank pays utmost care and attention to the recycling of various wastes generated within the institution. Used batteries are collected in separate waste boxes and delivered to the relevant institutions for

GRI 2-12, 2-13, 2-14, 302-1, 302-4, 305-1, 305-2, 305-3, 305-4, 306-2

Besides pursuing environmental issues with respect to its own activities, Takasbank also aims to increase its suppliers' sensitivity about these issues.

disposal purposes. Cleaning wastes in common areas and lavatories are separated and sent for recycling. The Bank works in coordination with the catering company to prevent waste of food and the number of employees envisaged to be in the bank is reported in order to determine the daily number of meals. Additionally, the catering company segregates the waste consumables utilized in meals, incorporating them into the recycling process.

In addition, as with the previous years, blue caps were collected in the blue boxes placed in the Bank within the scope of the plastic cap campaign conducted by the Spinal Cord Paralytics Association of Türkiye since 2011 and the caps collected were delivered to the Association in 2023.

In addition to numerous improvements made in 2022, various enhancements were implemented in 2023 to boost operational efficiency within the Bank and reduce the reliance on physical documents in business processes. In this context, the following has been accomplished;

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- · Mitigating excessive paper consumption by digitizing and storing documents like reports and working papers, except those required to be physically retained,
- Prioritizing the use of REM for sharing information and documents with stakeholders.
- Implementing enhancements in banking systems to minimize paper consumption by Takasbank members

This approach enhanced operational efficiency within the Bank and minimized the circulation of physical documents in various business processes, thereby contributing to a reduction in the carbon footprint of the Bank's operations.

Another application developed to reduce the carbon footprint of the Bank and to ensure the usage of energy more efficiently is the project on virtualization of desktop computers, which was launched as of 10 March 2022. This project is expected to contribute to important issues such as ensuring the backup, ease of operation and data security as well as the contributions regarding environmental factors. By the end of 2023, the integration of the majority of the Bank's employees into the virtualization project had been finalized, with the expectation that the integration of all personnel would be completed in 2024.

The Data Storage, Server Infrastructure, and Firewall Renewal projects, designed to decrease the Bank's carbon footprint and enhance energy efficiency, successfully expanded the capacities of IT service infrastructure components in both primary and backup data centers. Additionally, the Disaster Data Center was equipped with the necessary infrastructure to support non-critical services, and access tests for new services were successfully conducted.

In TEFAS Fund Information Platform (www.tefas.gov.tr), filtering option entitled as "sustainability funds" was added under the fund title type in securities mutual funds and under the fund group in pension mutual funds. Thus, it became possible to select and list "sustainability funds" on both fund comparison and historical data pages.

The Bank also pays attention to landscaping, and supports the greening efforts including the campus areas and premises where it is located together with Borsa Istanbul Group companies. In addition, it is aimed to contribute to the process of allowing next generations to have a greener future by donating saplings on behalf of Bank employees on their birthdays and on behalf of their babies when they have a baby.

The campus and premises also host many stray animals; and their needs such as sheltering, nutrition and veterinary services are met by the Group companies and volunteer employees.

Besides pursuing environmental issues with respect to its own activities, Takasbank also aims to increase its suppliers' sensitivity about these issues. In this context, the sustainability activities survey, initiated in 2022 and incorporating criteria for the procurement of goods and services related to information technologies, supplier selection and evaluation processes, affiliated companies, and environmental considerations, was sustained in 2023. Detailed information about this application is provided under the subheading of "Suppliers «" in the "Stakeholder Relations " section of the Report.



Social Principles

Takasbank manages its human resources in accordance with the United Nations Universal Declaration of Human Rights, the International Labour Organization conventions ratified by Türkiye, and the legal framework and legislation governing human rights and working life in Türkiye. Within the scope of protection and regulation of human rights and employee rights within the Bank; Takasbank Human Resources Directive, Takasbank Corporate Governance Principles Directive, Takasbank Directive on Code of Ethics and the Social Media Policy, and Takasbank Directive on Conflicts of Interest were approved by the Board of Directors and the Exchange of Gifts Policy was approved by the Chief Executive Officer. The detailed information about the basic principles of the Bank's human resources policy and how the Bank manages its human resources (equal opportunity provided in the recruitment processes, inclusion-related issues, wages and fringe benefits and training opportunities provided for employees, employee loyalty and satisfaction, occupational health and safety policies developed by the Bank, etc.) is provided under the subheading of "Employees "in the "Stakeholder Relations " " section of the Report. In addition, occupational health and safety-related data and other human resources data are shared under the heading of "Sustainability Performance & " in this section on an annual basis, and, in comparison with previous years.

Takasbank takes all necessary measures to fulfil the obligations imposed on the Bank under personal data protection legislation; and sets out the procedures and principles for taking such measures, including, also, data security measures, in "Takasbank Directive on Personal Data Protection Policy". This directive is available at https:// www.takasbank.com.tr/en/about-us/corporate/protectionof-personal-data-privacy/takasbank-personal-dataprotection-policy. *P* In addition, the information about online trainings regularly provided every year to inform employees about the Law on Protection of Personal Data is provided under the subheading of "Employees «" in the "Stakeholder **Relations** «" section of the Report.

GRI 2-12, 2-13, 2-14, 2-15, 2-26, 205-2, 207-1, 207-2, 207-3, 207-4,

The Bank is aware of the cyber risks entailed by digitalization; and develops practices to mitigate these risks. The project on virtualization of desktop computers mentioned under the heading of "Environmental Principles «" in this section of the Report can be given as an example to the efforts made in this field. In addition. "Borsa Istanbul Group Information Security Bulletin" are prepared and shared with employees in order to increase employees' information security awareness through the joint efforts of BİAŞ, Takasbank and the CRA Information Security Departments.



Relying on the Principles of Banking Ethics published by TBB, Takasbank has established "Takasbank Directive on Code of Ethics and Social Media Policy" and "Takasbank Conflicts of Interests Policy" in order to set forth the principles for prevention of any and all disputes and conflicts of interests that may arise between the Bank and employees, customers, stakeholders and other institutions. These directives can be accessed at https://www.takasbank. com.tr/en/about-us/corporate/legal-framework. All issues contained in the Directives are the responsibility of the Board of Directors. The Bank carries out its activities and operations in accordance with the general principles of misuse of information, integrity, reliability, transparency, anti-money laundering and prevention of the financing of terrorism, impartiality, pursuing social benefit and respect for the environment, in order protect customers' rights and interests, to ensure trust and stability in financial markets, to ensure efficient operation of clearing & settlement,

SUSTAINABILITY FFFORTS

GRI 2-12, 2-13, 2-14, 2-15, 2-26, 205-1, 205-2

Member satisfaction is one of Takasbank's top priority issues; and the Bank's main goal about this issue is to meet its members' requirements at the highest level possible. The Bank offers its products and services by prioritizing its members' interests with an open, honest and transparent approach.

transfer, lending, loan and payment systems, to prevent transactions and practices that may lead to significant damages in the economy, and to pursue social benefit and protect the environment. Compliance with principles of ethics is evaluated by the Internal Audit Department. Internal Control Department, and the Chief Executive Officer; and the status of compliance with principles of ethics is reviewed in the controls and audits performed. If it is identified that the principles of ethics have been violated as a result of the review made by the Internal Audit Department, an investigation is initiated against the relevant persons and if there is a situation requiring punishment after the act or action identified, the issue is referred to the Disciplinary Committee.

Member satisfaction is one of Takasbank's top priority issues; and the Bank's main goal about this issue is to meet its members' requirements at the highest level possible. The Bank offers its products and services by prioritizing its members' interests with an open, honest and transparent approach. In these products and services offered by the Bank, the security of its members is one of the most sensitive points of the Bank, and there are absolutely no practices which may jeopardize or reduce their security. Takasbank has instituted the "Takasbank Complaint Management Procedure" with a paramount objective: to ensure and enhance the pinnacle of customer satisfaction in its service delivery. This wellstructured procedure serves a multifaceted purpose - it's designed to pinpoint vital areas for improvement in business processes, regulate the systematic reception of customer complaints, ensure these concerns are adeptly forwarded to the right places within the organization, and facilitate prompt feedback. It's not merely a set of guidelines; it's a strategic framework crafted to turn every customer concern into an opportunity for refining and fortifying the customer experience. Furthermore, the Takasbank Service Satisfaction Survey, meticulously crafted by the Corporate Communications and External Services Team in 2023, serves as a key instrument for gauging member satisfaction, boasting an impressive overall satisfaction rate of 92%. This comprehensive survey not only captures the pulse of member sentiments but also acts as a conduit for collecting diverse requests and suggestions. These invaluable inputs are methodically compiled, reported to Senior Management, and subjected to individual evaluations. Aligning with the spirit of continuous improvement, discerning actions are promptly initiated to elevate member satisfaction and enhance the quality of services provided.



As also set forth in Takasbank Directive on Code of Ethics and Social Media Policy, the Bank is not merely focused on profitability in its activities, but also pays attention to support social and cultural events in the light of the principles of pursuing social benefit and respecting the environment. Aware of the fact that it can create a difference in the society not only with its economic impacts, but also with its social impacts; Takasbank conducts various social responsibility activities to reach wider target groups, and aims to further expand the scope of these activities in the upcoming periods. With these activities, Takasbank supports various SDGs and thus contributes to the social welfare of Türkiye. Touching on many areas ranging from increasing the financial literacy of university students to meeting physical needs of schools in different cities such as computers, bookcases, lockers, etc., the Bank is determined to continue creating permanent value for our country. In this context, the activities conducted by the Bank and the relationship of these activities with the SDGs are provided in detail under the headings of "Representation and Promotion «". "Strategy «", and "Material Issues «" in the Report.

Takasbank aims to raise not only environmental awareness but also social awareness in its relations with its suppliers. In this context, as explained in detail under the subheading of "Suppliers «" in the "Stakeholder Relations «" section of the Report, the Bank has also added criteria regarding human and employee rights in the sustainability efforts survey that it has initiated for the suppliers from which the Bank procures goods and services related with information technologies. With this survey, The Bank aims to guide and direct its suppliers with regard to sustainability efforts.

Corporate Governance Principles

Takasbank is subject to the Regulation on Corporate Governance Principles of Banks published by the BRSA and the "Corporate Governance Principles of Banks" as provided in the annex to the said regulation.

The "Takasbank Directive on Corporate Governance Principles", which was first developed in 2013 and approved by the Board of Directors, is regularly reviewed to ensure compliance with legislative amendments and the issues such as besQqt practice examples, etc. The Directive covers the content of the Bank's corporate management policy established to provide guidance on the transparent, accountable, responsible and fair management of the Bank, the duties and responsibilities of the Corporate Governance

Creating value for all its stakeholder groups in the short, medium and long run and pursuing its stakeholders' interests when determining corporate strategies are among the top priority issues of the Bank.

Committee conducting and overseeing the practices regarding corporate governance principles, regulation of the Bank's stakeholder relations in accordance with the principles of integrity, reliability, impartiality, confidentiality and equitability, and its responsibilities regarding environment and social life. In addition, as provided under the heading of "General Principles «" in this section, "Takasbank Sustainability Policy" has entered into effect in 2022.

A Corporate Governance Committee was established within the structure of Takasbank Board of Directors. This committee conducts and oversees the practices related with corporate governance principles at Takasbank. The information about the duties and responsibilities of the Committee, the members of the committee and the meetings held by the committee in 2023 has been provided under the heading of "Structure and Formation of the Board of Directors «".

The information regarding Takasbank's compliance with corporate governance principles is provided under the heading of "Corporate Governance Principles Compliance **Report** *s*" in this Report. As stated in the said report. Takasbank is in constant communication with and evaluates the requests and suggestions received from its stakeholders and develops solution proposals. Creating value for all its stakeholder groups in the short, medium and long run and pursuing its stakeholders' interests when determining corporate strategies are among the top priority issues of the Bank.

Takasbank aims to become a member of various international standards and initiatives on sustainability and to contribute in the efforts of these institutions in the future periods. In addition, providing trainings in order to increase awareness of sustainability among employees is considered as one of the most important priorities of the Bank. For detailed insights into the trainings offered in this context, please refer to the "Employees «" subsection within the "Stakeholder Relations "section of the Report.

Takasbank has specified that it will not absolutely tolerate any unlawful acts, behaviours and crimes as well as the practices such as bribery and corruption which may be arise inside or outside the Bank and the actions that the Bank will take in case of any breach of these principles in Takasbank Directive on Code of Ethics and Social Media Policy also mentioned in the previous section. The said directive entered into effect after its approval by the Board of Directors, and was announced to all employees and also shared with and GRI 2-12, 2-13, 2-14, 2-15, 201-2, 205-1, 205-1, 205-3



made available to all stakeholders on the Bank website. In case of identification of any corruption within the Bank, the Internal Systems Department Director is informed and the issue is escalated to the Internal Audit Department together with the relevant details. The process is concluded as a result of the investigation to be conducted by the Internal Audit Department, and if necessary, the material losses incurred by the Bank are recorded in Takasbank Operational Risk Loss Database and reported to the Executive Management. In 2023, a comprehensive evaluation of all Bank activities was conducted to assess corruption-related risks, revealing no instances of corruption detection or employee dismissals due to corruption. Additionally, the establishment of the "Takasbank Procedure for Notification of Internal Irregularities - Problems and Suspicious Matters" was implemented to facilitate communication channels, allowing the Bank's employees to report encountered problems, suspected or hesitated issues, and internal irregularities. All notifications submitted by Bank employees are treated with the utmost confidentiality and evaluated by relevant management levels and departments.

Takasbank has adopted the principle of zero tolerance against the laundering of proceeds of crime and the financing of terrorism and proliferation of weapons of mass destruction; and the "Takasbank Directive on Anti-Money Laundering and Prevention of Financing of Terrorism and Proliferation of Weapons of Mass Destruction" has been developed to determine the internal controls and measures, operating rules and responsibilities within the Bank and to raise awareness on these issues among Bank employees. In addition, information about the online training entitled "Anti-Money Laundering and Prevention of Financing of Terrorism" received by Bank employees is provided under the heading of "Employees «" in the "Stakeholder Relations " section.

Takasbank fulfils its tax obligations in accordance with the fundamental principles of integrity and transparency and within the framework of the relevant statutory legislation. In this context, the Bank's tax obligations are controlled and approved by the relevant certified public accountancy firm and are also subject to internal controls and internal audits. Detailed information regarding the Bank's tax obligations is provided in the "Explanations about Taxation Practices «" section of the Report under the heading of "Unconsolidated Financial Statements and Independent Auditor's Report «", and the effects of the tax obligations fulfilled by the Bank on the national economy in 2023 are provided under the heading of "Value Creation «".

GRI 201-12

SUSTAINABILITY PERFORMANCE

Economic Performance Data

	2021		2022		2023	
(Million)	TL	USD	TL	USD	TL	USD
Economic Value Generated						
Revenues*	1.531	172	3.171	191	7.926	334
Economic Value Distributed						
Operating Expenses**	234	26	606	37	2.178	92
Employee Wages and Benefits	119	13	232	14	686	29
Payments to Capital Providers ***	216	24	445	27	866	36
Payments to Governmental Institutions ****	339	38	637	38	1.650	69
Economic Value Retained						
(Revenues – Economic Value Distributed)	623	70	1.251	75	2.546	107

Explanations and Notes: In the calculations, the annual average exchange rate was used as 8,8854 for 2021, 16,5850 for 2022 and 23,7438 for 2023.

* All revenues (including financial and other operating revenues) are included.

** Other operating expenses and financial expenses are included.

*** Includes dividend payments.

**** Consist of the CMB Board Share Provisions, BRSA Participation Share, Corporate Tax, and other taxes.

Environmental Performance Data

Greenhouse Gas Emissions * (tons of CO2-equivalent)	2021	2022	2023
Scope1	1.408,8	1.226,3	844,5
Vehicles	40,6	51,2	78,3
F-gases**	561,0	561,0	353,9
Fuels used in buildings **	765,0	556,0	384,0
Generators (diesel)**	42,2***	58,1	28,3***
Scope 2	6.444,6	7.211,8	6.246,0
Electricity Consumption **	6.444,6	7.211,8	6.246,0
Scope 3	180,1	199,8	130,8
Employee Transportation-Service Vehicles**	177,0	190,0	116,4
Domestic flights for business purposes	2,6	2,9	3,4
Short-distance flights for business purposes (flights in Europe)	0,5	1,6	2,1
Long-distanced flights for business purposes	-	5,3	8,9
Total	8.033,5	8.637,9	7.221,3

* GWP (Global Warming Potential) values are taken from the IPCC AR5 report.

** The relevant data are the consolidated data of Borsa Istanbul Group (BİAŞ, Takasbank, and the CRA), and were obtained from BİAŞ.

A.Ş. There are no additional purchases made in 2022.

	2021	2022	2023
Scope 1 Total	1.408,8	1.226,3	844,5
CO ₂	1.404,1	1.222,2	838,4
CH ₄	2,3	2,0	1,6
N ₂ 0	2,4	2,1	4,5
Scope 2 Total	6.444,6	7.211,8	6.246,0
CO ₂	6.423,2	7.187,9	6.246,0
CH4	2,5	2,8	0,0
N ₂ 0	18,9	21,1	0,0
Scope 3 Total	180,1	199,8	130,8
CO ₂	179,5	199,1	128,4
CH ₄	0,1	0,1	0,6
N ₂ O	0,5	0,6	1,8
Grand Total	8.033,6	8.637,9	7.221,3
CO ₂	8.006,8	8.609,2	7.212,8
CH4	4,9	4,9	2,2
N ₂ 0	21,9	23,8	6,3

*** The calculation was made by adding the procurement made by Takasbank for the Sisli building, in addition to the procurements made by Borsa Istanbul

SUSTAINABILITY PERFORMANCE

GRI 2-7, 2-8, 202-1, 401-1, 404-1, 404-2, 404-3, 405-1

Social Performance Data

NUMBER OF EMPLOYEES	2021		2022		2023	
	Female	Male	Female	Male	Female	Male
Total Number of Employees	121	176	147	192	165	238
Percentage of Employees by Gender	40,7%	59,3%	43,4%	56,6%	40,9%	59,1%
Total	297		339		403	

NUMBER OF EMPLOYEES BY EMPLOYMENT CONTRACT TYPE	2021		2021 2022 2023			
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Female	121	-	142	5	158	7
Male	176	-	188	4	225	13
Total	297	-	330	9	383	20

NUMBER OF EMPLOYEES BY PERIODS OF EMPLOYMENT	2021	2022	2023
0-5 Years	161	153	206
5-10 Years	74	111	108
10+Years	62	75	89
Total	297	339	403
Average Period of Employment	7,5	7	6,4

AGE DISTRIBUTION OF EMPLOYEES	2021	2022	2023
Above 50 years of age	18	23	26
Between 30-50 years of age	223	245	261
Under 30 years of age	56	71	116
Total Number of Employees	297	339	403
Average Age of Employees	36,6	36	34,8

NUMBER OF DISABLED EMPLOYEES BY GENDER	2021		2022		2023	
	Female	Male	Female	Male	Female	Male
Number of Disabled Employees	1	8	1	7	1	10
Total		9		В	1	1

BREAKDOWN OF EMPLOYEES AT MANAGERIAL POSITIONS BY GENDER AND AGE (Service Manager and Above)	2021		2022		2023		
	Female	Male	Female	Male	Female	Male	
Above 50 years of age	1	8	1	10	2	11	
30-50 years of age	12	29	13	33	17	36	
Under 30 years of age	-	-	-	-	-	-	

BREAKDOWN OF EXPERT GROUP EMPLOYEES BY GENDER AND AGE	2021		2022		2023	
	Female	Male	Female	Male	Female	Male
Above 50 years of age	-	3	2	8	3	9
30-50 years of age	82	86	88	89	91	105
Under 30 years of age	14	21	31	34	47	65

BREAKDOWN OF ADMINISTRATIVE SERVICE GROUP EMPLOYEES BY GENDER AND AGE	2021		2021		2022		2023	
	Female	Male	Female	Male	Female	Male		
Above 50 years of age	-	4	-	1	-	-		
30-50 years of age	10	13	11	6	5	2		
Under 30 years of age	2	3	1	4	-	3		

BREAKDOWN OF AUXILIARY SERVICE GROUP EMPLOYEES BY GENDER AND AGE	20	21	203	22	202	23
	Female	Male	Female	Male	Female	Male
Above 50 years of age	-	-	-	1	-	1
30-50 years of age	-	6	-	5	-	5
Under 30 years of age	-	3	-	1	-	1

BREAKDOWN OF EMPLOYEES BY GENDER AND EDUCATIONAL BACKGROUND	2021		2022		2023	
	Female	Male	Female	Male	Female	Male
Doctorate (PhD)	1	-	-	-	2	-
Master's (MSc/MA)	31	56	28	45	33	69
Bachelor's (BSc/MA)	84	105	108	129	117	143
High School and Two-Year Undergraduate	5	15	11	18	13	26

NUMBER OF NEW EMPLOYEES	20	21	2022		2023	
	Female	Male	Female	Male	Female	Male
Number of newly recruited employees	18	24	35	37	28	61
Above 50 years of age	-	1	-	1	-	-
30-50 years of age	7	15	15	13	2	18
Under 30 years of age	11	8	20	23	26	43

NUMBER OF LEAVING EMPLOYEES	202	1	202	2	20	023
	Female	Male	Female	Male	Female	Male
Number of leaving employees within the year	13	21	9	22	14	21
Above 50 years of age	1	2	1	4	-	2
30-50 years of age	7	18	8	14	5	8
Under 30 years of age	5	1	-	4	9	11
Employee Turnover Rate	11,2%	11,9%	6,1%	11,5%	8,5%	8,8%

EMPLOYE RATIOS	E'S REMOTE / HYBRID WORKING
Remote / H	lybrid Working Ratio*
* Service man	agers and above are not included in the calculation.
	PORTUNITY PURSUED IN ALL HR ES (% of Female Emp.)
PRACTIC	

EQUAL OPPORTUNITY PURSUED IN ALL HR PRACTICES (% of Female Emp.)	2021	2022	2023
Average number of days remotely worked per employee	49%	36%	36%
Newly recruited employees	42%	49%	31%
Promoted employees	41%	49%	60%
Change of departments (rotation, internal transfer)	66,7%	60%	32%

GRI 2-7, 2-8, 202-1, 401-1, 404-1, 404-2, 404-3, 405-1

2021	2022	2023
50%	37%	34%

SUSTAINABILITY PERFORMANCE

GRI 2-7, 2-8, 202-1, 401-1, 403-5, 403-8, 403-9, 403-10, 404-1, 404-2, 404-3, 405-1

EMPLOYEES TAKING MATERNITY LEAVE AND EMPLOYEES RETURNING TO WORK AFTER MATERNITY LEAVE	2021				2021 2022		20	23
	Female	Male*	Female	Male*	Female	Male *		
Employees Entitled to and Benefiting from Maternity Leave	5	13	6	11	7	9		
Employees Returning to Work after Maternity Leave	5	13	3	11	5	9		
Employees Returning to Work after the End of Maternity Leave and still at Work Twelve Months After Their Return to Work	5	13	3	11	5	9		
Return to Work Rate of Employees Taking Maternity Leave	100%	100%	100%**	100%	100%**	100%		
Retention Rate of Employees Taking Maternity Leave	100%	100%	100%	100%	100%	100%		
Number of Employees Working Part Time after Giving Birth	-	_	2***	_	1***	-		

* refers to the number of male employees entitled to 10-day paternity leave after his wife gives birth.
** 6 and 7 female employees were entitled to maternity leave in 2022 and 2023, respectively. As of the date of this report, 3 female employees in 2022 and 2

female employees in 2023 were not included in the calculation as their maternity leave was still ongoing. *** Two female employees who returned from maternity leave in 2022 requested to work part-time. In 2023, 1 employee switched to full-time and the other 1 employee continues to work part-time.

RIGHT OF LEAVE GRANTED TO EMPLOYEES	20	21	202	2	202	3
	Female	Male	Female	Male	Female	Male
Average number of days of leave granted per employee other than the mandatory periods specified in the legislation (Administrative leave, maternity leave longer than the period specified in the legislation, etc.)	2,4	2,8	3,6	3,5	4,8	4,8

OCCUPATIONAL HEALTH AND SAFETY DATA *	2021	2022	2023
Number of Takasbank Employees	297	339	403
Number of Subcontracted Employees	-	-	-
Number of Fatal Accidents (All)	-	-	-
Number and Rate of Serious Work-Related Injuries (Excluding Deaths);	-	-	-
Number and Rate of Work Accidents reported to Relevant Governmental Authorities pursuant to Applicable Legislation (All)	-	1	2
Major Work-Related Injury Types	-	-	-
Accident Frequency Rate (Takasbank)	-	-	-
Accident Frequency Rate (Subcontractors)	-	-	-
Rate of Lost Days (Subcontractors)	-	-	-
Number of Deaths as a result of Work-Related Health Problems	-	-	-
Number and Rate of Employees with Health Problems reported to Relevant Governmental Authorities pursuant to Applicable Legislation (All)	-	-	-
Major Work-Related Disease Types	-	-	-
Number of Employees receiving Occupational Health and Safety Training*	297	308	193
Total Hours of Occupational Health and Safety Training Provided*	2.376	2.464	1.544
Total Number of Hours Worked	494.026	580.495	699.674
		1 71 2 3 2 2 1	

* Pursuant to applicable legislation, 8-hour basic occupational health and safety training per employee should be received. This training should be provided every 3 years for the less dangerous class. In this context, all of the Bank's employees have completed necessary trainings in accordance with applicable legislation.

EMPLOYEE TRAININGS - 1	2021	2022	2023
Annual Average Training Hours per Employee	19,20	30,42	38,16
Annual Average Training Hours per Employee *	24,92	33,72	35,80
Annual Average Training Hours Per Female Employee"	26,07	37,42	36,44
Annual Average Training Hours per Male Employee*	24,21	30,94	35,34
Ratio of Digital Trainings in Total Trainings ***	18%	12%	75%
Total Number and Percentage of Senior Managing Officials who received Anti-Corruption Training	2-50%	4-100%	4-100%
Total Number and Percentage of Employees who received Anti-Corruption Training	263-95%	343-99,7%**	403-99,5%**
* Calculated on the basis of the number of employees who received training, including those who lef ** Due to the fact that 1 employee was on maternity leave in 2022, 1 employee was on maternity leave to complete the training. *** In calculating the ratio of digital training to total training, training received through Takas Acade the Takasbank Training Platform.	in 2023, and 1 emp	ployee passed away	

EMPLOYEE TRAININGS - 2

Annual Average	Fraining Hours (per Employee	Group**

Manager Group (Service Manager and Above)	Manager	Group	(Service	Manager	and Above)
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- Expert Group
- Administrative Service Group Auxiliary Service Group

* The data for 2021 could not be reported since they were not kept on an individual employee group basis. They will be continued to be reported on a comparative basis in the upcoming years.

** Calculated on the basis of all employees, rather than only trained employees.

EMPLOYEES SUBJECT TO PERFORMANCE ASSESSMENT - 1	202	21	202	22	2023	3**
	Female	Male	Female	Male	Female	Male
Number of Employees subject to Performance Assessment	121	174	142	187	154	217
Ratio of Employees subject to Performance Assessment to Total Employees*	100%	99%	97%	97%	96%	96%
*Members of the Board of Directors, long-term interns and stud **Employees who were part of the performance process in 202				1 2	a.	
EMPLOYEES SUBJECT TO PERFORMANCE	202	01	202	00	202	00

EMPLOYEES SUBJECT TO PERFORMANCE ASSESSMENT - 2	2021		2022		2023	
	Female	Male	Female	Male	Female	Male
Number of Employees subject to Performance Assessment by Employee Groups	121	174	149	180	154	217
Manager Group (Service Manager and Above)	14	41	14	42	18	44
Expert Group	96	112	121	127	130	158
Administrative Service Group	11	15	7	11	6	8
Auxiliary Service Group	-	6	-	7	-	7

EMPLOYEE SATISFACTION SURVEY

Rate of participation in the employee satisfaction survey Employees' general satisfaction score about the Bank according to the employee satisfaction survey (out of 100)

Number of suggestions made by employees*

* An average number was calculated according to the answers to the open-ended que

GRI 2-7, 2-8, 202-1, 205-2, 401-1, 404-1, 404-2, 404-3, 405-1

	2022*		023
Female	Male	Female	Male
33,71	30,77	46,78	40,10
35,75	29,74	39,88	39,66
12,67	11,77	12,59	9
3,50	5,79	-	11,36

2021	2022	2023
89%	92%	96%
79,7%	81,9%	81,5%
58	35	41
iestion.		

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SUMMARY BOARD RESOLUTION PRESENTED TO THE **GENERAL ASSEMBLY**

Dear Shareholders,

In 2023, economic dynamics were shaped by the vigilant scrutiny of inflationary effects resulting from the monetary policies of advanced economies' central banks, coupled with the sway of geopolitical events and fluctuating oil prices.

Persistent global inflation, surpassing the expectations of both advanced and emerging economies, was driven by elevated energy prices, notably in the case of oil.

The prolonged duration for inflation to subside in developed nations, coupled with the adverse impacts of a restrictive monetary policy on growth, prompted downward adjustments in growth projections for these countries. The IMF revised its global growth forecast from 3,5% in 2022 to 3,0% in 2023 and 2,9% in 2024.

Following a 3,9% growth in the first two quarters, the Turkish economy expanded by 5,93% in the third quarter, with machinery and equipment investments contributing positively to growth. On the expenditure side, private consumption emerged as the primary driver of this growth.

The current account deficit contracted, driven by a recent slowdown in imports, notably in energy, and a positive impact from tourism. However, potential risk factors include rising commodity prices amid geopolitical risks and weakened external demand due to the global economic slowdown.

The Central Bank of the Republic of Türkiye (CBRT) initiated a tightening trend starting from the June monetary policy meeting, culminating in a policy rate increase from 8,5% to 42,5% at the December meeting. The shift in monetary policy, coupled with a simplified macroprudential framework favoring Turkish lira (TL) deposits, led to a corresponding movement in TL deposit rates. The new policy framework aimed to encourage a transition from exchange rate hedged deposit accounts (ERPD) to TL deposit accounts, resulting in a rapid decline in total ERPD balances. This decline was offset by an increase in TL deposits, with a limited shift towards foreign exchange (FX) deposits. Concurrently, CBRT reserves saw growth, reaching USD 141 billion by the year-end, reflecting the impact of the implemented policies.

Functioning as an investment bank, central clearing, settlement and central counterparty institution, payment system operator, and research and development (R&D) center, and offering critical services such as clearing, settlement, custody, collateral and risk management, Takasbank sustained its operations and activities without interruption throughout the 2023 operating period. Serving as a secure link between Türkiye's capital and money markets, Takasbank played a vital role in providing services including clearing, settlement, central counterparty, and banking to its members in the Turkish capital markets. With a commitment to enhancing the competitiveness of the country's markets, Takasbank continued to contribute value to the Turkish economy through projects and initiatives focused on the development and deepening of financial markets.

We are actively pursuing projects and initiatives aimed at enhancing and diversifying our market services, with a particular focus on central counterparty services. These endeavors align with sector demands and cater to the specific needs of our country. Additionally, we are dedicated to reinforcing our technological infrastructure to effectively manage IT-related operational risks, ensuring the continued provision of Takasbank services in a fast, efficient, and uninterrupted manner.

Capitalizing on our robust financial foundation and commitment to ongoing enhancement, we successfully executed projects aligned with our strategic objectives. Our primary focus was on elevating the quality of our services and playing a pivotal role in the deepening and advancement of markets, solidifying our position as a key entity within the Borsa İstanbul Group.

In 2023, Takasbank, operating as an 'On-site R&D Center' since April 2017, achieved the completion of five projects aimed at fortifying our operational and technological infrastructure, providing innovative solutions to the capital markets and the financial sector in Türkiye. Additionally, seven ongoing projects continue to drive our commitment to advancements in the field.

In 2023, Takasbank initiated the project to integrate electronic tender performance bonds, encompassing e-guarantee letters and surety bonds, into the Takasbank Public Collateral Management System. The project aims to transfer these instruments to the Accounting System, and as of the first quarter of 2024, the acceptance of letters of guarantee and surety bonds is set to commence.

On September 20, 2023, Takasbank signed a service protocol with TÜRİB for providing clearing, settlement, risk, collateral, and default management transactions for the Electronic Warehouse Receipts Market. The planned commissioning date for the "TÜRİB Technological Transformation Project" is in 2024.

With its strategic perspective and effective management policies, Takasbank has completed the year 2023 successfully in terms of growth and profitability. Our profit before tax was recorded as 5 billion TL; our net profit was 3,6 billion TL; and our size of assets reached 121,3 billion TL while our shareholders' equity reached 7,3 billion TL.

Our business continuity will be maintained thanks to our preparedness to risks and our technical competence, including this period during which our country and the whole world are struggling with many different adverse economic impacts; and we will continue to develop new products and services in harmony with Borsa Istanbul Group companies. Being an important financial infrastructure institution in terms of development of Turkish capital markets, our Bank will also continue to maintain this success and its achievements in the upcoming years with your, our esteemed shareholders' support.

Dear Shareholders,

As we hereby present for your information our Integrated Annual Report, which we have prepared for the second time this year for sharing our Bank's future-oriented strategy by providing a holistic assessment of the financial and non-financial performance of our Bank in 2023, containing also the Balance Sheet and Profit and Loss statements; we would like to extend our respect, particularly to the esteemed executives of our capital markets and our employees for their support, and to you, our esteemed shareholders and your representatives for putting your trust in our Bank and honouring our General Assembly with your presence.

Yours sincerely,

For and on behalf of the Board of Directors of

İstanbul Takas ve Saklama Bankası A.Ş;

Avsar R. SUNGURLU CFO **Board Member**

Dr. Mahmut KAYACIK Chairman of the Board

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

145 CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE STATEMENT

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CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE STATEMENT

Article 36 of the Capital Markets Law no. 6362 (Law) stipulates that the first and second paragraphs of article 17 of the Law regarding corporate governance shall also apply mutatis mutandis to capital market institutions. Since, pursuant to temporary article 8 of the Law, Istanbul Settlement and Custody Bank (Bank) is a central clearing & settlement agency and central clearing & settlement institutions are also considered among capital market institutions in article 35 of the Law; this Corporate Governance Principles Compliance Statement was prepared based on the Capital Markets Board's (CMB) Corporate Governance Communiqué no. II-17.1 and the report format provided in the annex to the decision pursuant to the decision no. 2/49 dated 10 January 2019.

Considering that good corporate governance is the key element of sustainability, the Bank has adopted the four principles of corporate governance based on transparency, fairness, responsibility, and accountability; and in this context, the "Corporate Governance Committee" was established and "Takasbank Directive on Corporate Governance Principles" was enforced in order to device and implement its management structure, processes, and policies in line with these principles.

As specified above, while it has been stipulated that capital market institutions shall comply, mutatis mutandis, with the Communiqué published by the CMB to include publicly traded companies and those that are deemed as such; the Bank has determined to ensure compliance with the principles specified in "Takasbank Directive on Corporate Governance Principles" until the CMB determines which of the principles specified in the Communiqué should be complied with by these institutions.

Yours sincerely,

Murat ONUK

Member of the Corporate Governance Committee

Annex 1: Corporate Governance Principles Compliance Report and Corporate Governance Information Form prepared using the format provided in the annex to the CMB decision

145 REPORT INTEGRATED ANBUL 2023 ANNUAL

Bilal ŞENTÜRK

Chairperson of the Corporate Governance Committee

PART I - SHAREHOLDERS

FACILITATING THE EXERCISE OF SHAREHOLDING RIGHTS

Current information and explanations that may affect the exercise of shareholding rights are made available for use by investors on the corporate website.

Takasbank management has adopted the principle of treating all shareholders equally by aiming to establish transparent and responsible communications with investors. In the Bank, there are Human Resources Department, Financial Services and Reporting Department and Member Services and Corporate Communications Department serving to manage and strengthen the relationships with investors. The executives of the relevant units are in constant contact with the Committee.

Within the scope of the relations with investors, relevant departments have conducted the following activities within the period;

- a) Ensuring that accurate, secure and up-to-date records are kept in relation to investors,
- b) Ensuring that the General Assembly meeting is held in accordance with applicable legislation, articles of association and other internal regulations of the Bank,
- c) Preparing the annual report for the last completed fiscal year, which can be used by shareholders at the General Assembly meeting,
- c) Ensuring that the voting results of General Assembly meetings are recorded and the reports related with such results are duly sent to investors,
- d) Pursuing and monitoring any and all issues related with public disclosure according to the legislation and Bank's disclosure policy,
- e) Timely notification of the Bank-related developments and the financial data for the related periods to the investors; and keeping up to date the investor relations section of the Bank's website,
- f) Conducting efforts to improve the Bank's corporate governance practices and submitting them to the Committee for evaluation

With regard to Takasbank's shareholding interests, information requests received from shareholders in 2023 were responded to by the relevant teams.

RIGHT TO INFORMATION AND REVIEW

The Bank management avoids making any transactions that may make it difficult to conduct special audits.

Takasbank shows the necessary sensitivity to ensure that our shareholders are granted the rights to information as granted to shareholders pursuant to the provisions of the Turkish Commercial Code, Capital Markets Law and Banking Law (related legislation). In this context, it has developed and put into force the Directive on Takasbank Disclosure Policy at the Bank. According to this Directive, there is no discrimination among the shareholders with respect to the exercise of the right to information. For this purpose, Takasbank keeps the necessary communication channels open and available to answer shareholders' information requests.

The Committee plays an active role in protecting and facilitating the exercise of the rights arising from shareholding, including the right to information and review. The Committee is responsible to present the information and disclosures that may affect the exercise of rights and make them available for use by shareholders.

General letters indicating the developments related with the Bank, financial information, and news are regularly published on the Bank's corporate website at www.takasbank.com.tr/en. In addition, the contents required to be announced on the website pursuant to article 1524 of the Turkish Commercial Code are published in the 'Information Society Services' section accessible on the website on an updated basis.

GENERAL ASSEMBLY

The principles and procedures regarding the summons for and attendance in General Assembly meetings are publicly disclosed within the document "Internal Directive on the Working Principles and Procedures of the General Assembly" as provided in the "Legal Framework" section of the Bank's corporate website..

Takasbank's General Assembly meetings are held pursuant to the provisions of the relevant legislation. The General Assembly meeting in which the operating results for 2022 were discussed was held on 3 August 2023. The General Assembly Meeting was held at Borsa Istanbul A.Ş. Conference Hall in Sariyer Istanbul in a manner preventing inequality among shareholders and at minimum possible costs to the shareholders.

To ensure Bank shareholders' participation in the General Assembly, the agenda, place and date and time of the meeting, the necessary invitation containing other relevant information and documents and the agenda were timely sent to the shareholders; and the agenda of the meeting was published and announced in Turkish Trade Registry Gazette with issue no. 10867 dated 10 July 2023, in Nasıl Bir Ekonomi Newspaper dated 12 July 2023, on the Bank website and through the Electronic General Assembly System, and also notified with registered and reply-paid letters timely sent to the shareholders on 11 July 2023.

The Bank's Annual Integrated Report for 2022 containing the Balance Sheet and Income Statement for the fiscal period of 1 January 2022 - 31 December 2022 and the Independent Audit Report, which were prepared for the Ordinary General Assembly, and the "General Assembly Information Document" were shared with shareholders and published on the corporate website within the statutory periods. The questions received from the Bank's shareholders following the announcement of the date of the General Assembly meeting were answered by the Financial Services and Reporting Department. At the General Assembly meeting, the matters on the agenda were communicated in an unbiased and detailed manner through a straightforward and understandable method; and shareholders were allowed to express their opinions and ask their questions under equal conditions.

During the Ordinary General Assembly meeting, the Bank's shareholders notified their agenda-related requests to the chairman of the meeting via motions. The motions proposed by our shareholders in relation to the agenda of the General Assembly were voted and approved by the General Assembly. Votes were cast by open voting and raising hands at the General Assembly meeting; and the shareholders attending the General Assembly meeting over the electronic general assembly meeting cast their votes via the system.

The General Assembly minutes were sent to the shareholders upon their request via fax and/or e-mail and published on the corporate website and in the Trade Registry Gazette. The Bank's shareholders, members of the Board of Directors, the authorized officials responsible for preparation of financial statements, the authorized officer of the independent audit company and the other related people attended; but media organizations did not attend the Bank's General Assembly meetings.

Table 1: General Assembly Meetings

General Assembly Date Number of requests notified to the Bank for additional explanations regarding the agenda of the General Assembly Shareholders' rate of attendance in the General Assembly Percentage of shares represented in person Percentage of shares represented by proxy Title of the Bank's corporate website section containing the genera assembly minutes, including the affirmative and negative votes for each item of the agenda Title of the corporate website section containing all questions asked and answers given to them in the General Assembly meeting Number of the article or paragraph regarding the related parties in the General Assembly minutes Number of persons with privileged access to shareholder information reporting to the Board of Directors ("Insider List") Link to the general assembly notice published on PDP

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

	03.08.2023
IS	_
	95,81%
	-
	95,81%
al	About Us/Corporate/Information Society Services
•	About Us/Investor Relations/ Investor Relations
	About Us/Corporate/Information Society Services
g	About Us/Investor Relations/ Investor Relations
in	-
	Not applicable
	Not applicable

VOTING RIGHTS

Takasbank shareholders are comprised of Borsa İstanbul A.Ş. and banks and brokerage houses. Shareholders exercise their voting rights in proportion with the total nominal value of the shares. Each share has one voting right. There are no voting privileges granted to any group of shares.

MINORITY RIGHTS

Except for Borsa İstanbul A.S., no shareholder's share may directly or indirectly exceed 5% of the Bank's capital. As of the end of 2023, The Bank's capital is owned by Borsa Istanbul A.Ş. holding 64,18%, 11 banks holding 17,04%, and 27 brokerage houses holding 18,78% of shares. The indirect shareholding of the Turkish Wealth Fund in Takasbank's capital is 54,05%. The Bank's articles of association do not include a special provision regarding the exercise of minority rights or cumulative voting. Pursuant to the definitions included in article 195 of the Turkish Commercial Code regarding controlling company and affiliated companies, Borsa Istanbul A.Ş. is considered as the controlling company and Takasbank and the CRA are considered as affiliated companies in the group of companies under the current conditions. Although Takasbank holds a nominal share in the amount of 634.851 TL in the capital of Borsa İstanbul A.Ş.; it is not entitled to vote at the General Assembly of Borsa Istanbul A.Ş. pursuant to article 389 of the TCC.

DIVIDEND RIGHTS

Takasbank dividends are distributed in accordance with the decisions taken at General Assembly meetings. Proposals prepared in accordance with the Dividend Policy determined by the Board of Directors are submitted to the general assembly agenda; and the Dividend Policy is published on the corporate website.

There are no privileges specified in relation to the distribution of dividends among the shares. Each shareholder is entitled to receive dividends in proportion with their shareholding ratio. In 2023, 866 million TL was distributed among our shareholders as dividends from the profit of 2022.

TRANSFER OF SHARES

There is a partial restriction making it difficult to transfer shares. Shares may be transferred among the organizations specified in the articles of association. No other shareholder except for Borsa Istanbul A.Ş. may hold more than 5% of the Bank's capital.

As required by the Bank's articles of association and within the framework of article 493 of the Turkish Commercial Code, and providing that the transfer of shares is not contrary to the capital markets legislation; the shares may be transferred only between the stock exchanges established pursuant to the Capital Markets Law and their members and investment institutions, collective investment institutions, portfolio management companies, mortgage financing institutions, central clearing & settlement institutions, central custody institutions, publicly-owned joint stock companies with their shares traded in organized markets, and the private pension companies established pursuant to the Private Pension Savings and Investment System Law.

PART II - PUBLIC DISCLOSURE AND TRANSPARENCY

CORPORATE WEBSITE

In addition to the information required to be disclosed pursuant to the relevant legislation, Takasbank's corporate website includes; the Bank's vision, mission and values, history, articles of association, capital structure and shareholders, subsidiaries, organizational structure, members of the Board of Directors, committees formed within the Board of Directors, Senior Management, international memberships, financial reports, annual reports, rating notes, and agendas of the general assembly meetings, list of attendance sheets, minutes of general assembly meetings, human resources practices, policy documents, information on services provided by the Bank, regulations, directives, procedures, general letters, product and service fees, statistics and other information and documents that may be needed by stakeholders.

The Annual Report contains the "Corporate Governance Principles Compliance Statement" prepared on the basis of the report format determined by the CMB pursuant to article 8 of the Capital Markets Board's Corporate Governance Communiqué no. II-17.1. Annual Report is published in English and Turkish on the Bank's website.

ANNUAL REPORT

The Bank's annual report is prepared in detail to facilitate public access to complete and accurate information about the Bank's activities in accordance with the "Regulation on Principles and Procedures regarding Preparation and Publication of Annual Reports by Banks" issued by the BRSA and the "Regulation on Determination of Minimum Content of the Companies' Annual Reports" published by the Republic of Türkiye Ministry of Trade.

The annual report has been started to be published in the form of an integrated annual report as of 2022 by combining the Bank's activities with sustainability efforts.

BANK POLICY FOR STAKEHOLDERS

The regulations regarding the rights of stakeholders are protected within the framework of contracts and the rules of good faith. The policies and procedures related with the rights of stakeholders are published on the Bank's corporate website. Necessary mechanisms have been established for stakeholders to report the transactions that are contrary to the legislation or improper in terms of ethical principles. The Bank handles the conflicts of interests arising among stakeholders in a balanced manner.

Takasbank is in constant contact with stakeholders. The requests notified by stakeholders to the Bank are evaluated and recommendations for solutions are developed.

BANK HUMAN RESOURCES POLICY

Takasbank conducts the efforts for identification and succession of the critical roles for its employees.

The human resources policy containing equal opportunity and personnel recruitment criteria and the summary of the relevant articles of the policy are published in the section About Us/ Human Resources/ Our Human Resources Policy on the corporate website.

Takasbank recruitment policy is based on the placement of the most suitable candidate meeting the Bank values and culture in the appropriate position in terms of their knowledge, skills and general qualifications and in line with the requirement analyses.

The methods used in the recruitment process include interview, measurement and assessment methods (general aptitude test, personality inventory) and reference checking.

Job offers are made to the candidates found eligible following the interviews made with the managers of the relevant departments and the related measurement and assessment process. The candidate is informed of the placement process and also supported during the processes of submission of documents and start of work.

All candidate applications are stored in the Bank's pool of candidates and feedbacks about the results of interviews are provided to the candidates interviewed.

The part containing the human resources policy including the measures to prevent discrimination and ill treatment is published in the section About Us/ Human Resources/ Human Resources Practices on the corporate website.

Quality and customer focus, analytical approach, team spirit, continuous development, dedicated work, trust, impartiality, business ethics and privacy constitute the Bank's core values.

There are no finalized judicial decisions issued against the Bank due to the liabilities arising from work accidents.

RELATIONS WITH CUSTOMERS AND SUPPLIERS

Takasbank considers the satisfaction of customers, in other words, its members and market participants, as one of the top priorities in all services it renders. To this effect, customer satisfaction is measured through surveys and meetings, their requests and suggestions are collected and all requests are evaluated.

CODE OF ETHICS AND SOCIAL RESPONSIBILITY

The Board of Directors has specified the Code of Ethics Policy and published it on the Bank's corporate website. The Bank is sensitive to social responsibility. Measures to prevent corruption and bribery have been taken and are in place.

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

GRI 2-15, 2-25

GRI 2-9, 2-10, 2-11

PART III - BOARD OF DIRECTORS

STRUCTURE AND FORMATION OF THE BOARD OF DIRECTORS

Takasbank's Board of Directors is the highest governance body that guides the Bank's management strategy and policies, and ensures the implementation of effective risk management.

The principles governing the composition and election of the Board of Directors are set for thin Takasbank's Articles of Association. The number of Directors is nine. Eight members of the Board of Directors are elected by the General Assembly. Pursuant to the Banking Law and the Regulation on the Establishment and Operating Principles of Central Clearing and Settlement Institutions, the Chief Executive Officer is a natural member of the Board of Directors. In the absence of the Chief Executive Officer, the Vice Chief Executive Officer appointed as his/her deputy shall be a natural member of the Board of Directors. Candidates elected to the Board of Directors must meet the requirements set forth in the banking and capital market legislation.

Four of the directors are independent. According to the Bank's Articles of Association, at least one of the independent directors must be a woman.

The term of office of the members of the Board of Directors is a maximum of three years. Members are eligible for re-election or appointment.

The composition of the Board of Directors is shown in the table below.

Table 2: Structure of the Board of Directors

Board Member's Name / Surname	Executive Duty	Independent Member	Date of First Election to the Board of Directors	Link to the PDP Announcement containing the Statement of Independence	Assessment of the Independent Member by the Nomination Committee	Loss of Independence	Minimum 5 Years of Experience in the Fields of Auditing, Accounting and/or Finance
Dr. Mahmut KAYACIK	No	No	31.03.2016	-	No	None	Yes
Korkmaz ERGUN	No	No	29.03.2021	-	No	None	Yes
Avşar R. SUNGURLU	Yes	No	29.03.2021	-	No	None	Yes
Bilal ŞENTÜRK	No	Yes	03.08.2023	-	No	None	Yes
Muhsin ATCI	No	Yes	20.10.2023	-	No	None	Yes
Murat ONUK	No	No	29.03.2021	-	No	None	Yes
Murat TACİR	No	No	29.03.2021	-	No	None	Yes
Prof. Dr. Münevver ÇETİN	No	Yes	09.06.2017	-	No	None	Yes
Yusuf KARALOĞLU	No	Yes	21.04.2020	-	No	None	Yes

* The members of the Board of Directors other than the Chairman, Vice Chairman and Chief Executive Officer are listed alphabetically.

OPERATING PRINCIPLES OF THE BOARD OF DIRECTORS

The Board meets at least once a month. Meetings may be held more frequently if deemed necessary. It is the duty of the Chairman, or in his/her absence the Vice Chairman, to convene the Board of Directors, to prepare the agenda for the meeting, to chair the discussions and to ensure that the decisions taken are followed up. However, any member has the right to request the Chairman to convene a meeting of the Board of Directors or to add an item to the agenda.

The Board of Directors convenes with the majority of the total number of members, and resolutions are adopted with the majority of those present at the meeting. The resolutions of the Board of Directors shall be recorded in writing and signed in the Book of Resolutions in accordance with the provisions of the Banking Law. The validity of the resolutions depends on their written and signed form. Issues relating to the activities of the Board of Directors and the procedures and principles of its meetings are included in the Bank's Articles of Association.

The Board of Directors of the Bank is comprised of the persons with their names and surnames listed below.

- Dr. Mahmut KAYACIK Chairman of the Board
- Korkmaz ERGUN Vice Chairman of the Board
- Avsar R. SUNGURLU Board Member / Chief Executive Officer
- Bilal SENTÜRK Board Member

- Muhsin ATCI Board Member
- Murat ONUK Board Member
- Murat TACIR Board Member
- Prof. Dr. Münevver ÇETİN Board Member
- Yusuf KARALOĞLU Board Member

Although there is no recent evaluation of the performance of the Board of Directors, the Board of Directors was discharged at the Annual General Assembly on August 3, 2023. The Bank has taken out directors' and officers' liability insurance for approximately 20% of the share capital to cover damages that the members of the Board of Directors may cause to the Bank as a result of negligence in the performance of their duties.

FORM OF MEETING OF THE BOARD OF DIRECTORS

The Board of Directors' Meeting procedure is specified in the Bank's Articles of Association. There are no Board Members that could not attend the meeting/s, but submitted their opinions to the Board of Directors in writing. Pursuant to the operating principles of the board of directors, information and documents are presented to the members 5 days before the meeting. The efforts for establishment of e-BoD were completed in relation to the Bank's internal regulations setting forth the meetings of the Board of Directors and how they will be held on the corporate website; and the first electronic meeting was held on 28 April 2020.

FUNCTION OF THE BOARD OF DIRECTORS

The Board of Directors ensures that management strategy and risks do not threaten the long-term interests of the Bank, and that an effective risk management is implemented.

The agenda and minutes of meetings substantiate that the Board of Directors have discussed and approved the Bank's strategic objectives, and identified the resources needed, and that the management performance has been audited.

COMMITTEES FORMED UNDER THE BOARD OF DIRECTORS

Takasbank Board of Directors has formed the Audit Committee, Credit Committee, Corporate Governance Committee, Risk Committee and Remuneration Committee to assist the Board in its business and operations in accordance with the obligations specified in the relevant legislation. The names and surnames of the Board Members authorized by delegation of powers through distribution of tasks and the contents of such powers are as follows.

AUDIT COMMITTEE

- Prof. Dr. Münevver CETİN Audit Committee Chairperson
- Murat TACİR Audit Committee Member

CREDIT COMMITTEE

- Avsar R. SUNGURLU Credit Committee Chairperson
- Murat ONUK Credit Committee Permanent Member
- Bilal SENTÜRK Credit Committee Permanent Member
- Muhsin ATCI Credit Committee Substitute Member
- Yusuf KARALOĞLU Credit Committee Substitute Member

CORPORATE GOVERNANCE COMMITTEE

- Bilal ŞENTÜRK Corporate Governance Committee Chairperson
- Murat ONUK Corporate Governance Committee Member

RISK COMMITTEE

- Murat TACIR Risk Committee Chairperson
- Prof. Dr. Münevver ÇETİN Risk Committee Member

REMUNERATION COMMITTEE

- Muhsin ATCI Remuneration Committee Chairperson
- Yusuf KARALOĞLU Remuneration Committee Member

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

GRI 2-9, 2-10, 2-11

GRI 2-9, 2-10, 2-11, 2-19

In the 2023 Integrated Annual Report, the information about the committees of the Board of Directors has been provided on page 86 under the heading entitled "Information on Takasbank Policy Documents, Activities of the Committees reporting to or formed to assist the Board of Directors within the Framework of the Provisions of the Relevant Legislation, Committee Members' Attendance in Meetings held within the Fiscal Period, and the Names and Surnames and Fundamental Duties of the Chairmen and Members of These Committees".

The information about the activities of the Audit Committee is provided on page 164 of the Integrated Annual Report in the section entitled as the "Assessments of the Audit Committee on Legislation and Compliance, Internal Control, Internal Audit and Risk Management Systems and Information on Activities During the Accounting Period".

The Corporate Governance Principles Compliance Report containing information about the activities of the Corporate Governance Committee is published in the section About Us/Investor Relations on the Bank's website. The said report has also been provided on pages 144 - 163 of the integrated annual report.

Table 3: Committees of the Board of Directors

Names of BoD Committees	Name of the Committee specified as "Other" in the First Column	Percentage of Managers without Executive Duties	Percentage of Independent Members in the Committee	Number of Physical Meetings held by the Committee	Number of Reports submitted by the Committee to the Board of Directors about its Activities
Audit Committee		100%	50%	15	12
Credit Committee		80%	60%	0	0
Corporate Governance Committee		100%	50%	2	2
Risk Committee		100%	50%	2	2
Remuneration Committee		100%	100%	4	1

FINANCIAL RIGHTS PROVIDED TO THE MEMBERS OF THE BOARD OF DIRECTORS AND EXECUTIVES WITH ADMINISTRATIVE RESPONSIBILITY

The "Structure and Formation of the Board of Directors" and the "Information on the Total Amounts of Financial Rights granted. Allowances given, and Travel, Accommodation and Representation Expenses, Real and Cash Allowances, Insurances and Other Similar Guarantees provided to Board Members and Senior Managing Officials" are provided on page 85 of the 2023 Integrated Annual Report.

The financial rights such as remuneration and dividend bonuses granted to the Board Members are determined by the General Assembly in accordance with the provisions of the Turkish Commercial Code. The rights such as remuneration, bonuses, etc. granted to the Senior Executive Management of our Bank are determined within the framework of the Bank's Human Resources Directive; and general remuneration increases are put into application after they are approved by our Board of Directors.

Other rights such as allocation of vehicles, insurance, etc. granted to our Board of Directors and executive management are determined within the framework of Takasbank Human Resources Directive and its related procedures; and the allowances and expenses payable in relation to travels are determined within the framework of our Bank's Travel Expenses Directive. No borrowing-lending or surety or security relationships have been created with any of our Board members and executive managers in 2023.

CORPORATE GOVERNANCE COMPLIANCE REPORT

		Comp	liance	Status		
	Yes	Partly		Exempt	N/A	Description
1. SHAREHOLDERS	165	raitiy	NU	LXempt	N/A	
1.1. Facilitating the Exercise of Shareholding Rights						
1.1.2- Current information and explanations that may affect the exercise of shareholding rights are made available for use by investors on the corporate website.	Х					
1.2. Right to Information and Review						
1.2.1- The Company management avoids making any transactions that may make it difficult to conduct special audits.	Х					
1.3. General Assembly						
1.3.2- The Company ensured that the agenda of the Assembly is clearly specified and each proposal is provided under a separate heading.	Х					
1.3.7- The persons having privileged access to the company's information have notified the transactions that they executed in their own name within the field of activities of the company to the board of directors for addition to the agenda in order to ensure that such information is provided at the General Assembly.					Х	
1.3.8- The members of the Board of Directors related with the matters of interest on the agenda, other related persons, the authorized officials responsible for preparation of financial statements, and auditors were present at the general assembly meeting.	Х					
1.3.10- A separate article indicating the amounts of all aids and donations and their beneficiaries was included in the agenda of the General Assembly	Х					
1.3.11- The General Assembly was held open to the public, including stakeholders and the media, without the right to speak during the meeting.		Х				Stakeholders may participate in th General Assembly meetings. Media organizations are not invited to the General Assembly meeting.
1.4. Voting Rights						
1.4.1- There are no restrictions or practices making it difficult for shareholders to exercise their voting rights.	Х					
1.4.2- The company does not have any shares with privileged voting rights.	Х					
1.4.3- The Company has not exercised its voting rights in the General Assembly of any company with which it has a mutual participation relationship, which also brings forth a dominance relationship.	Х					
1.5. Minority Rights						
I.5.1- The Company has paid utmost attention to the exercise of minority rights.	Х					
I.5.2- Minority rights have also been granted to those holding less than one-twentieth of the capital and the scope of minority rights has been arranged and expanded in the articles of association.			Х			There is no such provision in the Bank's Articles of Association.
1.6. Right to Dividends						
1.6.1 - The dividend policy approved by the General Assembly has been publicly disclosed on the company's corporate website.	Х					
1.6.2 - The dividend policy contains clearly specified minimum details allowing shareholders to stipulate the principles and procedures regarding distribution of profits to be gained by the company in the future periods.	Х					

I.6.1 - The dividend policy approved by the General Assembly has been publicly disclosed on the company's corporate website.	Х	
I.6.2 - The dividend policy contains clearly specified minimum details allowing shareholders to stipulate the principles and procedures regarding distribution of profits to be gained by the company n the future periods.	Х	

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT



GRI 2-15

		Comp	liance	Status		
	Yes	Partly		Exempt	N/A	Description
1.6.3- The reasons of non-distribution of profit and the method for usage of the undistributed profit have been specified in the relevant item of the agenda.					Х	At the 28th Annual General Assembly on August 3, 2023, a resolution was passed to pay a dividend.
1.6.4 - The Board of Directors has reviewed whether there is a balance established between shareholders' interests and the company's interests in the dividend distribution policy.	Х					
1.7. Transfer of Shares						
1.7.1- There are no restrictions making it difficult to transfer the shares.		Х				Shares may be transferred between the institutions specified in Takasbank's Articles of Association with the approval of the Board of Directors. With the exception of Borsa İstanbul A.Ş., no shareholder may hold more than 5% of the Bank's capital.
2. PUBLIC DISCLOSURE AND TRANSPARENCY						
2.1. Corporate Website						
2.1.1. The Company's corporate website contains all the elements specified in the corporate governance principle no. 2.1.1.	Х					
2.1.2- The shareholding structure (names, privileges, number and ratio of shares of the natural-person shareholders holding more than 5% of the issued capital) is revised and updated on the corporate website at least every 6 months.	Х					Except for Borsa İstanbul A.Ş., no other shareholder may hold shares exceeding 5% of the capital.
2.1.4- The information on the company's corporate website has also been prepared in foreign languages selected according to the needs, with exactly the same content with the Turkish version.	Х					
2.2. Annual Report						
2.2.1- The Board of Directors ensures that the annual report fully and accurately reflects the company's activities.	Х					
2.2.2- The annual report contains all the elements specified in principle no. 2.2.2.		Х				
3. STAKEHOLDERS						
3.1. Company Policy for Stakeholders						
3.1.1- The regulations regarding the rights of Stakeholders are protected within the framework of contracts and the rules of good faith.	Х					
3.1.3- The policies and procedures related with the rights of stakeholders are published on the company's corporate website.	Х					
3.1.4 - Necessary mechanisms have been established for stakeholders to report the transactions that are contrary to the legislation or improper in terms of ethical principles.	Х					
3.1.5- The company handles the conflicts of interests arising among stakeholders in a balanced manner.	Х					
3.2. Supporting Stakeholders' Participation in Com	pany N	/lanagem	nent			
3.2.1- The employees' participation in management has been set forth with the articles of association and internal regulations.			х			The Bank does not have a contract or internal regulations on employee participation in management. However, employees can express their opinions on any issue through the digital application "I have a Suggestion" and share their perspectives in the annual Employe

		Compl
	Yes	Partly
3.2.2- The methods like surveys / consultations were implemented to obtain the opinions of stakeholders about important decisions bearing consequences for the stakeholders.	Х	
3.3. Company's Human Resources Policy		
3.3.1- The Company has adopted an employment policy providing equal opportunities and a succession planning for all key management positions.	Х	
3.3.2- The criteria regarding personnel recruitment have been set forth in writing.	Х	
3.3.3- The Company has a Human Resources Development Policy and trainings are organized for employees in this context.	Х	
3.3.4- Meetings were held to inform employees about the issues such as company's financial position, remuneration, career planning, training and health.	Х	
3.3.5 - The decisions that may affect employees were notified to them and employee representatives. The opinions of the relevant unions on these issues were also taken.		Х
3.3.6 - Job descriptions and performance criteria were prepared for all employees, announced to them and taken into account to determine employee remuneration.	Х	
3.3.7 - Measures such as procedures, trainings, awareness raising, objectives, monitoring, and complaint mechanisms have been taken to prevent discrimination among employees and to protect them against physical, mental and emotional ill- treatments within the company.	Х	
 3.3.8- The Company supports the freedom of association and the effective recognition of the right to collective bargaining agreement. 3.3.9- A safe working environment is provided for 	X	
employees.	^	
3.4. Relations with Customers and Suppliers		
3.4.1- The company has measured customer satisfaction and operated with an unconditional customer satisfaction approach.	Х	
3.4.2- When there is a delay in the processing of customer requests for the goods and services purchased, this is notified to the customers.	Х	
3.4.3- The Company adheres to the quality standards regarding goods and services.	Х	
3.4.4- The company has controls in place to protect the confidentiality of customers' and suppliers' sensitive information falling within the scope of trade secrets.	Х	
3.5. Code of Ethics and Social Responsibility		
3.5.1- The Board of Directors has determined and published the Code of Ethical Conduct on the company's corporate website.	Х	
3.5.2- The company is sensitive to social responsibility. It has taken measures to prevent corruption and bribery.	Х	

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

GRI 2-30, 402-1, 407-1

	a		
ance	Status		Description
No	Exempt	N/A	
			Decisions that may affect employees are communicated to them and
			their representatives. The Bank
			does not have any unionized
			employees.
Х			
Λ			



GRI 2-9, 2-10, 2-11

		Comp	liance	Status		Description	
	Yes	Partly		Exempt	N/A		
4.1. Function of the Board of Directors							
4.1.1- The Board of Directors ensures that strategies and risks do not threaten the long-term interests of the company, and that an effective risk management is implemented.	Х						
4.1.2- The agenda and minutes of meetings substantiate that the Board of Directors have discussed and approved the Bank's strategic objectives, and identified the resources needed, and that the management performance has been audited.	Х						
4.2. Operating Principles of the Board of							
Directors 4.2.1- The Board of Directors has documented its activities and presented them to shareholders for	Х						
information. 4.2.2- The duties and authorities of the Board Members have been explained in the annual report.	Х						
4.2.3- The Board of Directors has established an internal control system suitable for the scale of the company and the complexity of its activities.	Х						
4.2.4- The information about the functioning and effectiveness of the internal control system has been provided in the annual report.	Х						
4.2.5- The positions of the Chairman of the Board of Directors and the chief executive officer (CEO) have been separated and defined.	Х						
4.2.7- The Board of Directors ensures the effective functioning of the investor relations department and the corporate governance committee; and has worked in close collaboration with the investors relations department and corporate governance committee in resolving the disputes between the company and shareholders and in communications with shareholders.	х						
4.2.8- The company has taken out a director liability nsurance that is worth over 25% of the capital against any loss or damage that may be incurred by the company due to the faults committed by the Board Members while discharging their duties.		Х				Each year, a directors' and officers' liability insurance policy is taken out to cover damages that may be caused by the members of the Board of Directors in the performance of their duties. In addition, the coverage of these policies is limited to approximately 20% of the Bank's capital.	
4.3. Structure of the Board of Directors							
4.3.9- The Company has set a minimum 25% target for the female member ratio and developed a policy to achieve this goal. The structure of the Board of Directors is reviewed annually and the nomination process is executed according to this policy.		Х				As of December 31, 2023, there is one female member of Takasbank's Board of Directors, which has a total of nine members. According to the third paragraph of Article 9 of Takasbank's Articles of Association, at least one of the independent members of the Board of Directors must be a woman.	
4.3.10- At least one of the members of the audit committee has 5 years of experience in the field of auditing/accounting and finance.	Х						

		Comp		
	Yes	Partly	No	
4.4. Form of Meeting of the Board of Directors				
4.4.1- All members of the Board of Directors have				
physically attended most of the Board meetings.	Х			
4.4.2- The Board of Directors has defined a				
minimum period for sending information and	х			
documents related with the items on the agenda to	~			
all members before the meeting.				
4.4.3- The opinions of any member/s who could not attend the meeting, but notified their opinions to				
the Board of Directors in writing were presented to				
other members for information.				
4.4.4- Each member has one voting right in the	V			
Board of Directors.	Х			
4.4.5- How the Board meetings will be held has				
been documented in writing with the company's	Х			
internal regulations.				
4.4.6- The meeting minutes of the Board of				
Directors substantiate that all items on the agenda have been discussed; and the records of resolutions	х			
are prepared in a way that also includes dissenting	^			
opinions.				
4.4.7- It is restricted for the Members of the				
Board of Directors to assume other duties				
outside the company. The duties undertaken by		X		
Board Members outside the company have been		~		
presented to the shareholders for information at				
the general assembly meeting.				
4.5. Committees formed under the Board of Directo	ors			
4.5.5- Each member of the Board of Directors takes			Х	
part in one committee only.				
4.5.6- The committees invited the people whose opinions were needed to the meetings and obtained	X			
their opinions.	^			
4.5.7- The information regarding the independence				
of the person/entity the committee receives				
consultancy service(s) from has been provided in				
the annual report.				
4.5.8- Reports on the results of committee meetings				
were prepared and presented to the members of	Х			
the Board of Directors.				
4.6. Financial Rights provided to the Members of th	e Boai	rd of Dire	ctor	
4.6.1- The Board of Directors conducted a BoD				
performance assessment to evaluate whether it			Х	
effectively fulfilled its responsibilities.				
4.6.4- The Company did not extend loans, lend				
money or extend the repayment period of such lending, or improve the terms and conditions				
of such a loan, or make any loan available as a				
personal loan through third parties to, or give any	Х			
guarantees in favour of any of the members of the				
Board of Directors or executives with administrative				
responsibility.				
4.6.5- The remunerations paid to the Board				
Members and executives with administrative responsibility were specified on an individual			Х	
person basis in the annual report.				

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

GRI 2-9, 2-10, 2-11

iance	Status		Description				
No	Exempt	N/A					
			The procedure of meeting of the Board of Directors is specified in the Articles of Association.				
		Х	There are no Board Members who could not attend the meeting, but notified their opinions in writing.				
			The procedure of meeting of the Board of Directors is specified in the Articles of Association.				
			The Integrated Annual Report of the Bank, which is presented to the General Assembly, includes the activities of the members of the Board of Directors outside the Bank.				
Х							

	Х	Committees did not receive any consultancy service.

ctors and Executives with Administrative Responsibility Members of the Board of Directors are released at the General Assembly meeting. Х

CORPORATE GOVERNANCE INFORMATION FORM

1. SHAREHOLDERS	
1.1. FACILITATING THE EXERCISE OF SHAREHOLDING RIGHTS	
The number of investor conferences and meetings held by the company throughout the year	Not applicable
1.2. RIGHT TO INFORMATION AND REVIEW	
Number of requests for special auditors	No special auditor was requested in 2023.
Number of requests for special auditors accepted at the general assembly meeting	No special auditors were requested at the 2023 General Assembly
1.3. GENERAL ASSEMBLY	
Link to the PDP announcement containing the information requested under Principle 1.3.1 (a-d)	Not applicable
Whether the documents related with the general assembly meeting were presented in English concurrently with the Turkish version at the general assembly meeting	There are no foreign shareholders
Links to the PDP announcements about the transactions that have not been approved by the majority of independent members or not anonymously accepted by the participants under Principle 1.3.9	Not applicable
Links to the PDP announcements regarding related party transactions made under article 9 of the Corporate Governance Communiqué (II-17.1)	Not applicable
Links to the PDP announcements regarding common and continuous transactions executed under article 10 of the Corporate Governance Communiqué (II-17.1)	Not applicable
Name of the section containing the policy on aids and donations as published	About Us/Corporate/Takasbank Donation Policy
on the Company's corporate website	https://www.takasbank.com.tr/en/about-us/ corporate/takasbank-donation-policy
Link to the PDP announcement containing the minutes of general assembly in which the aids and donations policy was accepted	Minutes of the general assembly meetings are published on the Bank's website.
	Articles 16, 17, 18, 19, 20, 21, 22
Number of the article governing attendance of stakeholders at the general assembly as specified in the articles of association	https://www.takasbank.com.tr/documents/ hukuki-cerceve/takasbank-articles-of- association_2021.pdf
Information regarding the stakeholders that attended the general assembly meeting	Shareholders, shareholders' representatives, employees (determined by the senior management), independent auditors, the BRSA and CMB representatives and the Board Members attend the General Assembly meetings.
1.4. VOTING RIGHTS	5
Whether there are any privileges related with voting rights	None.
If there are any voting privileges, holders of preferred stocks and their voting ratios	None.
Shareholding ratio of the largest shareholder	Borsa İstanbul A.Ş., 64,18%
1.5. MINORITY RIGHTS	•
Whether the minority rights have been expanded (in terms of content or ratio) in the company's articles of association	No
Specify the relevant article's number in the articles of association if minority rights have been expended in terms of content and ratio	Not applicable
1.6. RIGHT TO DIVIDENDS	About Ha (Operatoria / Tabuaha al D'Abad
Name of the section containing the dividend policy on the corporate website	About Us/Corporate/Takasbank Dividend Policy
J	https://www.takasbank.com.tr/en/about-us/ corporate/dividend-distribution-policy
If the Board of Directors has proposed the retention of profits to the	At the 28th Ordinary General Assembly Meeting held on August 3, 2023, a dividend distribution decision was taken.
general assembly, the text of the minutes regarding the item of the general assembly agenda indicating the reasons thereof and the method for usage of undistributed profits	About Us / Investor Relations / Investor Relations
מחמוסנו וסמנפט או טוונס	https://www.takasbank.com.tr/tr/hakkimizda/ yatirimci-iliskileri/yatirimci-iliskileri
If the Board of Directors has proposed the retention of profits to the general assembly, link to the PDP announcement containing the minutes of the relevant general assembly meeting.	Not applicable

General Assembly Meetings:

		-			
General Assembly Date	Number of requests notified to the company for additional explanations regarding the agenda of the General Assembly	Shareholders' rate of attendance in the General Assembly	Percentage of shares represented in person	Percentage of shares represented by proxy	Title of th company corporate we section conta the gener assembly min including t affirmative negative vote each item of agenda
03.08.2023	-	95,81%	-	95,81%	- About Us Corporate Information Se Services - About Us Investor Relat Investor Relat

2. PUBLIC DISCLOSURE AND TRANSPARENCY

2.1. CORPORATE WEBSITE

Names of the sections of the corporate website containing the information requested in the corporate governance principle no. 2.1.1	About L About L About L About L About L About L About L About L About L About L About L About L About L
The section of the corporate website containing the list of natural-person shareholders directly or indirectly holding more than 5% of the shares	Except cannot Takasba / Introd website
Language options of the corporate website	Turkish
2.2. ANNUAL REPORT	
Page numbers or section titles of the annual report containing the information specified in the corporate governance principle no. 2.2.2.	
a) Page number or title of the section containing the duties undertaken by the board members and executives outside the company, and their statements of independence	2023 In Board o Stateme indeper
b) Page number or title of the section containing the information about the committees formed under the Board of Directors	2023 In Commi
c) Page number or title of the section containing the information about the number of meetings held by the Board of Directors within the year and the attendance status of members in such meetings	2023 Ir Structu 85
ç) Page number or title of the section about the legislative changes that may materially affect the company's operations	2023 In Audit C

general assembly meeting

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT



Us/Corporate/Legal Framework Us / Investor Relations / Financial Reports

- Us / Investor Relations / Annual Reports
- Us / Investor Relations / Investor Relations
- Us / Corporate / Takasbank Dividend Distribution Policy
- Us / Corporate / Information Security Policy
- Us / Corporate / Business Continuity Policy
- Us / Corporate / Protection of Personal Data
- Us / Corporate / Takasbank Donation Policy
- Us/Introduction/Board of Directors
- Us / Introduction / Executive Management
- Us/Introduction/Capital Structure
- //e-sirket.mkk.com.tr/esir/Dashboard.jsp#/belge-<u>tuleme/10258 🌶</u>

t for Borsa İstanbul A.Ş., the share of each shareholder t directly or indirectly exceed 5% of the Bank's capital. bank's shareholding structure is stated in the About Us duction / Capital Structure section of the corporate

h and English

Integrated Annual Report of Directors, Page: 74 - 80 nents of independent board members regarding their endence are not included in the annual report.

Integrated Annual Report

nittee Structures, Pages: 86 - 89

Integrated Annual Report ure and Composition of the Board of Directors, Page:

Integrated Annual Report Committee Report, Page: 164 - 166 GRI 2-15, 2-26

	2023 Integrated Annual Report	
d) Page number or title of the section containing the information about the major lawsuits filed against the company and their possible consequences	Information on Lawsuits Filed Against the Company that may Affect the Company's Financial Position and Activities and Lawsuits Filed Against the Company for Anti- Competitive Behavior, Antitrust and Monopolization and Their Possible Consequences, Page: 31	
e) Page number or title of the section containing information about the conflicts of interests between the company and the institutions from which it receives services such as investment consultancy or rating services and the measures taken to prevent such conflicts	The rating is obtained from Fitch and there is no conflict of interest. The issue regarding the conflict of interest policy is included on page 131 of the Integrated Annual Report for 2023 and in the Corporate Governance Principles Compliance Report, and the ratings assigned to Takasbank by Fitch Ratings are available on page 169 of the Integrated Annual Report under the heading "Ratings assigned to Takasbank by International Rating Agencies".	
f) Page number or title of the section containing the information about the affiliates whose direct participation in the capital is over 5%	2023 Integrated Annual Report Information on the Titles and Shares of Real or Legal Persons Holding Qualified Shares, Page: 105	
g) Page number or title of the section containing information about the employees' social rights, professional trainings and the corporate social responsibility activities related to other company activities with social and environmental implications	2023 Integrated Annual Report Employees, Pages: 112 - 119	
3. STAKEHOLDERS		
3.1. COMPANY POLICY FOR STAKEHOLDERS		
Title of the section of the corporate website containing the compensation policy	None.	
Number of judicial finalized court decisions against the company due to violation of employee rights	None.	
Title of the authorized official in charge of the reporting mechanism	Internal Audit Department, Human Resources Division, Internal Control and Compliance Unit Managers	
Contact information for the company's reporting mechanism	Telephone, fax, website, e-mail, BRSA complaints system	
3.2. SUPPORTING STAKEHOLDERS' PARTICIPATION IN COMPANY MANAGEMENT		
Title of the section of the corporate website, containing the internal regulations regarding employees' participation in management bodies	None.	
Management bodies employees are represented in	None.	
3.3. COMPANY'S HUMAN RESOURCES POLICY		
Role of the Board of Directors in the development of a succession plan for key executive positions	Efforts for identification and succession of critical roles are conducted for our Bank's employees.	
	About Us/Human Resources/ Our Human Resources Policy	
Title of the section of the corporate website containing the human resources policy including equal opportunity and employee recruitment criteria or the summary of the relevant articles of the policy	https://www.takasbank.com.tr/en/about-us/corporate/ human-resources/career-management Takasbank recruitment and placement policy is based on placement of the most suitable candidate meeting the Bank values and culture in the most appropriate position in terms of their knowledge, skills and general qualifications and in line with our requirements analyses. The methods used in the recruitment process include interview, measurement and assessment methods (general aptitude test, personality inventory) and reference checking. Job offers are made to the candidates found eligible following the interviews made with the managers of the relevant departments and the related measurement and assessment process. The candidate is informed of the placement process and also supported during the processes of submission of documents and start of work. All candidate applications are stored in the Bank's pool of candidates, and feedbacks about the results of interviews	

whether there is an employee stock owner ship plan in place	NUTIC.
Title of the section of the corporate website containing the human resources policy including the measures to prevent discrimination and ill treatment or the summary of the relevant articles of the policy	About https:/ humar Quality contin busine
Number of finalized court judgements issued against the company due the liability for work accidents	None.
3.5. CODE OF ETHICS AND SOCIAL RESPONSIBILITY	
Title of the section of the corporate website containing the code of ethics policy	About <u>https:/</u> frame
Title of the section of the corporate website containing the corporate social responsibility report. If there is not any corporate responsibility report, measures taken on environmental, social, and corporate governance issues	About The 20 on env
Measures taken against any and all forms of corruption, including extortion and bribery	Takash Matter Ethica of Inte 2023 I Corpo
4. BOARD OF DIRECTORS-I	
4.2. OPERATING PRINCIPLES OF THE BOARD OF DIRECTORS	
Date of the latest performance assessment of the Board of Directors	The Bo Gener
Whether independent specialists are commissioned for performance assessment of the Board of Directors	No
Whether all members of the Board of Directors are released of responsibilities	Yes
Names of the board members to whom authorities are delegated through distribution of tasks and the content of such authorities	Audit (Comm 2023 I Comm
Number of reports submitted by the internal control unit to the audit committee or other relevant committees	8
Title or page number of the section of the annual report containing the assessment of the efficiency of the internal control system	2023 I Audit (
Name of the chairman of the Board of Directors	Dr. Ma
Name of the Chief Executive Officer	Avşar
Link to the PDP announcement justifying the decision to appoint the same person as the chairman of the board of directors and the Chief Executive Officer	Pursua of Asso Directo same p
Link to the PDP announcement indicating that an insurance has been taken out for an amount over 25% of the company capital against any loss or damage that may be incurred by the company due to the faults committed by the Board Members while discharging their duties	Each y taken o Directo perfor policie
Title of the section of the corporate website providing information on the diversity policy designed to increase the percentage of female board members	ursuar Associ Board About <u>https:/</u> frame
Number and percentage of female members	1 perso

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CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

GRI 2-9, 2-10, 2-11, 2-18, 205-1

Whathan there is an amployee stock ownership plan in place. None

Us/Human Resources/ Our Human Resources Policy //www.takasbank.com.tr/en/about-us/corporate/

<u>n-resources/career-management 🏱</u> y and customer focus, analytical approach, team spirit, uous development, dedicated work, trust, impartiality, ess ethics and privacy constitute the Bank's core values.

Us/Corporate/Legal Framework

//www.takasbank.com.tr/en/about-us/corporate/legal-<u>work</u> 🖻

Us/Investor Relations/Annual Reports 023 Integrated Annual Report includes measures taken vironmental, social and corporate governance issues.

bank Internal Irregularities - Problems and Suspicious rs Notification Procedure, Directive on Takasbank I Principles and Social Media Policy, Takasbank Conflict erest Policy Directive, Takasbank Gift Procedure

Integrated Annual Report

rate Governance Principles, Page: 132 - 133

bard of Directors is released of its responsibilities at the al Assembly meeting.

Committee, Corporate Governance Committee, Risk nittee, Credit Committee, Remuneration Committee Integrated Annual Report nittee Structures, Pages: 86 - 87

Integrated Annual Report Committee Report, Page: 164-166

hmut KAYACIK

R. SUNGURLU

ant to Article 9, Paragraph 5 of Takasbank's Articles ociation, the positions of Chairman of the Board of ors and Chief Executive Officer may not be held by the person.

vear, a directors' and officers' liability insurance policy is out to cover damages that the members of the Board of ors may cause to the Bank as a result of negligence in the mance of their duties. In addition, the coverage of these is limited to approximately 20% of the Bank's capital.

nt to the provision specified in the Articles of iation, it is required that at least one of the independent Members should be a female member.

Us/Corporate/Legal Framework/Articles of Association //www.takasbank.com.tr/en/about-us/corporate/legalwork 🖻

1 person - 11%

GRI 2-9, 2-10, 2-11

4. BOARD OF DIRECTORS-II	
4.4. FORM OF MEETING OF THE BOARD OF DIRECTORS	
Number of board meetings held by physically convening during the reporting period	22 meetings. The meeting held on 28 April 2020 and the other subsequent meetings were held via e-BoD system.
Average percentage of attendance to the board meetings	81%
Whether an electronic portal is used to facilitate the activities of the board of directors	Yes
Number of days before the meeting the information and documents are presented to the members pursuant to the operating principles of the board of directors	5 Days
	It is included in Takasbank Articles of Association.
Title of the section of the corporate website containing information about the internal regulations governing how	About Us / Corporate / Legal Framework / Articles of Association
board meetings will be held	https://www.takasbank.com.tr/en/about-us/corporate/legal- framework 🌮
The upper limit specified in the policy which restricts the assumption of other duties by the members outside the company	None.
4.5. COMMITTEES FORMED UNDER THE BOARD OF DIRECT	ORS
Page number or title of the section in the annual report	2023 Integrated Annual Report
containing information about the committees of the board of directors	Committee Structures, Pages: 86 - 89
Link to the PDP announcement containing Committee operating principles	Not applicable

Committees of the Board of Directors-I

Names of Board of Directors Committees	Name of the Committee specified as "Other" in the First Column	Full Name of the Committee Members	Chairpersonship	Board Membership
Audit Committee		Prof. Dr. Münevver ÇETİN	Yes	Board Member
Audit Committee		Murat TACİR	No	Board Member
Corporate Governance Committee		Bilal ŞENTÜRK	Yes	Board Member
Corporate Governance Committee		Murat ONUK	No	Board Member
Risk Committee		Murat TACİR	Yes	Board Member
Risk Committee		Prof. Dr. Münevver ÇETİN	No	Board Member
Credit Committee		Avşar R. SUNGURLU	Yes	Board Member
Credit Committee		Murat ONUK	No	Board Member
Credit Committee		Bilal ŞENTÜRK	No	Board Member
Credit Committee		Muhsin ATCI (Substitute Member)	No	Board Member
Credit Committee		Yusuf KARALOĞLU (Substitute Member)	No	Board Member
Remuneration Committee		Muhsin ATCI	Yes	Board Member
Remuneration Committee		Yusuf KARALOĞLU	No	Board Member

4. BOARD OF DIRECTORS-III

4.5. COMMITTEES FORMED UNDER THE BOARD OF DIRECTORS-II	
Specify the section of the Annual Report or the Corporate website providing information about the activities of the Audit Committee (page number or section name)	2023 Integrated Annual Report Committee Structures, Page: 86
Specify the section of the Annual Report or the Corporate website providing information about the activities of the Corporate Governance Committee (page number or section name)	2023 Integrated Annual Report Committee Structures, Page: 87
Specify the section of the Annual Report or the Corporate website providing information about the activities of the Nomination Committee (page number or section name)	Not applicable
Specify the section of the Annual Report or the Corporate website providing information about the activities of the Early Detection and Management of Risks Committee (page number or section name)	2023 Integrated Annual Report Activities of the Early Detection and Management of Risk Committee, Page: 123
Specify the section of the Annual Report or the Corporate website providing information about the activities of the Remuneration Committee (page number or section name)	2023 Integrated Annual Report Committee Structures, Page: 87
4.6. FINANCIAL RIGHTS PROVIDED TO THE MEMBERS OF THE BOARD OF I ADMINISTRATIVE RESPONSIBILITY	DIRECTORS AND EXECUTIVES WITH
	2023 Integrated Annual Report

Page number or title of the section of the annual report providing info about operational and financial performance goals and whether they achieved

Title of the section of the corporate website containing the remuneration policy for the members with or without executive duties

Page number or title of the section of the annual report specifying the remunerations paid and all other benefits provided to the Board Mem and executives with administrative responsibility

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

GRI 2-9, 2-10, 2-11

formation ay were	2023 Integrated Annual Report Message from the Chairman of the Board of Directors, Pages: 14 - 15 Message from the Chief Executive Officer, Pages: 16 - 17 Assessment of Financial Status, Profitability, Solvency and Achievement of Strategic Targets, Page: 167
ation	None.
ne mbers	2023 Integrated Annual Report Structure and Composition of the Board of Directors/Information on the Total Amount of Financial Rights, Allowances, Travel, Accommodation and Representation Expenses, In-Kind and Cash Facilities, Insurances and Similar Guarantees Provided to Board Members and Senior Executives, Page: 85

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ASSESSMENTS OF THE AUDIT COMMITTEE ON LEGISLATION AND COMPLIANCE, INTERNAL CONTROL, INTERNAL AUDIT AND RISK MANAGEMENT SYSTEMS AND INFORMATION ON ACTIVITIES DURING THE ACCOUNTING PERIOD

GRI 2-27

AUDIT COMMITTEE REPORT

No.: 2024/DK/02 İstanbul, 03.01.2024

The internal audit, internal control, legislation and compliance and risk management activities of İstanbul Takas ve Saklama Bankası A.Ş. (Takasbank) are conducted by the Board of Directors, Senior Management and the Bank's personnel at all levels as well as the Internal Audit Department, Internal Control Department, Legislation and Compliance Department, and the Risk Management Department, in accordance with applicable legislation, including, in particular, the Banking Law, the Capital Markets Law, Law on Payment and Securities Settlement Systems, Payment Services, and Electronic Money Institutions, as well as other applicable non-Bank legislation and the Bank's internal strategies, policies, principles and objectives.

The Internal Audit Unit, Internal Control Unit, Legislation and Compliance Unit and Risk Management Unit, which are structured in accordance with the provisions of the Regulation on Internal Systems and Internal Capital Adequacy Assessment Process of Banks, administratively independent from each other and reporting to the Board of Directors through the Audit Committee, evaluated the internal legislation, work flow and job description forms submitted to the Committee in 2023 by the Internal Audit Unit, Internal Control Unit, Legislation and Compliance Unit and Risk Management Unit, as well as the reports prepared by the Committee on the work of the Unit and the independent audit company, in the meetings held and the decisions taken by the Committee were presented to the Board of Directors..

- Risk management involves an approach based on three lines of defence comprising business line management, central risk management function, and independent review. Accordingly;
- · In business line management, the risks arising from the products and services offered by each team of the Bank, and the processes, human resources and systems used are identified; and the Executive Management is informed, ensuring that appropriate actions are taken.
- · The central risk management function is fulfilled by separating roles and responsibilities, and having the processes and functions reviewed by the Risk Management Department and the Internal Control Department, other than the operational units that execute them.
- The independent review process is comprised of the assessment of the risk management and internal control framework from all aspects, and this function is executed by the Internal Audit Department.

The Bank's overall risk policy is to maintain the Bank's operations by assuming reasonable risks at a manageable and controllable level so as to establish an income-expense balance. The Bank's risk capacity is determined in accordance with the capital adequacy policy. Takasbank manages its risks by ensuring that they remain above/below the minimum/maximum limits specified in all applicable legal regulations and below the general and risk type-based risk limits and signal values and risk appetites approved by the Board of Directors. The results of activities conducted for risk management are taken into account in the Bank's strategic decision-making processes. In addition, regarding the risks that must be assumed or carried; it has been aimed to establish an optimum balance between potential loss or damages that may result from realization of such risks and the costs to be incurred to limit, decrease, and control these risks.

The Risk Management Department conducts the operations such as risk assessments about the new products and services planned to be offered by the Bank and information technology risks, payment and securities settlement systems, and portfolio custody service; creation of the risk analysis reports and risk management programs for support services; monitoring and review of risk appetites, risk limit and signal values; performance of internal risk measurements and assessments and stress tests and scenario analyses; assessment of operational risk database and operational risk loss database results; review of the structuring plan; monitoring and review of the amounts subject to legal risk and the legal capital adequacy ratio, and calculation of the internal capital requirement ratio within the scope of ICAAP.

Pursuant to the Regulation on Internal Systems and Internal Capital Adequacy Assessment Process of Banks, and the best practice guidelines published by the BRSA, and in order to ensure that the Bank can continue its operations under the most adverse conditions, capital and liquidity planning was made with a prospective perspective by conducting partial and complete stress tests within the scope of the pillar 1 and pillar 2 risks that the Bank is exposed to. In this context, the Stress Test Report and the Internal Capital Adequacy Assessment Process (ICAAP) Report, prepared in coordination with the Risk Management Department, and its attachment, the Validation Report prepared by the Internal Control Department, as well as the Review Report prepared by the Internal Audit Department were presented to us and the said reports were submitted to the BRSA following their approval at the Board of Directors' meeting no. 450 dated 24 March 2023.

At Takasbank, internal control processes are considered as an integral part of the Bank's operations; and the reporting modules facilitating the effective monitoring and control of operations are integrated with the application software currently in use. In addition, necessary controls are performed during execution of transactions by applying the control techniques such as the separation of entry and approval authorities for critical transactions, approval-authorization mechanisms implemented during execution of operations, conducting the reviews regarding compliance with limits electronically, inquiries and reconciliations implemented for material elements. In addition to the control function performed by the relevant management levels within Takasbank's organizational structure, the activities of the units and departments were periodically controlled by the Internal Control Department over the control points determined within the framework of the Internal Control Review Plan and the internal control lists of the information technologies units.

In 2023, within the scope of self-assessment activities, the Internal Control Department performed the operations such as periodic review of the internal control review plan and internal control lists and determination of control scores for the risks in the operational risks database; monitoring the actions determined for the risks for which the net risk level is equal to or above the operational risk appetite as well as key risk indicators; validation of the TFRS9 expected credit loss model; establishing coordination between independent auditors and business units during the audits of banking processes; supporting independent audits conducted within the scope of information systems processes; conducting the ISO 27001, 22301 and 20000-1 internal audit and ensuring participation as a supervisor in other internal audits; participation, upon request, in project and working groups and boards and committees related with the changes and innovations planned to be made in the Bank's services and processes or those related to the critical processes falling within the scope of the Bank's field of duties, and making suggestions at the relevant meetings in order to minimize the risks.

The "Central Counterparty Credit Risk Stress Test Results" and "Central Counterparty Liquidity Risk Stress Test Results" reports prepared pursuant to article 40 entitled "Stress testing" as specified in the Central Counterparty Regulation of Istanbul Takas ve Saklama Bankasi A.S. as well as the "Central Counterparty Back Testing Results" prepared pursuant to article 36 of Takasbank Directive on Central Counterparty Risk Management Implementation Principles, which were controlled by the Internal Control Department, were also submitted by our Committee to the Board of Directors for information.

In 2023, the Legislation and Compliance Department performed the operations such as the follow-up and announcement of the changes in the Bank's internal and external legislation; development/updating of the Bank's internal and external legislation and other processes under the legislation that the Bank is subject to; performing regulatory compliance assessments for new products and transactions as well as the activities planned to be carried out in future; establishing coordination in the review of work flow and job description forms and preparation of the report indicating the level of compliance with the specified goals regarding the functioning, reliability, durability and continuity of information systems within the framework of the service levels; conducting MASAK, AML, FATCA and CRS efforts; provision of KVKK (Law on Protection of Personal Data) and MASAK (Financial Crimes Investigation Board) trainings; ensuring the coordination of the CBRT surveys and CPMI-IOSCO compliance documents within the scope of payment and securities settlement systems; conducting awareness-raising activities in the Bank under Takasbank Information Sharing Committee Directive, Takasbank Directive on Code of Ethics and Social Media Policy and Takasbank Directive on Conflicts of Interests Policy; preparation/updating of the business continuity and IT legal requirements document; performing the secretarial duties of the Information Sharing Committee; supporting sustainability efforts; review of the contracts within the scope of the Bank's procurements; preparing a periodic report regarding the information shared by the Bank with third parties and submitting this report to the Board of Directors and then to the BRSA; completing and checking know-your-customer, central counterparty and business and information systems continuity surveys of foreign institutions resident abroad, and conducting negotiations in relation thereof, where necessary, and any other related activities.

GRI 2-27

ASSESSMENTS OF THE AUDIT COMMITTEE ON LEGISLATION AND COMPLIANCE, INTERNAL CONTROL, INTERNAL AUDIT AND RISK MANAGEMENT Systems and information on activities during the accounting period GRI 2-27

AUDIT COMMITTEE REPORT

In 2023, Takasbank Internal Audit Unit, as an independent and objective assurance and consultancy function, conducted riskbased examinations and audits of the Bank's business and IT units, conducting audits, preparing audit, investigation and review reports, providing consultancy opinions, participating in committees and working groups, and conducting ISO 27001, 22301 and 20000-1 internal audits within the framework of the plan based on the Information and Communication Security Guidelines published by the Digital Transformation Office of the Presidency of the Republic of Türkiye, as well as support and external service companies, within the framework of the internal audit plan, including the information systems (IS) audit plan, which is based on the annual risk assessment report, and the work programs, checklists and IS audit guides prepared within the scope of this plan, in order to assess and improve the effectiveness and adequacy of the Bank's risk management, internal control, legislation and compliance, and governance processes.

The Internal Audit Department also conducted, in 2023, on-site audits at central counterparty members in order to determine whether the members established efficient, adequate and compliant internal audit, internal control and risk management mechanisms regarding the markets or capital market instruments for which the Bank provides central counterparty services pursuant to the provisions of İstanbul Takas ve Saklama Bankası Anonim Şirketi Central Counterparty Regulation, Directive on Information, Risk Management, Internal Audit and Internal Control Systems of Takasbank Central Counterparty Members, and the relevant legislation.

Within the scope of the 2023 management statement efforts jointly conducted by the Internal Control Department and Internal Control Department according to the plan approved by our Committee, the Bank's business and IS controls have been reviewed, and an assessment has been made to identify all major control deficiencies about such controls independently from the efforts conducted by independent audit companies. In this context, assurance has been provided that there are no major control deficiencies in the Bank's business and IS controls which would hinder efficiency, adequacy or compliance; that there is no situation causing a material misstatement in the financial statements or materially affecting the continuity of the activities and the integrity, consistency, reliability, and if necessary, confidentiality of the data which requires sensitivity in terms of the Bank, including, financial data, in particular, and there is no misconduct or corruption involving managers and other officials with critical roles in the internal control system; and that all issues identified have been reported to our Committee and the Board of Directors.

Takasbank operations are conducted in compliance with the provisions of applicable regulations and the Bank's general policies and internal legislation; and the Internal Audit and Internal Control, Legislation and Compliance, and Risk Management Departments structured and operating efficiently and adequately in accordance with the provisions of the Regulation on the Internal Systems and Internal Capital Adequacy Assessment Process of Banks create a significant added value in line with Takasbank's fundamental goals and policies.

İSTANBUL TAKAS VE SAKLAMA BANKASI A.Ş. AUDIT COMMITTEE

Murat TACİR

Prof. Dr. Münevver ÇETİN

Audit Committee Member Board Member Audit Committee Chairperson Board Member

EVALUATION OF THE FINANCIAL STATUS, PROFITABILITY AND SOLVENCY AND ACHIEVEMENT OF STRATEGIC GOALS

Assets Structure

As of 31 December 2023, Takasbank's assets have increased by 41,4% compared to the year-end of the previous year, thus, reaching 121,3 billion TL.

In line with the previous period data, Banks account item also constituted a significant portion of the Bank's assets in the current period. Banks account for 90,3% (109,6 billion TL) and Other Financial Assets Measured at their Redeemed Value account for 3,2% (3,9 billion TL), and Loans account for 1,5% (1,8 billion TL) of the Bank's assets.

As of the conclusion of 2023, the Bank has no outstanding loans or receivables under follow-up accounts.

Liabilities Structure

By year-end of 2023, Takasbank has borrowed domestic loans in the amount of 5,7 billion TL; accounting for 4,7% of the liabilities on the balance sheet. As of the balance sheet date, the Bank has not borrowed any loans from abroad. The Funds item, which is primarily comprised of member cash collaterals, accounts for 88,4% (107,3 billion TL) of the liabilities. The Bank's paid-up capital is 600 million TL; and by the end of 2023, its shareholders' equity has reached 7,3 billion TL.

Profitability Structure

Takasbank concluded the 2023 operating period with a pre-tax profit of 5 billion TL. Key components contributing to the profit for the period include significant income and expense items.

Noteworthy income streams for the Bank are tracked under "Interest Income" and "Fees and Commissions Received." In 2023, the Bank recorded approximately 5 billion TL in interest income and 2,9 billion TL in banking service income, encompassing commissions and fees.

"Interest Expenses" for the Bank amounted to 272,6 million TL in 2023, resulting in a 200% year-on-year increase in net interest income to 4,7 billion TL.

Primary expense categories for the Bank include "Personnel Expenses" and "Fees and Commissions Paid." In 2023, the Bank had personnel expenses of 686 million TL and fees and commissions paid totaling 291,3 million TL.

The operations of 2023 yielded a pre-tax profit of 5 billion TL, with a net profit for the period standing at 3,6 billion TL after accounting for a tax provision of 1,4 billion TL. The Bank maintained robust and sustainable profitability throughout 2023.

Achieving Strategic Goals

To mitigate liquidity risk, Takasbank adheres to the principle of maintaining a substantial amount of liquid assets in comparison to its liabilities on the balance sheet.

The Bank successfully attained the strategic objectives outlined in prior periods and executed the decisions made during the General Assembly.

INFORMATION ON THE AREAS OF ACTIVITIES FOR WHICH AND THE PERSONS AND ENTITIES FROM WHICH SUPPORT SERVICES ARE OUTSOURCED PURSUANT TO THE **REGULATION ON THE BANKS' PROCUREMENT OF SUPPORT SERVICES AND THE AUTHORIZATION OF SUPPORT SERVICE PROVIDERS**

In 2023, within the scope of the Regulation on Procurement of Support Services by Banks and Takasbank Support Service Procurement and Outsourcing Procedure, Takasbank has received the following services:

- · Server hosting service for Borsa Data Center received from Borsa İstanbul A.Ş.;
- Hosting and support service for Takasbank backup data center equipment received from Türk Telekomünikasyon A.Ş.;
- The following services received from Fineksus Bilişim Çözümleri Tic. A.Ş.:
- · Infrastructure, connection, maintenance, e-mail and telephone support service received for the SWIFT server;
- Sanctions list inquiry software and the maintenance service related to this software;
- · PayGate converter software converting SWIFT message format into the format compatible with ISO 20022 standards and the maintenance service related to this software.

Before a contract is signed for procurement of support services or the service contract is renewed with the relevant support service provider, a Risk Analysis Report and a Technical Adequacy Report are prepared and submitted to the Board of Directors as an annex attached to the Audit Committee Assessment Report.

RATINGS ASSIGNED TO TAKASBANK BY INTERNATIONAL **RATING AGENCIES**

The Bank's international rating evaluation was conducted by Fitch Ratings Agency; and the related rating summary details are provided below.

Fitch Ratings (2023, September)	
Long-term Foreign Currency IDR	В
Outlook	Stable
Short-term Foreign Currency IDR	В
Long-term Local Currency IDR	В
Outlook	Stable
Short-term Local Currency IDR	В
Viability Rating	b-
Government Support	b

RESPONSIBILITY OF THE BOARD OF DIRECTORS REGARDING THE INTEGRATED ANNUAL REPORT

Our Integrated Annual Report for 2023 provides a comprehensive overview of the financial and non-financial values created by İstanbul Takas ve Saklama Bankası A.Ş. (Takasbank) during the period from January 1, 2023, to December 31, 2023. The report details how Takasbank utilized its financial, human, intellectual, manufactured, natural, and social capital elements throughout the specified timeframe.

As the Board of Directors of Takasbank, we affirm that this Report, prepared in accordance with the international integrated reporting framework, thoroughly covers pertinent topics using a materiality approach and upholds the report's integrity. The Board acknowledges responsibility for these aspects.

Avşar R. SUNGURLU

Chief Executive Officer Member of the Board of Directors GRI 2-12, 2-13, 2-14, 2-22

Dr. Mahmut KAYACIK Chairman of the Board of Directors



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

To the General Assembly of İstanbul Takas ve Saklama Bankası A.Ş.

Opinion 1.

We have audited the annual report of İstanbul Takas ve Saklama Bankası A.S. (the "Bank") for the 1 January 2023 - 31 December 2023 period.

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

Basis for Opinion 2.

Our independent audit was conducted in accordance with the Independent Standards on Auditing that are part of the Turkish Standards on Auditing (the "TSA") issued by the Public Oversight Accounting and Auditing Standards Authority ("POA") and the scope of "Regulation on Independent Audit of Banks" published on the Official Gazette No.29314 dated 2 April 2015. Our responsibilities under those standards are further described in the Auditor's Responsibilities in the Audit of the Board of Directors' Annual Report section of our report. We hereby declare that we are independent of the Bank in accordance with the Ethical Rules for Independent Auditors (the "Ethical Rules") and the ethical requirements regarding independent audit in regulations issued by POA that are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.



Our Audit Opinion on the Full Set Unconsolidated Financial Statements 3.

We expressed an unqualified opinion in the auditor's report dated 7 March 2024 on the full set unconsolidated financial statements for the 1 January 2023 - 31 December 2023 period.

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

Bank management's responsibilities related to the annual report according to Articles 514 and 516 of Turkish Commercial Code ("TCC") No. 6102 and "Regulation on Principles and Procedures Regarding Preparation and Promulgation of Annual Reports by Banks" published in Official Gazette No. 26333 dated 1 November 2006 are as follows:

- a) present it to the general assembly;
- b) and possible risks which the Bank may encounter are clearly indicated. The assessments of the Board of Directors in regards to these matters are also included in the report.
- to include the matters below in the annual report: c)
 - events of particular importance that occurred in the Bank after the operating year, the Bank's research and development activities, _

 - financial benefits such as salaries, bonuses, premiums and allowances, travel, accommodation and representation expenses, benefits in cash and in kind, insurance and similar guarantees paid to members of the Board of Directors and senior management.

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

PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müsavirlik A.S.

T: +90 212 326 6060, F: +90 212 326 6050, www.pwc.com.tr Mersis Numaramiz: 0-1460-0224-0500015

to prepare the annual report within the first three months following the balance sheet date and

to prepare the annual report to reflect the Bank's operations in that year and the financial position in a true, complete, straightforward, fair and proper manner in all respects. In this report financial position is assessed in accordance with the financial statements. Also in the report, developments

Kılıçali Paşa Mah. Meclis-i Mebusan Cad. No:8 İç Kapı No:301 Beyoğlu/İstanbul



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

Our aim is to express an opinion and issue a report comprising our opinion within the framework of TCC and "Regulation on Independent Audit of Banks" published by the BRSA on the Official Gazette No.29314 dated 2 April 2015 provisions regarding whether or not the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements in the annual report are consistent and presented fairly with the audited unconsolidated financial statements of the Bank and with the information we obtained in the course of independent audit.

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

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

Zeynep Uras, SMMM Independent Audior

Istanbul, 22 March 2024

>>>> UNCONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT FOR THE FISCAL PERIOD THAT ENDED ON 31 DECEMBER 2023

INDEPENDENT AUDITOR'S REPORT



CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT AUDITOR'S REPORT ORIGINALLY ISSUED IN TURKISH (See Note I of Section Three) INDEPENDENT AUDITOR'S REPORT

To the General Assembly of İstanbul Takas ve Saklama Bankası A.Ş.;

A. Audit of the Unconsolidated Financial Statements

1. Opinion

We have audited the unconsolidated balance sheet of İstanbul Takas ve Saklama Bankası A.Ş. ("the Bank") at 31 December 2023 and the related unconsolidated statement of profit or loss, unconsolidated statement of profit or loss and other comprehensive income, unconsolidated statement of changes in shareholders' equity, unconsolidated statement of cash flows for the year then ended and the notes to the unconsolidated financial statements and a summary of significant accounting policies and unconsolidated financial statements notes.

In our opinion, the unconsolidated financial statements present fairly, in all material respects, the unconsolidated financial position of the Bank as at 31 December 2023, and its unconsolidated financial performance and its unconsolidated cash flows for the year then ended in accordance with the Banking Regulation and Supervision Agency ("BRSA") Accounting and Reporting Legislation which includes "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette no.26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency and circulars and interpretations published by BRSA and Turkish Financial Reporting Standards ("TFRS") for those matters not regulated by the aforementioned regulations.

2. Basis for Opinion

Our audit was conducted in accordance with the "Regulation on Independent Audit of Banks" published by the BRSA on the Official Gazette No.29314 dated 2 April 2015 and the Standards on Independent Auditing (the "SIA") that are part of Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority (the "POA"). Our responsibilities under these standards are further described in the "Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements" section of our report. We hereby declare that we are independent of the Bank in accordance with the Ethical Rules for Independent Auditors (including Independence Standards) (the "Ethical Rules") and the ethical requirements regarding independent audit in regulations issued by POA that are relevant to our audit of the unconsolidated financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.

3. Key Audit Matters

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

Key Audit Matters	How Our Audit Addressed the Key Audit Matter
Accounting for Fees and Commissions Received	Within the scope of our audit procedures related to
The Bank has a total amount of TL 2,941,482 revenue recognized as "fees and commissions received" in the	accounting for fees and commissions received, we evaluated the compliance of accounting policies determined by Bank management with TFRS and the relevant legislation.
statement of profit or loss and other comprehensive income for the period 1 January - 31 December 2023. The Bank's revenue mainly consists of banking service revenues. Recognition of fees and commissions received was a key audit matter, due to the nature of the Bank's operations, the variety of operations	In the Bank's accounting for fees and commissions received process, we evaluated and tested the design and operational efficiency of internal controls implemented by management regarding the accounting for fees and commissions received in accordance with relevant accounting standards.
and the high volume of transactions in the process of determining the amount of fees and commissions and performing check clearing activities at the Bank. Explanations on the accounting policies and amounts of the Bank regarding "fees and commission income received" are included in the Notes of 4 Section IV.	We have evaluated whether the income amount has been properly accounted for, the supporting documents received based on the transaction based on a sample selected from the transactions carried out during the accounting period have been tested by comparing the details of these transactions.

4. Other matter

The unconsolidated financial statements of the Bank as at 31 December 2022 were audited by another auditor whose report dated 13 February 2023 expressed an ungualified opinion.

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

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

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

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

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

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

Our aim is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance expressed as a result of an independent audit conducted in accordance with "Regulation on Independent Audit of Banks" published by the BRSA on the Official Gazette No.29314 dated 2 April 2015 and SIA is a high level of assurance but does not guarantee that a material misstatement will always be detected. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated financial statements.

As part of an independent audit conducted in accordance with "Regulation on Independent Audit of Banks" published by the BRSA on the Official Gazette No.29314 dated 2 April 2015 and SIA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

INDEPENDENT AUDITOR'S REPORT



THE UNCONSOLIDATED FINANCIAL REPORT OF ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş. AS AT AND THE YEAR ENDED OF 31 DECEMBER 2023

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

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

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

B. Other Responsibilities Arising From Regulatory Requirements

- 1. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code ("TCC") No. 6102 and that causes us to believe that the Bank's bookkeeping activities concerning the period from 1 January to 31 December 2023 period are not in compliance with the TCC and provisions of the Bank's articles of association related to financial reporting.
- 2. In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.

Additional Paragraph for Convenience Translation:

BRSA Accounting and Financial Reporting Legislation explained in detail in Section Three differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board including the application of IAS 29 -Financial Reporting in Hyperinflationary Economies as of

31 December 2023. Accordingly, the accompanying unconsolidated financial statements are not intended to present fairly the unconsolidated financial position, results of operations, changes in equity and cash flows of the Bank in accordance with IFRS.

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

Zeynep Uras, SMMM Independent Auditor

Istanbul, 7 March 2024

Address of the Bank's H	leadquarters :	Reş	asbank Genel Müdür itpaşa Mahallesi, Boı ıyer 34467 İstanbul
Telephone of the Bank	:	(02	12) 315 25 25
Fax of the Bank	:	(0 2	12) 315 25 26
Web site of the Bank	:	ww	w.takasbank.com.tr
E-mail for corresponde	ence :	rap	@takasbank.com.tr

The unconsolidated year end financial report includes the following sections in accordance with the Communiqué on Financial Statements and Related Explanations and Notes that will be Publicly Announced as sanctioned by the Banking Regulation and Supervision Agency.

- GENERAL INFORMATION ABOUT THE BANK
- UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK
- EXPLANATIONS ON THE ACCOUNTING POLICIES APPLIED IN THE RELATED PERIOD
- INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE BANK
- DISCLOSURES AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS
- OTHER EXPLANATIONS AND NOTES
- INDEPENDENT AUDITOR'S REPORT

The accompanying year end unconsolidated financial statements and notes to these financial statements which are expressed, unless otherwise stated, in thousands of Turkish Lira ("TL"), have been prepared and presented based on the accounting books of the Bank in accordance with the Regulation on Accounting Applications for Banks and Safeguarding of Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards, and related appendices and interpretations of these, and have been audited.

Mahmut KAYACIK Chairman of the Management Board

Münevver CETİN Head of the Audit Committee

Avşar R. SUNGURLU General Manager **Board Member**

Murat GÖRGÜN **Executive Vice President**

Contact information of the personnel in charge of the addressing of questions about this financial report:

Name-Surname/Title : Zülal Tarı/Chief Specialist

- Telephone Number : (0 212) 315 23 15
- Fax Number : (0 212) 315 22 34

nk Genel Müdürlüğü a Mahallesi, Borsa İstanbul Caddesi, No: 4

Murat TACIR Member of the Audit Committee E

REPORT

INTEGRATED

ANNUAL

2023

Oya DEMİRDAĞ Director

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(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION ONE

GENERAL INFORMATION

I. Bank's establishment date, start-up statute, history about the changes in this mentioned statute:

The Bank was originally set up as a department of the Borsa İstanbul A.Ş. ("BİAŞ") (formerly "İstanbul Menkul Kıymetler Borsası") and reorganized under a separate company named İMKB Takas ve Saklama A.Ş. (ISE Settlement and Custody Company Inc.) on 12 July 1991, was transformed into a non-deposit taking bank on 8 August 1995 with the name İMKB Takas ve Saklama Bankası A.Ş. (ISE Settlement and Custody Bank Inc.), as published in the Official Gazette dated 23 March 1995 with the decision of the Council of Ministers No. 95/6551. According to the decision made in 18th Ordinary Meeting of the Bank General Assembly dated 29 March 2013, title of the Bank has been changed into Istanbul Takas ve Saklama Bankası A.Ş. (Here in after referred to as "Takasbank" or the "Bank") and this title change was approved in 11 April 2013. The name of the Bank has been renovated as "Takasbank" or "Takas Istanbul" with the resolution of the ordinary general meeting dated 9 June 2017 and numbered 22.

II. Explanation about the Bank's capital structure, shareholders who directly or indirectly, solely or jointly undertake the management and control of the Bank, any changes in the period, and information on the Bank's risk group:

As of 31 December 2023 and 31 December 2022, the shareholders' structure and their respective ownerships are summarized as follows:

		Cu	rrent Period	Ρ			
No	Name of Shareholders	of Shareholders Paid in Capital (%)		Paid in Number Capital (%)			Number
1	Borsa İstanbul A.Ş.	385,067	64.18	1	385,067	64.18	1
2	Tacirler Yatırım Menkul Değerler A.Ş.	30,000	5.00	1	30,000	5.00	1
3	Phillip Capital Menkul Değerler A.Ş.	30,000	5.00	1	30,000	5.00	1
4	Türkiye Garanti Bankası A.Ş.	29,685	4.95	1	29,685	4.95	1
5	Yapı Kredi Yatırım Menkul Değerler A.Ş.	26,280	4.38	1	26,280	4.38	1
6	Türkiye Vakıflar Bankası T.A.O.	26,235	4.37	1	26,235	4.37	1
7	Türkiye İş Bankasi A.Ş.	26,235	4.37	1	26,235	4.37	1
8	Diğer (Aracı kurum)	26,397	4.40	24	26,397	4.40	24
9	Diğer (Banka)	20,101	3.35	8	20,101	3.35	8
	Total	600.000	100.00	39	600.000	100.00	39

64.18% of the Bank's share belongs to BİAS. BİAS was established on the date of the entry into force of the Law to carry out stock market activities in accordance with Article 138 of the Capital Markets Law No. 6362, which was published in the Official Gazette on 30 December 2012 and entered into force. BİAŞ shall ensure that capital market instruments, foreign exchange and precious metals and precious stones and other contracts, documents and valuables deemed appropriate by the Capital Markets Board can be bought and sold in a transparent, effective, competitive, honest and stable environment easily and safely under the conditions of free competition markets, platforms and systems and other organized market places to facilitate the gathering of these orders and to determine and announce the prices that are formed and to establish and establish and maintain these and other stock exchanges or other market places is an institution with private legal entity established on the basis of the Capital Markets Law No. 6362 to manage and/or operate the markets of the stock exchanges.

Dividend payment

At the General Assembly meeting held on August 3, 2023, it was decided to make a dividend payment of TL 866,000 to the shareholders. It has been decided to pay dividend payments in four equal installments, the first installment will be paid on August 15, 2023, the second installment on September 15, 2023, the third installment on October 13, 2023 and the last installment on October 13, 2023. November 15, 2023.

İSTANBUL TAKAS VE SAKLAMA BANKASI A.S.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION ONE (Continued)

GENERAL INFORMATION (Continued)

III. Explanation on the Board of Directors, members of the audit committee, president and executive vice presidents, changes in these matters and shares of the Bank they possess:

Chairman and Members of the Board of Directors

Name Surname	Area of Responsibility	Education Stat
Mahmut Kayacık, PhD	Chairman	Boğaziçi Unive Science and In
		Marmara Univ Master's Degre
		Medipol Univer
Korkmaz Ergun	Deputy Chairman of the Board	Ankara Univer Bachelor's Deg
		Marmara Univ Master's Degre
		Marmara Univ
Avşar R. Sungurlu	Member (General Manager - Chairman of the Credit	Middle East Teo Engineering/Ba
	Committee)	Middle East Te Aeronautical E
		Long Island Ur Degree
Murat Tacir	Member (Chairman of the Risk Committee - Member of the Audit Committee)	Istanbul Univer Administration
Murat Onuk	Member (Noble Member of the Credit Committee - Member of the Corporate Governance Committee)	Istanbul Univer Degree
Muhsin Atcı (**)	Member (Chairman of the Remuneration Committee -	Istanbul Unive Bachelor's Deg
	Reserve Member of the Credit Committee)	Duke Universit
Yusuf Karaloğlu	Member (Member of the	Uludag Univers
	Remuneration Committee -	Administration
	Reserve Member of the Credit Committee	Erzincan Unive
Münevver Çetin, PhD	Member (Chairman of the Audit	Ankara Univer
	Committee - Member of the Risk Committee)	Ankara Univer Planning/Grad
		Istanbul Unive
Bilal Şentürk (*)	Member (Chairman of the Corporate Governance	Ankara Univers Bachelor's Deg
	Committee - Noble Member of the Credit Committee)	Ankara Univers Degree

* On August 3, 2023, at the General Assembly, Dr. Gülseren Topuz resigned from her position and Bilal Sentürk was appointed as a member of the Board of Directors

** On October 20, 2023, at the General Assembly, Bekir Bayrakdar resigned from his position and Muhsin Atcı was appointed as a member of the Board of Directors.

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- ersity/Faculty of Economics and Administrative Sciences/Political nternational Relations/Bachelor's Degree
- versity/Institute of Social Sciences International/Economics/
- rsity/Institute of Social Sciences/Banking and Finance/PhD rsity/Faculty of Political Sciences/Business Administration/ aree
- versity/Institute of Middle East Studies/Middle East Economics/ ee
- versity/Institute of Social Sciences/History of Economics/PhD echnical University/Faculty of Engineering/Aerospace
- Bachelor's Degree
- echnical University/Institute of Natural and Applied Sciences/ Engineering/Master's Degree
- niversity/Graduate School/Business Administration/Master's

ersity/Faculty of Business Administration/Business n/Bachelor's Degree

ersity/Faculty of Economics/International Relations/Bachelor's

ersity/Faculty of Political Sciences/Public Administration/ aree

- ty/Development Policy/Master's Degree
- rsity/Faculty of Economics and Administrative Sciences/Business n/Bachelor's Degree
- ersity/Institute of Social Sciences/Public Law/Master's Degree
- rsity/Department of Economics Management/Undergraduate rsity/Institute of Social Sciences/Educational Administration and luate
- ersity/Institute of Social Sciences/Money and Market Policy/PhD rsity/Faculty of Political Sciences/Public Administration/ gree
- rsity/Institute of Social Sciences/Management Sciences/Master's

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION ONE (Continued)

GENERAL INFORMATION (Continued)

III. Explanation on the Board of Directors, members of the audit committee, president and executive vice presidents, changes in these matters and shares of the Bank they possess: (Continued)

General Manager and Assistant General Managers

Name-Surname	Area of Responsibility	Education Status
Avşar R. Sungurlu	General Manager and Member of the Board -	Middle East Technical University/Faculty of Engineering/ Aerospace Engineering/Bachelor's Degree
	Chairman of the Credit Committee	Middle East Technical University/Institute of Natural and Applied Sciences/Aeronautical Engineering/Master's Degree
		Long Island University/Graduate School/Business Administration/Master's Degree
Gökhan Elibol	Vice President - Markets and Operations	Ankara University/Faculty of Political Sciences/Finance/ Bachelor's Degree
		Beykent University/Faculty of Law/Law/Bachelor's Degree
Murat Görgün	Vice President - Central Counterparty and Financial Services	Middle East Technical University/Faculty of Economics and Administrative Sciences/International Relations/Bachelor's Degree
		Marmara University/Institute of Banking and Insurance/Banking/ Master's Degree
Taşkın Öker	Vice President - Information Technologies	İstanbul University/Faculty of Engineering/Department of Electrical Electronics/Bachelor's Degree

Explanations Regarding The Shareholdings in the Bank and Areas of Responsibility

None. (31 December 2022: None.)

IV. Information on the Bank's gualified shareholders:

Shareholding in the Bank's shares, except BİAŞ, does not exceed 5% as stated in the Articles of Association of the Bank. 64.18% of the Bank belongs to BİAŞ. The Bank has no preferred shares as of 31 December 2023 (31 December 2022: None.)

Name Surname/Business Name	Share Amount	Share Proportions	Paid-in Shares	Unpaid Shares
BİAŞ	385,067	64.18%	385,067	-



NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION ONE (Continued)

GENERAL INFORMATION (Continued)

V. Information on the Bank's function and areas of activity:

The main purpose of the Bank is to increase our country's market competitiveness by providing settlement and custody services, providing financial services, and performing all types of economic activities within the scope of the relevant legislation.

The areas of activity that are specified in the Bank's Articles of Association, in general, are as follows:

- Providing all financial services, and primarily central bartering services and central counterparty services, activity of settlement and custody, market management, establishing and making payments, transfer and reconciliation systems, and banking activities;
- Financial services related to international markets including all kinds of payments, transfers, settlements, custody, and reconciliation services:
- Performing judiciary activities and signing all agreements related to its subject, signing written contracts, notes, and miscellaneous notes, acquiring all kinds of rights and receivables and binding debts;
- Purchasing, manufacturing, constructing, acquiring in other ways, renting, partially or completely, selling when necessary, transferring and leasing, and establishing all kinds of real rights on moveable and immoveable goods or removing all kinds of moveable and immoveable goods as well as all kinds of rights associated with them;
- All kinds of loaning and borrowing required by its activities, in line with corporate management principles as determined by banking and capital market legislation, as well as providing and obtaining personal in cash or in kind guarantees such as sureties, pledges, mortgages, and enterprise pledges in its favour or in favour of others, and transferring or cancelling these:
- Exporting all types of capital market instruments within the framework of Capital Markets legislation;
- Establish partnerships with domestic and foreign organizations and join existing partnerships.

VI. The existing or potential, actual or legal obstacles on immediate transfer of equity or reimbursement of liabilities between the bank and its subsidiaries:

None.

SECTION TWO

UNCONSOLIDATED FINANCIAL STATEMENTS

- I. Balance Sheet (Statement of Financial Position)
- II. Off-Balance Sheet
- III. Profit or Loss Statement
- IV. Statement of Profit or Loss and Other Comprehensive Income
- V. Equity Changes Table
- VI. Cash Flow Statement

UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) AT 31 DECEMBER 2023

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION TWO

I. UNCONSOLIDATED BALANCE SHEET

			C	Audited Current Period	ł		Audited Prior Period	
			31	December 20	23	31	22	
	ASSETS	Note	TL	FC	Total	TL	FC	Tota
[.	FINANCIAL ASSETS (NET)		84.444.258	29.983.718	114.427.976	60.407.858	19.036.502	79.444.360
1.1	Cash and Cash Equivalents		84,345,827	29,983,057	114,328,884	60,339,479	19,035,841	79,375,320
1.1.1	Cash and Balances with Central Bank	I-(1)	1.958	4.886.085	4.888.043	1.451	1.028.407	1,029,858
1.1.1	Banks	I-(I) I-(3)	84,459,526	25,096,972	109,556,498	60,425,872	18,007,434	78,433,306
1.1.2	Money Markets	I-(3)	04,403,020	23,030,312	109,000,490	00,423,072	10,001,434	10,433,300
1.1.3 1.1.4	Expected Loss Provision (-)	I-(6)	115.657	-	115.657	87.844	-	87,844
1.2	Financial Assets at Fair Value Through Profit or Loss	I-(0)	39,647		39,647	64,708	-	64,708
1.2.1	Government Debt Securities	1-(2)	39,041 37.291	-	39,041	63.652	-	63.652
1.2.1			31,291	-	31,291	03,032	-	03,034
1.2.2	Equity Instruments		2.356		2.356	- 1.056	-	1050
	Other Financial Assets	T (A)	1		1	1		1,056
1.3	Financial Assets at Fair Value Through Other Comprehensive Income	I-(4)	3,671	661	4,332	3,671	661	4,332
1.3.1	Government Debt Securities		-	-	-	-	-	4.000
1.3.2	Equity Instruments		3,671	661	4,332	3,671	661	4,332
1.3.3	Other Financial Assets	- (-)	-	-	-	-	-	
1.4	Derivative Financial Assets	I-(5)	55,113	-	55,113	-	-	
1.4.1	Derivative Financial Assets at Fair Value Through Profit or Loss		55,113	-	55,113	-	-	
1.4.2	Derivative Financial Assets at Fair Value Through Other Comprehensive							
	Income		-	-	-	-	-	
II.	FİNANCİAL ASSETS MEASURED AT AMORTİSED COST (Net)		2,353,445	3,379,883	5,733,328	3,056,688	2,521,911	5,578,599
2.1	Loans	I-(6)	1,795,481	-	1,795,481	2,681,206	-	2,681,206
2.2	Lease Receivables	I-(11)	-	-	-			
2.3	Factoring Receivables		-	-	-	-	-	
2.4	Financial Assets Measured at Amortised Cost	I-(7)	562,446	3,379,883	3,942,329	379,195	2,521,911	2,901,106
2.4.1	Government Debt Securities		499,958	1,363,748	1,863,706	379,195	1,995,037	2,374,232
2.4.2	Other Financial Assets		62,488	2,016,135	2,078,623	-	526,874	526,874
2.5	Expected Loss Provision (-)		4,482	-	4,482	3,713	-	3,713
III.	PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED							
	TO DISCONTINUED OPERATIONS (Net)	I-(15)	-	-	-	-	-	
3.1	Held for Sale Purpose		-	-	-	-	-	
3.2	Related to Discontinued Operations		-	-	-	-	-	
IV.	EQUITY INVESTMENTS		4,825	-	4,825	4,825	-	4,825
4.1	Investments in Associates (Net)	I-(8)	-	-	-	-	-	· · · ·
4.1.1	Associates Valued Based on Equity Method		-	-	-	-	-	
4.1.2	Unconsolidated Associates		-	-	-	-	-	
4.2	Subsidiaries (Net)	I-(9)	4,825	-	4,825	4,825	-	4,825
4.2.1	Unconsolidated Financial Subsidiaries	- (-)	4.825	-	4.825	4.825	-	4.825
	Unconsolidated Non-Financial Subsidiaries		.,020	-	.,020	.,020	-	1,020
4.3	Joint Ventures (Net)	I-(10)	_	-	_	_	_	
4.3.1	Joint Ventures Valued Based on Equity Method	1 (10)						
	Unconsolidated Joint Ventures							
V.	PROPERTY AND EQUIPMENT (Net)	I-(13)	149,948		149,948	32,355		32,355
v. VI.	INTANGIBLE ASSETS (Net)	I-(13) I-(14)	202,858		202,858	125,517		125,517
6.1	Goodwill	1-(14)	202,000	-	202,000	120,011	-	120,011
6.2	Other		- 202,858	-	202,858	- 125,517	-	125,517
U.Z		T (10)		-			-	
	INVESTMENT PROPERTY (Net)	I-(12)	244,470		244,470	141,630	-	141,630
	CURRENT TAX ASSET	T (10)	100 105	1	100.105	40.007	-	40.00
IX.	DEFERRED TAX ASSET OTHER ASSETS (NET)	I-(16)	163,165		163,165	43,267	-	43,267
Х.		I-(17)	384,279	30,165	414,444	426,114	7,905	434,019

İSTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.

UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) AT 31 DECEMBER 2023

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION TWO (Continued)

I. UNCONSOLIDATED BALANCE SHEET (Continued)

		Audited Current Period						
						01	Prior Period	20
	LIABILITIES	Notes	311 TL	December 202 FC	23 TL	31 FC	December 202 TL	22 FC
_								
I.	FUNDS COLLECTED	II-(1)	400.000			-	-	
II.	FUNDS BORROWED	II-(3)	129,836	5,521,256	5,651,092	-	6,821,660	6,821,660
III.	MONEY MARKETS DEBTS		-	-	-	206,603	-	206,60
IV. 4.1	SECURITIES ISSUED (Net) Bills		-	-	-	-	-	
4.1	Asset Backed Securities		-	-	-	-	-	
4.2	Bonds		-	-	_	-	-	
¥.0	FUNDS	II-(4)	75,603,169	31,666,594	107,269,763	59,113,644	14,686,805	73,800,44
5.1	Borrower Funds	11-(4)	13,003,103	31,000,334	101,203,103		14,000,003	13,000,444
5.2	Other		75,603,169	31.666.594	107,269,763	59,113,644	14,686,805	73,800,449
VI.	FİNANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS			- 01,000,004	101,200,100	00,110,044	-	10,000,440
VII.	DERIVATIVE FINANCIAL LIABILITIES	II-(2)		_	-	_	-	
7.1	Derivative Financial Liabilities at Fair Value Through Profit or Loss	11 (2)	-	_	-	_	_	
7.2	Derivative Financial Liabilities at Fair Value Through Other							
	Comprehensive Income		-	-	-	-	-	
VIII.	FACTORING PAYABLES		-	-	-	-	-	
IX.	LEASE PAYABLES	II-(5)	80	-	80	4,675	-	4,675
Χ.	PROVISIONS	II-(6)	425,099	-	425,099	221,393	-	221,393
10.1	Restructuring Provisions		-	-	-	-	-	
10.2	Reserve for Employee Benefits		93,236	-	93,236	44,709	-	44,709
10.3	Insurance Technical Provisions (Net)		-	-	-	170 00 4	-	170.00
10.4	Other Provisions	TT (7)	331,863	-	331,863	176,684	-	176,684
XI.	CURRENT TAX LIABILITY	II-(7)	714,218	-	714,218	232,854	-	232,854
XII.	DEFERRED TAX LIABILITY	II-(7)	-	-	-	-	-	
XIII.	LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE AND							
10.1	RELATED TO DISCONTINUED OPERATIONS (Net)		-	-	-	-	-	
13.1	Held for Sale Purpose		-	-	-	-	-	
13.2 XIV.	Related to Discontinued Operations SUBORDINATED DEBT INSTRUMENTS		-	-	-	-	-	
14.1	Loans		-	-	-	-	-	
14.1	Other Debt Instruments		-	-	-	-	-	
14.2 XV.	OTHER LIABILITIES		-	-	-	-	-	
XVI.	SHAREHOLDERS' EQUITY	II-(8)	7,280,762	-	7,280,762	4,516,938	-	4,516,938
16.1	Paid-in capital	11-(0)	600.000	-	600,000	600,000	-	600,000
16.2	Capital Reserves		36,280		36,280	36,280	_	36,280
16.2.1	Share Premium		33,019		33,019	33,019		33,019
	Share Cancellation Profits			_			_	00,010
	Other Capital Reserve		3,261	_	3,261	3,261	_	3,26
16.3	Accumulated Other Comprehensive Income or Loss Not Reclassified		0,201		0,201	0,201		0,20
1010	Through Profit or Loss		(16,987)		(16,987)	(7,681)	_	(7,681
16.4	Accumulated Other Comprehensive Income or Loss Reclassified		(10,001)		(10,001)	(1,001)		(1,001
10.1	Through Profit or Loss							
16.5	Profit Reserves		2.999.537		2.999.537	2.133.415		2,133,415
16.5.1	Legal Reserves		324,163		324,163	240.563	_	240,563
	Status Reserves			_		- 240,000	_	240,000
	Extraordinary Reserves		2,451,602	-	2,451,602	1,889,914	-	1,889,914
16.5.4	Other Profit Reserves		223,772	-	223,772	2,938	-	2,938
16.6	Income or (Loss)		3,661,932	-	3,661,932	1,754,924	-	1,754,924
	Prior Periods' Income or (Loss)		22,803	-	22,803	22,803	-	22,803
	Current Period Income or (Loss)		3,639,129	-	3,639,129	1,732,121	-	1,732,12
16.7	Share Premium						-	

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UNCONSOLIDATED OFF-BALANCE SHEET COMMITMENTS AS OF 31 DECEMBER 2023

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION TWO (Continued)

II. OFF-BALANCE SHEET

				Audited		A	udited	
		_		urrent Period			or Period	
		Notes	31 C TL	ecember 2023 PC	Total	31 Dece TL	ember 2022 FC	Total
	OFF-BALANCE SHEET COMMITMENTS	Notes	11	PU	TOLAI	11	FU	TULA
٨.	OFF-BALANCE SHEET COMMITMENTS							
	(I+II+III)		39,957,973	4,415,730	44,373,703	90,964,679	-	90,964,679
	GUARANTEES AND WARRANTIES	III-(1)	34,383,116	-	34,383,116	90,147,147	-	90,147,147
1.	Letters of Guarantee		-	-	-	-	-	-
1.1.	Guarantees Subject to State Tender Law		-	-	-	-	-	-
.2.	Guarantees Given for Foreign Trade							
	Operations		-	-	-	-	-	-
.3.	Other Letters of Guarantee		-	-	-	-	-	-
2.	Bank Acceptances		-	-	-	-	-	-
2.1.	Import Letter of Acceptance		-	-	-	-	-	-
2.2.	Other Bank Acceptances		-	-	-	-	-	-
3.	Letters of Credit		-	-	-	-	-	-
3.1. 3.2.	Documentary Letters of Credit Other Letters of Credit		-	-	-	-	-	-
5.2. 1.	Prefinancing Given as Guarantee		-	-	-	-	-	-
+. 5.	Endorsements		-	-	-	-	-	-
5.1.	Endorsements to the Central Bank of the		-	-	-	-	-	-
	Republic of Turkey		_	_	_	_	_	
5.2.	Other Endorsements							
).∠. }.	Other Guarantees		-	_	_	_	-	
	Other Collaterals		-	-	-	-	-	
3.	Import Letter of Acceptance		34,383,116	-	34,383,116	90,147,147	-	90,147,147
).	Other Bank Acceptances		-	-	-	-	-	0011111
	COMMITMENTS	III-(1)	876,122	-	876,122	817,532	-	817,532
Ι.	Irrevocable Commitments		876,122	-	876,122	817,532	-	817,532
.1.	Asset Purchase and Sale Commitments		-	-	-	-	-	-
.2.	Deposit Purchase and Sales							
	Commitments		-	-	-	-	-	
1.3.	Share Capital Commitments to Associates							
	and Subsidiaries		-	-	-	-	-	
1.4.	Loan Granting Commitments		-	-	-	-	-	
1.5.	Securities Issue Brokerage Commitments		-	-	-	-	-	
1.6.	Commitments for Reserve Deposit							
	Requirements		-	-	-	-	-	
1.7.	Payment commitment for checks		-	-	-	-	-	
1.8.	Tax and Fund Liabilities from Export							
	Commitments		-	-	-	-	-	-
1.9.	Commitments for Credit Card Limits		-	-	-	-	-	-
1.10.	Commitments for Credit Cards and							
	Banking Services Promotions		-	-	-	-	-	-
1.11.	Receivables from Short Sale							
	Commitments of Marketable Securities		-	-	-	-	-	-
1.12.	Payables for Short Sale Commitments of							
140	Marketable Securities		-	-	-	-	-	
1.13.	Other Irrevocable Commitments		876,122	-	876,122	817,532	-	817,532
2.	Revocable Commitments		-	-	-	-	-	
2.1.	Revocable Loan Granting Commitments		-	-	-	-	-	
	Other Revocable Commitments DERIVATIVE FINANCIAL INSTRUMENTS		4 609 725	4 415 720	0.114.465	-	-	
			4,698,735	4,415,730	9,114,465	-	-	-
I.								
.2.2. 1 1. .1 .1.1	Hedging Derivative Financial Instruments Fair value hedge		-	-	-	-	-	-

İSTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.

UNCONSOLIDATED OFF-BALANCE SHEET COMMITMENTS AS OF 31 DECEMBER 2023

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION TWO (Continued)

II. OFF-BALANCE SHEET (Continued)

				Audited Current Period			Audited Prior Period		
				December 202	3	31 [31 December 2022		
	OFF-BALANCE SHEET COMMITMENTS	Notes	TL	PC	Total	TL	FC	Tota	
3.1.3	Foreign Net Investment Hedges		-	-	-	-	-		
3.2	Trading Derivative Financial Instruments		4,698,735	4,415,730	9,114,465	-	-		
3.2.1	Forward Foreign Currency Buy/Sell								
	Transactions		-	-	-	-	-		
3.2.1.1	Forward Foreign Currency Transactions-								
	Buy		-	-	-	-	-		
3.2.1.2	Forward Foreign Currency Transactions-								
0.0.0	Sell		-	-	-	-	-		
3.2.2	Swap Transactions Related to Foreign		4 000 705	4 445 70.0	0444405				
0 0 0 1	Currency and Interest Rates		4,698,735	4,415,730	9,114,465 4,415,730	-	-		
3.2.2.1 3.2.2.2	Foreign Currency Swap-Buy Foreign Currency Swap-Sell		4.698.735	4,415,730	4,415,730	-	-		
3.2.2.3			4,030,133	_	4,030,133	-	_		
3.2.2.4			-	-	-	-	-		
3.2.3	Foreign Currency, Interest rate and								
	Securities Options		-	-	-	-	-		
3.2.3.1	Foreign Currency Options-Buy		-	-	-	-	-		
3.2.3.2	Foreign Currency Options-Sell		-	-	-	-	-		
3.2.3.3			-	-	-	-	-		
	Interest Rate Options-Sell		-	-	-	-	-		
	Securities Options-Buy		-	-	-	-	-		
3.2.3.6			-	-	-	-	-		
3.2.4	Foreign Currency Futures		-	-	-	-	-		
3.2.4.1 3.2.4.2	Foreign Currency Futures-Buy Foreign Currency Futures-Sell		-	-	-	-	-		
3.2.4.2	Interest Rate Futures		-	-	-	-	-		
3.2.5.1	Interest Rate Futures-Buy		-	-	-	-	-		
3.2.5.2			-	-	-	-	-		
3.2.6	Other		-	-	-	-	-		
В.	CUSTODY AND PLEDGES RECEIVED								
	(IV+V+VI)		7,278,296,671	17,124,137	7,295,420,808	5,837,900,793	7,703,493	5,845,604,28	
IV.	ITEMS HELD IN CUSTODY		7,029,364,128	-	7,029,364,128		-	5,750,430,59	
4.1.	Customer Fund and Portfolio Balances	TTT (1)	5,102	-	5,102	3,462	-	3,46	
4.2. 4.3.	Investment Securities Held in Custody Checks Received for Collection	III-(1)	7,029,357,526	-	7,029,357,526	5,750,425,634	-	5,750,425,63	
4.3. 4.4.	Commercial Notes Received for Collection		-	-	-	-	-		
4.5.	Other Assets Received for Collection		_	_	-	_	_		
4.6.	Assets Received for Public Offering		-	-	-	-	-		
4.7.	Other Items Under Custody		1,500	-	1,500	1,500	-	1,50	
4.8.	Custodians		-	-	-	-	-		
V.	PLEDGES RECEIVED		248,932,543	17,124,137	266,056,680	87,470,197	7,703,493	95,173,69	
5.1.	Marketable Securities		22,490,207	17,015,113	39,505,320	18,195,224	7,703,493	25,898,71	
5.2.	Guarantee Notes		-	-	-	-	-		
5.3.	Commodity		-	-	-	-	-		
5.4.	Warranty		-	-	-	-	-		
5.5. 5.6.	Properties Other Bladged Items		226.442.336	109.024	226.551.360	69.274.973	-	69.274.97	
5.7.	Other Pledged Items Pledged Items-Depository		220,442,330	109,024	220,001,360	03,214,313	-	09,214,91	
VI.	ACCEPTED INDEPENDENT GUARANTEES		-	_	-	-	-		
	AND WARRANTIES		-	-	-	-	-		
			-	-	-	-	-		
	TOTAL OFF-BALANCE SHEET		7010 054 044	01 500 007	7000 704 544	E 000 005 470	7700 400	E 000 E 00 00	
	COMMITMENTS (A+B)		7,318,254,644	21,539,867	1,339,194,511	5,928,865,472	1,103,493	5,936,568,96	

The accompanying explanations and notes form an integral part of these unconsolidated financial statements.

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2023

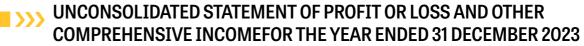
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION TWO (Continued)

III. STATEMENT OF PROFIT OR LOSS

		-	Audited Current Period	Audited Prior Period Restated
STATE	EMENT OF PROFIT OR LOSS	Notes	1 January 2023 - 31 December 2023	1 January 2022 - 31 December 2022
I. INTER	REST INCOME		4,972,918	1.686.940
	ist on Loans	IV-(1)	966,702	230,737
	est Received from Reserve Requirements		-	-
1.3 Intere	st Received from Banks	IV-(1)	3,618,481	1,257,515
1.4 Intere	est Received from Money Market Transactions		6	-
	st Received from Marketable Securities Portfolio	IV-(1)	378,167	193,627
	cial Assets at Fair Value Through Profit or Loss		-	-
	cial Assets at Fair Value Through Other Comprehensive Income		13,750	8,372
	cial Assets Measured at Amortised Cost cial Lease Income		364,417	185,255
	Interest Income		9.562	5.061
	REST EXPENSE	IV-(2)	272,626	121,465
	ist on Deposits		-	-
	est on Funds Borrowed		271,616	106,541
2.3 Intere	est Expense on Money Market Transactions		787	14,671
2.4 Intere	est on Securities Issued		-	-
	Interest Expenses		223	253
	Interest Expenses		-	-
	NTEREST INCOME (I - II)		4,700,292	1,565,475
	EES AND COMMISSIONS INCOME/EXPENSE		2,650,188	1,194,564
	and Commissions Received		2,941,482	1,321,892
4.1.1 Non-c 4.1.2 Other	ash Loans	IV-(11)	2,941,482	193,919 1,127,973
	and Commissions Paid	IV-(12)	291,294	127,328
	cash Loans	1. (12)	-	-
4.2.2 Other			291,294	127,328
V. DIVID	DEND INCOME	IV-(3)	42,346	29,446
VI. TRAD	ING INCOME/LOSS (Net)	IV-(4)	(229,953)	23,910
	ng Gains/Losses on Securities		(21,504)	10,191
	ng Gains/Losses on Derivative Financial Instruments		1,957,892	-
	n Exchange Gains/Losses		(2,166,341)	13,719
	R OPERATING INCOME	IV-(5)	198,795	109,294
	L OPERATING INCOME (III+IV+V+VI+VII) CTED CREDIT LOSS (-)	IV-(6)	7,361,668 27,807	2,922,689 72,963
	R PROVISION EXPENSES (-)	IV-(0) IV-(7)	383,998	12,503
	ONNEL EXPENSES (-)	IV-(7)	685,977	232,311
	R OPERATING EXPENSES (-)	IV-(7)	1,230,236	229,598
	PERATING INCOME/LOSS (VIII++XII)		5,033,650	2,260,168
XIV EXCES	SS AMOUNT RECORDED AS INCOME AFTER MERGER		-	-
XV. INCO	ME/LOSS FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD		-	-
	ME/LOSS ON NET MONETARY POSITION		-	-
	ME/LOSS BEFORE TAX FROM CONTINUING OPERATIONS (XIII++XVI)		5,033,650	2,260,168
	ROVISION FOR CONTINUING OPERATIONS (±)	IV-(8)	(1,394,521)	(528,047)
	nt Tax Provision red Tax Income Effect (+)		(1,510,431)	(559,886) 31,839
			(94,449) 210,359	31,839
	red Tax Expense Effect (-) NCOME/LOSS FROM CONTINUING OPERATIONS (XVII±XVIII)	IV-(9)	3,639,129	1,732,121
	ME FROM DISCONTINUED OPERATIONS	14-(3)	3,033,123	1,1 32,121
	ne from Non-Current Assets Held for Resale		-	-
	ncome from Associates, Subsidiaries and Joint Ventures		-	-
20.3 Other	Income from Discontinued Operations		-	-
XXI. EXPEN	NSES FROM DISCONTINUED OPERATIONS (-)		-	-
	ise from Non-Current Assets Held for Resale		-	-
	osses from Associates, Subsidiaries and Joint Ventures		-	-
	Expenses from Discontinued Operations		-	-
	ME/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XX-XXI)		-	-
	ROVISION FOR DISCONTINUED OPERATIONS (±) Int Tax Provision		-	-
	nt Tax Provision red Tax Income Effect (+)		-	-
	red Tax Expense Effect (-)		-	-
	PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII ± XXIII)		-	-
	ROFIT/LOSS (XIX+XXIV)	IV-(10)	3,639,129	1,732,121
	ngs/(Loss) Per Share in (Full TL)	(6.0652	2,8869

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(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION TWO (Continued)

IV. STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Audited	Audited Prior Period
	-	Current Period 1 January- 31 December 2023	Restated 1 January- 31 December 2022
I.	CURRENT PERIOD INCOME/LOSS	3,639,129	1,732,121
II.	OTHER COMPREHENSIVE INCOME	(9,306)	(7,085)
2.1	Not Reclassified Through Profit or Loss	(9,306)	(7,085)
2.1.1	Property and Equipment Revaluation Increase/Decrease	-	-
2.1.2	Intangible Assets Revaluation Increase/Decrease	-	-
2.1.3	Defined Benefit Pension Plan Remeasurement Gain/Loss	(13,295)	(9,447)
	Other Comprehensive Income Items Not Reclassified Through		
2.1.4	Profit or Loss	-	-
	Tax Related Other Comprehensive Income Items Not Reclassified		
2.1.5	Through Profit or Loss	3,989	2,362
2.2	Reclassified Through Profit or Loss	-	-
2.2.1	Foreign Currency Translation Differences	-	-
	Valuation and/or Reclassification Income/Expense of the Financial Assets at Fair Value through Other		
2.2.2	Comprehensive Income	-	-
2.2.3	Cash Flow Hedge Income/Loss	-	-
2.2.4	Foreign Net Investment Hedge Income/Loss	-	-
2.2.5	Other Comprehensive Income Items Reclassified Through Profit or Losses		-
	Tax Related Other Comprehensive Income Items Reclassified		
2.2.6	Through Profit or Loss	-	-
III.	TOTAL COMPREHENSIVE INCOME (I+II)	3,629,823	1,725,036

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UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER **COMPREHENSIVE INCOMEFOR THE YEAR ENDED 31 DECEMBER 2023**

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION TWO (Continued)

V. STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

	Changes in shareholders' equity					Accumulated (Income or Exp		assified		Other Comprehensive Income lassified through Profit or Los						
	Audited	Paid-in Capital	Share (Premiums	Share Cancellation Profits		Revaluation surplus on tangible and intangible	Defined benefit plans' actuarial gains/losses		Translation differences	Income/expenses from valuation and/ or reclassification of financial assets measured at FVOCI Otl	Profit	Prior Period Profit or (Loss)	Current Period Profit or (Loss)	Total Equity Except from Minority Interest	Minority Interest	Total Shareholders' Equity
	Current Period															
	1 January 2023-31 December 2023															
I.	Prior Period End Balance	600,000	33,019	-	3,261	-	(7,681)	-	-	-	- 2,133,416	1,754,924	-	-	-	4,516,939
II.	Corrections and Accounting Policy Changes Made According to TAS 8	-	-	-	-	-	-	-		-		-	-		-	-
2.1	Effects of Corrections	-	-	-	-	-	-	-	-	-		-	-	-	-	-
2.2	Effects of the Changes in Accounting Policies	-	-	-	-	-	-	-	-	-		-	-	-	-	-
III.	Adjusted Beginning Balance (I+II)	600,000	33.019	-	3,261	-	(7,681)	-	-	-	- 2,133,416	1,754,924	-	-	-	4,516,939
IV.	Total Comprehensive Income			-	· -	-	(9,306)	-	-	-			3,639,129	-	-	3,629,823
V .	Capital Increase by Cash	-	-	-	-	-	-	-	-	-		-		-	-	-
VI.	Capital Increase by Internal Sources	-	-	-	-	-	-	-	-	-		-	-	-	-	-
VII.	Paid-in capital inflation adjustment															
	difference	-		-	-	-	-	-	-	-		-	-	-	-	-
VIII	Convertible Bonds to Shares	-	-	-	-	-	-	-	-	-		-	-	-	-	-
IX.	Subordinated Debt Instruments	-	-	-	-	-	-	-	-	-		-	-	-	-	-
Χ.	Increase/Decrease by Other Changes	-	-	-	-	-	-	-	-	-		-	-	-	-	-
XI.	Profit Distribution	-	-	-	-	-	-	-	-	-	- 866,121	(1,732,121)	-	-	-	(866,000)
11.1	Dividends paid	-	-	-	-	-	-	-	-	-		(866,000)	-	-	-	(866,000)
11.2	Transfers to Reserves	-	-	-	-	-	-	-	-	-	- 866,121	(866,121)	-	-	-	-
11.3	Other	-	-	-	-	-	-	-	-	-		-	-		-	-
	Period-End Balance (III+IV++X+XI)	600,000	33,019	-	3,261	-	(16,987)	-	-		- 2,999,537	22,803	3,639,129	-	_	7,280,762

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER **COMPREHENSIVE INCOMEFOR THE YEAR ENDED 31 DECEMBER 2023**

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION TWO (Continued)

V. STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

	Changes in shareholders' equity					Income or Ex	Other Compre pense Not Recl jh Profit or Los	lassified		ther Comprehensive Inc assified through Profit or							
	Audited	Paid-in Capital	Share Premiums	Share Cancellation Profits	Capital	Revaluation surplus on tangible and intangible assets	benefit plans' actuarial	Other	Translation differences	Income/expenses from valuation and/ or reclassification of financial assets measured at FVOCI	Other	Profit Reserves	Prior Period Profit or (Loss)	Current Period Profit or (Loss)	Total Equity Except from Minority Interest	Minority Interest	Total Shareholders' Equity
	Prior Period																
	1 January 2022-31 December 2022																
I.	Prior Period End Balance	600,000	33,019	-	3,261	-	(596)	-	-	-	-	1,687,658	913,560	-	-	-	3,236,902
II.	Corrections and Accounting Policy Changes Made According to TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effects of Corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effects of the Changes in Accounting Policies	-	-	-	_	-	-	-	-		_	-	-	_	-	-	-
III.	Adjusted Beginning Balance (I+II)	600,000	33,019	-	3,261	-	(596)	-	-	-	-	1,687,658	913,560	-	-	-	3,236,902
IV.	Total Comprehensive Income	-	-	-	-	-	(7,085)	-	-	-	-	-	-	1,732,121	-	-	1,725,036
V.	Capital Increase by Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Capital Increase by Internal Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Paid-in capital inflation adjustment																
	difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII	Convertible Bonds to Shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Subordinated Debt Instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Х.	Increase/Decrease by Other Changes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Profit Distribution	-	-	-	-	-	-	-	-	-	-	445,757	(890,757)	-	-	-	(445,000)
11.1	Dividends paid	-	-	-	-	-	-	-	-	-	-		(445,000)	-	-	-	(445,000)
11.2	Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	445,757	(445,757)	-	-	-	-
11.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Period-End Balance (III+IV++X+XI)	600,000	33,019	-	3,261		(7,681)	-	-		-	2,133,415	22,803	1,732,121	-	-	4,516,938

UNCONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION TWO (Continued)

VI. STATEMENT OF CASH FLOWS

			Audited Current Period	Audite Prior Perio
		Notes	1 January - 31 December 2023	1 January 31 December 202
	CASH FLOWS FROM BANKING OPERATIONS			
1	Operating Profit/(Loss) Before Changes in Operating Assets and Liabilities		6,708,163	1,527,03
1.1	Interest Received		4,907,981	1,660,16
1.2	Interest Paid		(272,444)	(121,60
.3	Dividend Received		42.346	29,44
.4	Fees and Commissions Received		2,944,815	1,321,4
.5	Other Income		198,795	109,2
.6	Collections from Previously Written-off Loans and Other Receivables		-	
.7	Payments to Personnel and Service Suppliers		(715,105)	(242,35
.8	Taxes Paid		(482,420)	(295.90
9	Other		84,195	(933,48
2	Changes in Operating Assets and Liabilities		30,400,821	37,184,0
2.1	Net increase/decrease in Financial Assets at Fair Value Through Profit or Loss		(25,061)	64,70
2.2	Net (increase)/decrease in Due from Banks and Other Financial Institutions		(356,917)	(110,09
2.3	Net (increase)/decrease in Loans		881,101	(2,104,19
2.4	Net (increase)/decrease in Other Assets		(38,871)	150,7
2.5	Net increase/(decrease) in Bank Deposits		-	
2.6	Net increase/(decrease) in Other Deposits		-	
.7	Net increase/decrease in Financial Assets at Fair Value Through Profit or Loss		-	
2.8	Net increase/(decrease) in Funds Borrowed		(1,377,607)	3,392,8
2.9	Net increase/(decrease) in Payables		-	
2.10	Net increase/(decrease) in Other Liabilities		31,318,176	35,790,0
	Net Cash Provided from Banking Operations		37,108,984	38,711,1
	CASH FLOWS FROM INVESTING ACTIVITIES			
	Net Cash Provided from Investing Activities		(1,386,338)	1,782,03
1	Cash Paid for Acquisition of Investments, Associates and Subsidiaries		-	
2	Cash Obtained from Disposal of Investments, Associates and Subsidiaries		-	
3	Purchases of Property and Equipment		(264,757)	(127,60
1	Disposals of Property and Equipment		22,872	2,4
ō	Purchase of Financial Assets at Fair Value Through Other Comprehensive Income		-	
6	Sale of Financial Assets at Fair Value Through Other Comprehensive Income		-	
7	Purchase of Financial Assets Measured at Amortised Cost		(7,269,155)	(5,269,65
8	Sale of Financial Assets Measured at Amortised Cost		5,727,789	7,759,2
9	Other		396,913	(582,33
	CASH FLOWS FROM FINANCING ACTIVITIES			
I.	Net Cash Provided from Financing Activities		(990,992)	(483,6
	Cash Obtained from Funds Borrowed and Securities Issued		-	
2	Cash Used for Repayment of Funds Borrowed and Securities Issued		-	
3	Issued Capital Instruments		-	
4	Dividends Paid		(866,000)	(445,00
5	Payments for Leases		223	2
6	Other		(125,215)	(38,92
	Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents		(107,194)	455,3
I.	Net Decrease in Cash and Cash Equivalents (I+II+III+IV) Cash and Cash Equivalents at Beginning of the Period		34,624,460 79,312,955	40,464,8 38,848,1
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(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION TWO (Continued)

VII. STATEMENT OF PROFIT DISTRIBUTION

ι.	DISTRIBUTION OF CURRENT YEAR PROFIT
.1	CURRENT PERIOD PROFIT
.2	TAXES AND LEGALDUTIES PAYABLE (-)
.2.1	Corporate tax (income tax)
.2.2	Withholding tax
1.2.3	Other taxes and duties (**)
A.	NET PROFIT FOR THE PERIOD (1.1-1.2)
1.3	ACCUMULATED LOSSES (-)
1.4	LEGAL RESERVES (-)
1.5	OTHER STATUTORY RESERVES (-)
В.	NET PROFIT AVAILABLE FOR DISTRIBUTION [(A-(1.3+1.4+1.5)] ⁽¹⁾
1.6	FIRST DIVIDEND TO SHAREHOLDERS (-)
1.6.1	To owners of ordinary shares
1.6.2	To owners of privileged shares
1.6.3	To owners of redeemed shares
1.6.4 1.6.5	To profit sharing bonds To holders of profit and loss sharing certificates
1.0.5	DIVIDENDS TO PERSONNEL (-)
1.8	DIVIDENDS TO PENSONNEL (-)
1.9	SECOND DIVIDENS TO SHAREHOLDERS (-)
1.9.1	To owners of ordinary shares
1.9.2	To owners of privileged shares
1.9.3	To owners of redeemed shares
1.9.4	To profit sharing bonds
1.9.5	To holders of profit and loss sharing certificates
1.10	SECOND LEGAL RESERVES (-)
1.11	STATUS RESERVES (-)
1.12 1.13	EXTRAORDINARY RESERVES OTHER RESERVES
1.13 1.14	SPECIAL FUNDS
II.	DISTRIBUTION OF RESERVES
2.1	APPROPRIATED RESERVES
2.2	SECOND LEGAL RESERVES (-)
2.3	DIVIDENDS TO SHAREHOLDERS (-)
2.3.1	To owners of ordinary shares
2.3.2	To owners of privileged shares
2.3.3	To owners of redeemed shares
2.3.4	To profit sharing bonds
2.3.5	To holders of profit and loss sharing certificates
2.4 2.5	DIVIDENDS TO PERSONNEL (-) DIVIDENDS TO BOARD OF DIRECTORS (-)
III.	EARNINGS PER SHARE
3.1	TO OWNERS OF ORDINARY SHARES
3.2	TO OWNERS OF ORDINARY SHARES (%)
3.3	TO OWNERS OF PRIVILEGED SHARES
3.4	TO OWNERS OF PRIVILEGED SHARES (%)
IV.	DIVIDENDS PER SHARE
4.1	TO OWNERS OF ORDINARY SHARES
4.2	TO OWNERS OF ORDINARY SHARES (%)
	TO OWNERS OF PRIVILEGED SHARES
4.3 4.4	TO OWNERS OF PRIVILEGED SHARES (%)

(**) According to the circular of BRSA, if there is an income balance as a result of netting of deferred tax assets and debts, deferred tax revenues are not subject to dividend distribution and capital increase.

(***) Previous period adjustments have not been reflected in the third section Note on other matters.

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Audited	Audited
Prior Period 31 December 2022	Current Period 31 December 2023(1)
OT December 2022	or becomber 2020
2,260,168	5,033,650
(528,047)	(1,394,521)
(559,886)	(1,510,431)
	-
31,839	108,776
1,732,121	3,639,129
1,152,121	5,035,125
-	-
-	-
-	-
1,732,121	3,639,129
1,102,121	0,000,120
866,000	-
866,000	-
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782,521	-
83,600	-
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6.0533	-
605.33	-
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ribution of the profit for the current period. As of the date these financial eeting has not been held yet.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION THREE

EXPLANATIONS ON ACCOUNTING POLICIES

I. Basis of Presentation

Presentation of financial statements

The Bank prepares its financial statements in accordance with the BRSA Accounting and Reporting Regulation" which includes the regulation on "The Procedures and Principles Regarding Banks' Accounting Practices and Maintaining Documents" published in the Official Gazette dated 1 November 2006 with No. 26333, and other regulations on accounting records of banks published by the Banking Regulation and Supervision Board and circulars and pronouncements published by the BRSA and Turkish Financial Reporting Standards ("TFRS") published by the Public Oversight Accounting and Auditing Standards Authority for the matters not regulated by the aforementioned legislations.

The format and content of the publicly announced unconsolidated financial statements and notes to these statements have been prepared in accordance with the "Communiqué on Publicly Announced Financial Statements, Explanations and Notes to These Financial Statements", published in Official Gazette no. 28337, dated 28 June 2012, and "Communiqué Pertaining to Public Disclosure of Risk Management in Banks" amendments to these Communiqués. The Bank maintains its books in Turkish Lira in accordance with the Banking Law, Turkish Commercial Code and Turkish Tax Legislation.

The preparation of financial statements in conformity with TAS requires the use of certain critical accounting estimates by the Bank management to exercise its judgment on the assets and liabilities of the balance sheet and contingent issues as of the balance sheet date. These estimates are being reviewed regularly and, when necessary, suitable corrections are made and the effects of these corrections are reflected to the income statement.

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

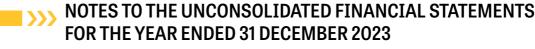
The accounting policies and valuation principles applied in the preparation of these financial statements and valuation principles

The accounting policies followed and the valuation principles used in the preparation of the financial statements are within the scope of the regulations, communiqués, explanations and circulars published by the BRSA on accounting and financial reporting principles, and the TFRS (all "BRSA Accounting and Financial Reporting Legislation"), which was put into effect by the KGK. determined on the basis of these principles.

According to TAS 29 Financial Reporting Standard in Hyperinflationary Economies, enterprises whose functional currency is the currency of a hyperinflationary economy report their financial statements according to the purchasing power of money at the end of the reporting period. TAS 29 defines characteristics that may indicate that an economy is a hyperinflationary economy. At the same time, all entities reporting in the currency of a hyperinflationary economy in accordance with IAS 29 are required to apply this Standard from the same date. For this reason, as stated in TAS 29, it is expected that all businesses will start to implement TAS 29 at the same time, with the announcement to be made by the Public Oversight Accounting and Auditing Standards Authority in order to ensure consistency in practice across the country. However, POA has not made a statement regarding whether an adjustment will be made within the scope of TAS 29 in the financial statements for the accounting period ending on 31 December 2023. Therefore, TAS 29 has not been applied and no inflation adjustment has been made in the financial statements dated 31 December 2023.

Due to the earthquake disaster that occurred in Kahramanmaras and neighboring provinces in February 2023, aids were provided to the region. The effects of the earthquake disaster have been reviewed and it has been assessed that there is no going concern impact on the financial statements.

İSTANBUL TAKAS VE SAKLAMA BANKASI A.S.



(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

II. Explanations on Usage Strategy of Financial Assets and Foreign Currency Transactions

The Bank places its funds in domestic and foreign banks, in interbank money markets, Eurobonds and treasury bills and government bonds. These instruments are assumed to have higher yields compared to other financial instruments and bear lower risk. For the purposes of maintaining sufficient liquidity to meet all claims that might fall due, the Bank makes overnight or weekly placements in money markets. The most significant financing resources are guarantees of the members, short term placements and the shareholders' equity of the Bank. In making long-term placements, the high yield principle is considered, and accordingly, the Bank invests in government debt securities and Eurobonds.

The Bank does not engage in derivative or structured products defined as off-balance sheet to provide balance sheet management or to make profit.

The bank operates in the money and capital markets. In order to manage currency and interest risks in the trading areas, attention is paid to asset-liability equality on the basis of maturity, currency and amount in the asset-liability balance in the on-balance sheet transactions. In order to provide balance sheet management or to generate profit, the Bank can perform transactions in derivatives or structured products that are defined as off-balance sheet. Regarding the transactions made in the money and capital markets, the transaction limits determined in these markets have been determined as risk limitations. The Bank does not have any transactions that create liabilities in other foreign currency transactions or adversely affect its net asset position.

III. Explanations on Investments in Associates, Subsidiaries and Joint Ventures

Investments in associates and subsidiaries are accounted in accordance with the "Turkish Accounting Standard on Separate Financial Statements" ("TAS 27") and non-financial associates, subsidiaries are stated with their cost values at the financial statements after the provision for impairment deducted.

IV. Explanations on Forward and Option Contracts and Derivative Instruments

Bank's derivative instruments mainly consist of swap transactions for hedging purposes. The Bank has no derivative financial instruments designated as hedging instruments or embedded derivative financial instruments.

Liabilities and receivables arising from the derivative instruments are followed in the off-balance sheet accounts at their contractual values.

Derivative instruments are remeasured at fair value after initial recognition. In accordance with the classification of the derivative instrument, if the fair value of a derivative financial instrument is positive, it is recorded to the account "Derivative Financial Assets Measured at Fair Value Through Profit and Loss" or "Derivative Financial Assets Measured at Fair Value Through Other Comprehensive Income"; if the fair value difference is negative, it is disclosed in "Derivative Financial Liabilities Measured at Fair Value Through Profit and Loss" or "Derivative Financial Liabilities Measured at Fair Value Through Other Comprehensive Income". Differences in the fair value of trading derivative instruments are accounted as income/loss from derivative financial transactions under "trading income/loss" item in the income statement.

Explanations on Derivative Instruments for Hedging Purpose

The Bank can perform cross currency swap transactions in order to hedge the changes in the fair value of fixed interest rate financial instruments. As of December 31, 2023, the Bank does not have any derivative financial liabilities recognized as "Derivative Financial Liabilities at Fair Value Through Profit or Loss".

Explanations on derivative financial instruments held for trading

Within the scope of balance sheet management, currency swap transactions are carried out for liquidity management and protection of the portfolio. As of December 31, 2023, the Bank has derivative liabilities arising from swap transactions with the Central Bank of the Republic of Turkey and accounted as "Derivative Financial Liabilities at Fair Value Through Profit or Loss".

V. Explanations on Interest Income and Expenses

Interest income is accounted according to the effective interest rate method (rate equal to the rate in calculation of present value of future cash flows of financial assets or liabilities) defined in the TFRS 9 "Financial Instruments" standard by applying the effective interest rate to the gross carrying amount of a financial asset except for: purchased or originated credit-impaired financial assets or financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VI. Explanations on Fees and Commission Income and Expenses

Fees and commissions, excluding those that are an integral part of the effective interest rate of financial instruments measured at amortized cost, are accounted for in accordance with the "TFRS 15-Revenue from Contracts with Customers" standard. Fees and commission income/expenses are accounted for on the accrual basis or the effective interest method, depending on the nature of the transaction. Income received in return for services rendered through contracts or transactions such as asset purchase or asset sale for a third natural or legal person are transferred to income accounts in the period they are collected. The Bank performs banking services by establishing and operating central clearing and central counterparty services, custody activities, market operation, payment, transfer and settlement systems.

The Bank provides custody, clearing, collateral management services, market operation, gold transfer, crowdfunding trustee, biga platform, securities and cash transfer, numbering, data broadcasting, cash correspondence, cash loan, leveraged trading transactions, collects fees and commissions from its customers for exchange traded fund and private pension fund transactions, Interbank Card Center (BKM) Collateral Storage, account transactions, TEFAS and BEFAS services and other services, and collects fees and commissions on an accrual basis on a monthly basis. Revenues are recognized under the account item.

VII. Explanations and Disclosures on Financial Assets

The Bank recognizes its financial assets as "Fair Value Through Profit or Loss", "Fair Value Through Other Comprehensive Income" or "Measured at Amortized Cost". Such financial assets are recognized or derecognized according to TFRS 9 Financial Instruments. The Bank recognizes a financial asset or financial liability on its balance sheet only when it is party to the contractual provisions of the financial lease. The Bank derecognizes a financial asset only when the contractual rights to cash flows from the financial asset have expired or the financial assets have been transferred and the conditions for derecognition have been met. A financial liability (or part of a financial liability) is only recognized when the liability has expired; in other words, it is written off the statement of financial position when the obligation specified in the contract is fulfilled, canceled or time out.

The Bank categorizes its financial assets as "Fair Value Through Profit/Loss", "Fair Value Through Other Comprehensive Income" or "Measured at Amortized Cost" based on the matters below:

- The business model used by the entity for the management of financial assets,
- Properties of contractual cash flows of a financial asset.

When the business model determined by the Bank management is changed, all financial assets affected by this change are reclassified. Reclassification of financial assets is applied prospectively from the date of reclassification. In such cases, there no adjustment to earnings, losses (including impairment gain or loss) or interest received previously in the financial statements is made.

a. Financial assets at fair value through profit or loss

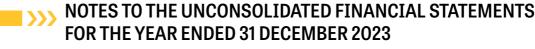
Financial assets at fair value through profit/loss are financial assets that are either acquired for generating a profit from short term fluctuations in prices or are financial assets included in a portfolio aiming to short-term profit making.

Financial assets at the fair value through profit or loss are initially recognized at fair value and remeasured at their fair value after recognition. All gains and losses arising from these valuations are recognized in the statement of profit or loss.

b. Financial assets at fair value through other comprehensive income

Financial assets are classified as fair value through other comprehensive income if the assets are being held in line with a business model that aims collection of contractual cash flows or sale of assets and additionally if the contractual terms of the financial asset lead to cash flows that solely include the payments of principal and interest on certain dates.

İSTANBUL TAKAS VE SAKLAMA BANKASI A.S.



(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VII. Explanations and Disclosures on Financial Assets (Continued)

Financial assets at fair value through other comprehensive income are recognized by adding transaction cost to acquisition cost reflecting the fair value of the financial asset. After the recognition, financial assets at fair value through other comprehensive income are remeasured at fair value. Interest income calculated with effective interest rate method arising from financial assets at fair value through other comprehensive income and dividend income from equity securities are recognized to statement of profit or loss. "Unrealized gains and losses" arising from the difference between the amortized cost and the fair value of financial assets at fair value through other comprehensive income are not reflected in the income statement of the period until the acquisition of the asset, sale of the asset, the disposal of the asset, and impairment of the asset and they are accounted under the "Accumulated other comprehensive income or expense to be reclassified through profit or loss" under shareholders' equity. When these securities are collected or disposed of, the accumulated fair value differences reflected in the equity are reflected to the income statement.

c. Financial Assets Measured at Amortised Cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are classified as financial assets measured at amortized cost.

Financial assets measured at amortized cost are initially recognized at acquisition cost including the transaction costs which reflect the fair value of those instruments and subsequently recognized at amortized cost by using effective interest rate method. Interest income obtained from financial assets measured at amortized cost is accounted in statement of profit or loss.

d. Loans

Loans are financial assets which have fixed payment terms and are not traded in an active market.

The Bank provides cash loans to the brokerage houses at maximum one month maturity however mostly overnight maturity in order to provide efficiency and convenience in capital market transactions within the limits determined by the Board of Directors. Cash loans are classified under the heading "financial assets measured at amortized cost" in the context of "being held for the purpose of obtaining contractual cash flows" and "contractual cash flows representing interest only on principal and principal balance" criteria.

Loans recognized at cost and are valued at amortized cost using the effective interest method.

Explanations on the Impairment of Financial Assets Recognition of Financial Statements of Expected Credit Losses

In accordance with the "Regulation on Procedures and Principles for the Classification of Loans and Provisions to be Issued" published in the Official Gazette dated 22 June 2016 and numbered 29750, the Bank calculates the expected credit loss provision in accordance with TFRS 9 and indicates in its financial statements. Expected credit losses related to cash and cash equivalents under financial assets, other receivables, loans and non-cash loans are calculated and accounted.

Provisions provided by the Bank under TFRS 9; the expected credit loss provision amounts for 12 months and the expected credit loss provision amounts due to a significant increase in the credit risk of the borrower and the expected lifetime credit loss provisions for the default of the debts are considered as special provisions.

For non-impaired financial assets, the expected credit loss provision for twelve months is calculated and set aside for the initial recognition stage. For these financial assets, effective interest rate is used over the gross book value.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VII. Explanations and Disclosures on Financial Assets (Continued)

d. Loans (Continued)

Although not available for the reporting period, the expected lifetime credit loss is calculated and set aside for non-impaired financial assets that have significant increase in credit risk after initial recognition. For these financial assets, effective interest rate is used over the gross book value.

The expected lifetime credit loss provision is calculated and set aside for financial assets that are purchased or created with impaired loans. For these financial assets, effective interest rate is applied through net book value.

The definition of default is included in the Communiqué on the calculation of the credit risk amount based on the internal rating approach. It is assumed that the debtor defaults in the event that the debtor is unable to fully pay the debts to the Bank without applying for collateral or if the debtor has delayed more than 90 days to fulfill his significant liabilities to the Bank.

Expected credit losses for financial assets, other receivables and loans under the title Cash and cash equivalents are recognized under "Expected loss reserves (-)" on the asset side of the balance sheet. The total provision for credit losses under TFRS 9 is classified under "12 Months Expected Loss Equivalent- (First Stage)". There is no allowance for credit losses classified under "Significant Increase in Credit Risk (Second Stage)".

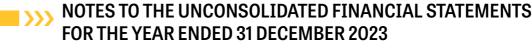
The expected credit loss provisions calculated for the transactions classified as non-cash loans due to the market where the Bank is the Central Opposite Party and the guarantor are listed under the "Other Provisions" heading on the liabilities of the balance sheet.

Expected credit losses for financial assets, other receivables and loans under the title Cash and cash equivalents are recognized under "Expected loss reserves (-)" on the asset side of the balance sheet. The total provision for credit losses under TFRS 9 is classified under "12 Months Expected Loss Equivalent- (First Stage)". There is no allowance for credit losses classified under "Significant Increase in Credit Risk (Second Stage)".

The basic principles for calculating the Bank "Expected credit loss provisions" are as follows:

- Information considered in the expected credit loss accounting should be reasonable, reliable and supportable.
- Country risk is also taken into account when calculating provisions for expected credit losses.
- Provision for loans can be higher than their loan-based counterparts, taking into account the size, type, currency, currency, interest rate structure, borrowing sector, collaterals and similar concentrations over time, credit risk level and management.
- The approach used to assess expected credit losses is consistent with the bank's credit risk management.
- The information used should include the borrower-specific factors, the general economic conditions and the assessment of the effects of these factors and circumstances at the reporting date on the current and future periods. Potential sources of information include the Bank's credit disposal experience, internal or external credit ratings, reports and statistics.
- If the financial instrument is determined to have low credit risk at the reporting date, the Bank may assume that the credit risk in the financial instrument has not increased substantially since the first time it was recognized.

İSTANBUL TAKAS VE SAKLAMA BANKASI A.S.



(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VII. Explanations and Disclosures on Financial Assets (Continued)

As stated in the Board Decision dated 17.03.2020 and numbered 8948, the implementation of Articles 4 and 5 of the Regulation on Procedures and Principles Regarding the Classification of Loans and the Provisions to be Allocated for These Loans shall be terminated as of 30.09.2021; however, as of 01.10.2021, the said implementation shall continue in the same manner for loans with a delay period of more than 91 days but not exceeding 180 days and 27. As stated in the Board Decision dated 03.03.2020 and numbered 8970, it has been decided to terminate the application of Article 4 of the Regulation on Procedures and Principles Regarding the Classification of Loans and the Provisions to be Allocated for These Loans as of the end of 30.09.2021, but to continue the application in the same way for the loans whose overdue period is more than 31 days and does not exceed 90 days as of 01.10.2021.

VIII. Explanations on Impairment of Financial Assets

At each balance sheet date, the Bank assesses whether there is objective evidence that a financial asset or a group of financial assets has suffered an impairment and whether it meets the classification requirements in accordance with TFRS 9. The Bank determines the amount of the impairment if such indicator exist as mentioned. Related accounting policy is explained in footnote VII.

IX. Explanations on Offsetting of Financial Assets and Liabilities

Financial assets and liabilities are offset when the Bank has a legally enforceable right to set off, and when the Bank has the intention of collecting or paying the net amount of related assets and liabilities or when the Bank has the right to offset the assets and liabilities simultaneously. Otherwise, no offsetting is made with respect to financial assets and liabilities.

X. Explanations on Sales and Repurchase Agreements and Lending of Securities

Repurchase agreements are classified as their purposes on the securities portfolio and evaluated by the principals of the portfolio which they belong to. The Bank has no repurchase transaction as of the balance sheet date.

Receivables from reverse repurchase agreements are accounted for under "Receivables from Reverse Repurchase Agreements" account in the balance sheet. The difference between purchase and sale price determined by these agreements is accrued over the life of agreements according to effective interest rate method.

The accrued income accrual is recognized as a liability under other liabilities in the liabilities when it belongs to problematic members. There are no securities transactions subject to any form of settlement.

XI. Explanations on Assets Held for Sale and Discontinued Operations and Liabilities Related to These Assets

Assets which satisfy to be classified as held for sale are measured by the lower of carrying value and fair value less costs to sell and these assets are not amortized; and are separately presented in the financial statements. For an asset (or else the group of assets) to be classified as held for sale; the asset should be ready for immediate sale in frequently seen and accustomed terms and the probability of sale should be high. For the probability of sale to be high, appropriate level of management should have made a plan for the sale of the asset (or else the group of assets) and a program should have been initiated in order to determine buyers as well as complete the plan. Also the asset (or else the group of assets) shall be actively marketed in conformity with its fair value. On the other hand, the sale is expected to be journalized as a completed sale within one year after the classification date; and the necessary transactions and procedures to complete the plan should demonstrate the fact that the possibility of making significant changes or cancelling the plan is low. Certain events and conditions may extend the duration of completion of sale to more than one year.

If such delay arises from any events and conditions beyond the control of the entity and if there is sufficient evidence that the entity has an ongoing disposal plan for these assets, such assets (or else group of assets) are continued to be classified as assets held for sale (or else group of assets). A discontinued operation is a division of a bank that is either disposed or held for sale. Results of discontinued operations are included in the income statement separately.

A discontinued operation is a part of a bank classified as held for sale or held for sale. The results of discontinued operations are presented separately in statement of profit or loss.

The Bank has no assets held for sale as of the balance sheet date. The Bank has no discontinued operations during the period.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XII. Explanations on Goodwill and Other Intangible Assets

As of the balance sheet date, there is no goodwill in the accompanying un-consolidated financial statements of the Bank.

The intangible assets which have been bought before 1 January 2005 are amortized based on historical cost which has been revised according to inflation effects dated 31 December 2004 and the items which have been bought in the following dates are amortized based on purchase cost with the allocation of accumulated depreciation and impairments. The intangible assets are amortized based on straight line amortization regarding useful life periods. The amortization method and period are revised periodically every year.

Intangible assets of the Bank are basically software license costs. Useful lives of other intangible assets are determined by the consideration of items as; useful life of asset, maintenance costs incurred to obtain expected economic benefit from assets and technical, technological or any other type of obsolescence. Amortization method used in the current period is not subject to any change. Depreciation period is 5 years (20% annual depreciation rate) for establishment/formation expenses for other intangible assets with uncertain leasing period or leasing period over five years and depreciation rate is proportional with period for those with certain leasing period. Economic useful lives determined are in accordance with the criteria stated in the Turkish Accounting Standards-TAS 38-Intangible Assets. Computer programs widely used in the Bank are generated within the Bank by the personnel of the Bank and the expenses related to those assets are not capitalized. Computer software is only purchased in case of urgent need and special projects.

Within the scope of the agreement made between Borsa İstanbul and NASDAQ, new BISTECH technology, which was developed under Borsa Istanbul's processing system; data distribution; index calculation; market surveillance; reporting systems; and also the Bank's swap and risk management systems, has a useful life of 20 years.

XIII. Explanations on Tangible Assets

Tangible assets are initially recognized at acquisition cost and any other cost incurred so as to get the fixed asset ready for use.

Tangible assets are depreciated with straight-line method. Tangible assets are depreciated with the rates determined by the Ministry of Finance based on useful lives. These useful lives are in line with the criteria stated in "TAS 16 - Tangible Assets" released by Turkish Accounting and Auditing Standards Authority (POA). Depreciation Rates for Tangible Fixed Assets are as following:

	Estimated Economic Life (Years)
Building	36-50 Years
Plant and Machinery	4 Years
Vehicles	-
Equipments	5 Years
Copyright	5 Years
Patents/goodwill	3 Years
Self-Develop Softwares	5 Years

Tangible assets are accounted for at cost less accumulated depreciation and impairment, if any.

Gain or loss resulting from disposals of the tangible assets is reflected to the income statement as the difference between the net proceeds and net book value.

Maintenance costs of tangible assets are capitalized if they extend the economic useful life of related assets. Other maintenance costs are expensed. There are no pledges, mortgages or other restrictions on the tangible assets.

İSTANBUL TAKAS VE SAKLAMA BANKASI A.S.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XIV. Explanations on Leasing Transactions

The Bank measures the operational lease liabilities based on the present value of the lease payments that have not been paid at the date lease is actually started, in accordance with TFRS 16. Lease payments are discounted by using the Bank's alternative incremental borrowing rate.

After the date lease actually started, the Bank increases book value to reflect the interest on lease liability, decreases book value to reflect lease payments that is made and remeasures to reflect the changes made in lease or revised fixed lease payments.

The interest on the lease liability for each period of the lease term, is the amount calculated by charging a fixed periodic interest rate on remaining balance of lease liability.

Subsequent to the commencement date, the carrying amount of the lease liability is remeasured by increasing the carrying amount of the lease liability to reflect interest on the lease liability, decreasing the carrying amount to reflect lease payments made, reflecting any reassessments and changes in the lease, or reflecting revised in-substance fixed lease payments.

The Bank applies a discount rate that reflects the changes in the interest rate in a scenario where the Bank used purchase option at the initial lease term.

The Bank remeasures the lease liability by discounting the revised lease payments using a revised discount rate for a lease modification that is not accounted for as a separate lease, at the effective date of the lease modification. The revised discount rate is determined as the alternative borrowing interest rate at the effective date of the modification. The Bank decreases carrying amount of the right-of-use asset to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease. Any gain or loss relating to the partial or full termination of the lease is recognized in profit or loss. A corresponding adjustment to the right-of-use asset is made for all other lease modifications.

XV. Explanations on Provisions and Contingent Liabilities

Provisions and contingent liabilities are accounted in accordance with "Turkish Accounting Standard for Provisions, Contingent Liabilities and Contingent Assets" ("TAS 37").

Provisions on financial statements, if an existing obligation resulting from past events, it is probable that the obligation will be met and the obligation can be reliably measured. Provisions are calculated based on the Bank management's best estimate of the expenditure required to settle the obligation at the balance sheet date and are discounted to the fair value where the effect is material.

XVI. Explanations on Liabilities Regarding Employee Benefits

Obligations related to employment termination and vacation rights "Turkey Accounting Standards Regarding Employee Benefits" ("TAS 19") are accounted for in accordance with the provisions.

Defined Benefit Plans

In accordance with existing social legislation in Turkey, the Bank is required to make lump-sum termination indemnities over a 30 day salary to each employee who has completed over one year of service, whose employment is terminated due to retirement or for reasons other than resignation or misconduct, and due to marriage, female employees terminating their employments within a year as of the date of marriage, or male employees terminating their employments due to their military service. The Bank is also required to make a payment for the period of notice calculated over each service year of the employee whose employment is terminated for reasons other than resignation or misconduct. Total benefit is calculated in accordance with TAS No: 19 "Turkish Accounting Standard on Employee Benefits".

Such benefit plans are unfunded since there is no funding requirement in Turkey. The cost of providing benefits to the employees for the services rendered by them under the defined benefit plan is determined by independent actuaries annually using the projected unit credit method.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XVI. Explanations on Liabilities Regarding Employee Benefits (Continued)

In calculating the related liability to be recorded in the financial statements for these defined benefit plans, the Bank uses independent actuaries and also makes assumptions and estimation relating to the discount rate to be used, turnover of employees, future change in salaries/limits, etc. These estimations are audited annually. The carrying value of provision for employee termination benefits as of 31 December 2023 is TL 23,489.83 (31 December 2022: TL 15,371.40).

Communiqué on "Turkish Accounting Standard (TAS 19) about Benefits for Employee (No: 9)" published in Official Gazette by Public Oversight Accounting and Auditing Standards Authority (POA) on 12 March 2013 numbered 28585, was entered into force for the account periods starting after 31 December 2013 on accounting treatment of actuarial profit and loss resulting from changes in actuarial assumptions or differences between actual and actuarial assumptions. For the period of 1 January -31 December 2023, actuarial loss after deferred tax effect amounting to TL 13,295 (31 December 2022: TL 9,447 actuarial loss) was classified as "Other Capital Reserves".

XVII. Explanations on Taxation

Income tax expense represents the sum of the current tax payable and deferred tax.

The current tax payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Bank's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit at enacted tax rates, and it is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for all taxable temporary differences, whereas deferred tax assets resulting from deductible temporary differences are recognized as taxable profit.

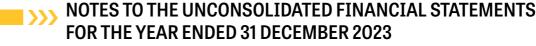
The carrying amount of a deferred tax asset shall be reviewed at the end of the reporting period. The carrying amount of a deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilized.

Deferred tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled is recognized in income statement as income or expense. Deferred tax that relates to items that are recognized directly in equity, in the same or a different period, is recognized directly in equity. Deferred tax assets and liabilities are netted off.

The current taxes payable and advance taxes are offset since they relate to each other.

The Bank has adjusted its statutory financial statements with inflation accounting as of 1 January 2004 in accordance with Law No. 298. Some modifications have been made in the tax legislation with Law 4842 published in the Official Gazette number 25088 on 24 April 2003. Under these modifications, investment and development banks, which are not allowed to accept deposit, are allowed to deduct loan loss provisions from the tax base in accordance with item 2 of the article 20 of Banking Law and the amendment introduced by the article 35 of the Law numbered 4842.

İSTANBUL TAKAS VE SAKLAMA BANKASI A.S.



(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XVII. Explanations on Taxations (Continued)

As of December 31, 2023, a tax rate of 30% has been used in the deferred tax calculation for temporary differences expected to be realized/closed in and after 2023.

Current Tax

As of December 31, 2023, corporate tax rate is applied as 30% in the financial statements. With the publication of Law No. 7394 in the Official Gazette dated 15.04.2022, the corporate tax rate was increased to 25% for banks, consumer finance companies, factoring and leasing companies, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies. However, with the Law No. 7456 published on 15.07.2023, the rate was increased to 30% to be applied to the cumulative tax bases included in the declarations to be submitted as of 1.10.2023, and the corporate tax rate will be applied as 30% in the future periods starting from the provisional corporate tax declaration to be submitted for the period 01.01.2023 - 31.12.2023. The corporate tax rate is applied to the tax base which is calculated by adding non-deductible expenses to the commercial income of the corporations in accordance with the tax laws, and deducting the exemptions (such as exemption for participation gains) and deductions in the tax laws. If no profit is distributed, no further tax is payable.

Dividends paid to non-resident corporations that have a place of business or permanent representative in Turkey and dividends paid to resident corporations in Turkey are not subject to withholding tax. Dividend payments made to persons and institutions other than these are subject to withholding tax at the rate of 15%. Addition of profit to capital is not considered as profit distribution and no withholding tax is applied.

Corporations calculate advance tax on their quarterly financial profits and declare it until the 14th day of the second month following that period and pay it until the evening of the 17th day. Advance tax paid during the year is deducted from the corporate tax to be calculated over the corporate tax return to be submitted in the following year. In the event that there is an amount of advance tax paid despite the offset, this amount can be refunded in cash or offset against other financial debts to the state.

50% of the profits arising from the sale of participation shares and real estates held for at least two years are exempt from tax for real estates and 75% of the profits arising from the sale of participation shares and real estates are exempt from tax, provided that they are added to the capital as stipulated in the Corporate Tax Law or kept in a special fund account in liabilities for 5 years. However, with the Law No. 7456 published on 15.07.2023, this exemption has been abolished for the real estates to be acquired after the publication date of the decision, and if the real estates acquired before this date are sold after the effective date of the decision, 25% of the real estate sales gain obtained will be exempt from corporate tax.

Under Turkish tax legislation, tax losses carried forward can be carried forward to offset against future taxable income for up to 5 years. However, tax losses cannot be offset against retained earnings.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments with tax authorities. Tax returns are required to be filled and delivered to the related tax office until the evening of the 25th of the fourth month following the balance sheet date and the accrued tax is paid until the end of the same month. Tax returns are open for 5 years from the beginning of the year following the balance sheet date and during this period the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

Current tax effects related to transactions recognized directly in equity are also recognized in equity.

Pursuant to the provisions of the Tax Procedure Law's duplicate Article 298/A, as of the end of the calendar year 2021, the conditions required for inflation adjustment in corporate tax calculation have been met. However, with the regulation made by Law No. 7352 dated January 20, 2022, the application of inflation adjustment in corporate tax calculation has been postponed to 2023. Accordingly, the TPL financial statements for the 2021 and 2022 accounting periods are not subject to inflation adjustment and the TPL financial statements dated December 31, 2023 are subject to inflation adjustment with no effect on the corporate tax base. In addition, with the Law numbered 7491 published in the Official Gazette dated 28 December 2023 and numbered 32413, banks, payment and electronic money institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies' profits or losses that will arise as a result of inflation adjustment in the 2024 and 2025 accounting periods will not be taken into consideration in determining the corporate tax base.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XVII. Explanations on Taxations (Continued)

With the regulation made in the Tax Procedure Law, Repeated 298/Ç and Provisional Article 32, companies have been given the opportunity for permanent and temporary revaluation. Accordingly, as of the beginning of the 2022 accounting period, our Bank first brought the fixed assets recorded in its assets to their current values in accordance with the Provisional Article 32 of the Tax Procedure Law and then revalued them in accordance with Article 298/Ç of the Tax Procedure Law. As a result of these transactions, VUK depreciation figures to be subject to corporate tax will be calculated over the revalued current amounts. In accordance with the relevant legislation, the value increase amounts are recognized in a special fund account under shareholders' equity.

Deferred Tax

The Bank recognizes deferred tax for all taxable temporary differences arising between the carrying amount of an asset or liability and its tax bases which is determined in accordance with "Turkish Accounting Standard for Income Taxes" ("TAS 12"). Deferred tax is calculated over 30% as of December 31, 2023 (December 31, 2022: 25%).

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. As of December 31, 2023, the Bank has calculated deferred tax on its assets and liabilities at a rate of 30%.

Deferred tax liabilities are recognized for all taxable temporary differences, whereas deferred tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized.

In accordance with the provisional Article 33 of the Tax Procedure Law, tax effects arising from the inflation adjustment of corporate tax as of December 31, 2023 are included in the deferred tax calculation as of December 31, 2023.

Deferred tax assets and deferred tax liabilities are offset and the resulting deferred tax assets and deferred tax liabilities are offset in the unconsolidated financial statements.

XVIII. Additional Explanations on Funds Borrowed

The Bank has not issued any convertible bonds.

The Bank has not also issued any borrowing instruments.

Cash Warrants Received

BİAS Guarantee Fund, BİAS Debt and Equity Markets, Takasbank Money Market (TPP), Over-the-Counter Derivatives Market, Stock Lending Market (ÖPP), Natural Gas Market, Renewable Energy Resource Guarantee Market (YEK-G), Forward Natural Gas Market (VGP), Natural Gas Market, BİAŞ Futures and Options Market (VIOP), Electricity Market, Electricity Futures Market, BİAŞ Money Market and Precious Metals Market, BİAŞ Swap Market, Investor Compensation Center membership and pledge guarantees, check clearing, vehicle swapping, crowdfunding platform, TEFAS, public guarantee management service and other services related to cash guarantees are monitored in Banks in assets and in Funds in liabilities. These funds ensure that in case of cash default of the debtor members, the creditor members are not affected by the delay. Cash guarantee mechanisms have been established to serve the purpose of ensuring a continuous cash flow in the market by making the payments on time and accurately.

XIX. Explanations on Issuance of Equity Securities

The Bank does not have any shares issued in the current period.

İSTANBUL TAKAS VE SAKLAMA BANKASI A.S.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XX. Explanations on Acceptances

The Bank has no acceptances that have been included as a liability against an asset.

XXI. Explanations on Government Incentives

There are no government incentives utilized by the Bank as of the balance sheet date.

XXII. Explanations on Segment Reportings

Operational segment is distinguishable section of the Bank that has different characteristics from other operational segments per earning and conducts the presentation of service group, associated bank products or a unique product. Reporting on operating segments is disclosed in Note XII in Section Four.

XXIII. Related Parties

For the purpose of these financial statements, shareholders, key management personnel and board members associated with companies controlled by their families and themselves or affiliated companies, associates and joint ventures are referred to as related parties in accordance with TAS 24 - Related Party Disclosures.

XXIV. Cash and Cash Equivalents

For the purposes of the preparation of statement of cash flows, "Cash" includes cash, effectives, and cash in transit, purchased cheques and demand deposits including balances with the Central Bank; and "Cash equivalents" include interbank money market placements and time deposits at banks with original maturity periods of less than three months.

XXV. Investment Properties

Investment property consist of the asset that held to earn rentals and/or for capital appreciation and recognized with cost model in accordance with the Turkish Accounting Standard 40 (TAS 40) "Investment Property". Investment properties are recognized at its cost less any accumulated depreciation. Investment property is amortized by normal depreciation method and useful life basis. Gains and losses arising from disposal of an investment property or removal of a tangible asset are determined as the difference between the sales proceeds and the carrying amount of the asset and are included in the income statement.

XXVI. Reclassifications

None

XXVII. Explanations on TFRS 16 Leases

"TFRS 16 Leases Standard", which covers operational leasing transactions to which the Bank is a party, was put into practice in January 2019 at the Bank. The Bank has used the model stipulated by the standard, excluding low-value assets and short-term leases (1 year or less) in transactions where it is a lessee.

TFRS 16 eliminates the current dual accounting model for lessees, whereby finance leases are recognized on the balance sheet and operating leases are recognized off the balance sheet. Instead, a single balance sheet-based accounting model is introduced, similar to the current accounting for finance leases. Lessor accounting continues to be substantially similar to current practice. The Bank has started to apply TFRS 16 Leases as of January 1, 2019. As of December 31, 2023, the Bank's asset in use classified under property, plant and equipment as a result of the application of TFRS 16 is TL 980 and the lease liability is TI 80.

The Bank performs acceptances with its customers simultaneously and follows them in off balance sheet liabilities.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FOUR

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT

I. Explanations Related to Components of Shareholders' Equity

Pursuant to the Board decision dated January 31, 2023 and numbered 10496, in accordance with the Regulation 2022 dated 28.04.2022 and numbered 10188 in the calculation of the amount subject to credit risk in accordance with the Regulation on Measurement and Assessment of Capital Adequacy of Banks (Regulation) published in the Official Gazette dated October 23, 2015 and numbered 29511; In the calculation of the amount subject to credit risk in accordance with the Regulation on Measurement and Assessment of Capital Adequacy of Banks (Regulation) published in the Official Gazette dated October 2015 and numbered 295.055, it has been decided to continue the practice of using the Central Bank's foreign exchange buying rate as of December 31, 2021 in the calculation of the amount subject to credit risk; until a Board Decision to the contrary is taken, by using the Central Bank's foreign exchange buying rate as of December 30, 2022. While performing the Bank's calculations, this facility is utilized as of the date of publication of the relevant Board decision.

The Bank's shareholders' equity for the current period calculated as of December 31, 2023 is TL 7,203,182.

(December 31, 2022: TL 4,548,037), capital adequacy standard ratio is 25.80% (December 31, 2022: 14.81%). The Bank's capital adequacy standard ratio is above the minimum ratio determined by the relevant legislation.



NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

I. Explanations Related to Components of Shareholders' Equity (Continued)

Summary information related to the capital shareholders' equity:

COMMON EQUITY TIER 1 CAPITAL

Paid-in capital following all debts in terms of claim in liquidation of the Bank Share issue premiums Reserves Gains recognized in equity as per TAS Profit **Current Period Profit** Prior Period Profit Shares acquired free of charge from subsidiaries, affiliates and jointly control cannot be recognised within profit for the period **Common Equity Tier 1 Capital Before Deductions** Deductions from Common Equity Tier 1 Capital Common Equity as per the 1st clause of Provisional Article 9 of the Regulation Portion of the current and prior periods' losses which cannot be covered thro losses reflected in equity in accordance with TAS Improvement costs for operating leasing Goodwill (net of related tax liability)

Other intangibles other than mortgage-servicing rights (net of related tax liab Deferred tax assets that rely on future profitability excluding those arising from differences (net of related tax liability)

Differences are not recognized at the fair value of assets and liabilities subject risk

Communiqué Related to Principles of the amount credit risk calculated with the Based Approach, total expected loss amount exceeds the total provision Gains arising from securitization transactions

Unrealized gains and losses due to changes in own credit risk on fair valued lia Defined-benefit pension fund net assets

Direct and indirect investments of the Bank in its own Common Equity Shares obtained contrary to the 4th clause of the 56th Article of the Law Portion of the total of net long positions of investments made in equity items o

institutions outside the scope of consolidation where the Bank owns 10% or le common share capital exceeding 10% of Common Equity of the Bank

Portion of the total of net long positions of investments made in equity items o institutions outside the scope of consolidation where the Bank owns 10% or m common share capital exceeding 10% of Common Equity of the Bank

Portion of mortgage servicing rights exceeding 10% of the Common Equity Portion of deferred tax assets based on temporary differences exceeding 10% Amount exceeding 15% of the common equity as per the 2nd clause of the Pro Regulation on the Equity of Banks

Excess amount arising from the net long positions of investments in common and financial institutions outside the scope of consolidation where the Bank or issued common share capital

Excess amount arising from mortgage servicing rights

Excess amount arising from deferred tax assets based on temporary differen Other items to be defined by the BRSA

Deductions to be made from common equity due to insufficient Additional Tier Capital

Total Deductions From Common Equity Tier 1 Capital **Total Common Equity Tier 1 Capital**

	Current Period	Prior Period
	600,000	600,000
	33,019	33,019
	3,002,798	2,136,676
	-,	_,
	3,661,932	1,754,924
	3,639,129	1,732,121
	22,803	22,803
lled partnerships and		
	7,297,749	4,524,619
n on the Equity of Banks ough reserves and	-	-
oughreserves and	16,987	7,681
	-	-
	-	-
bility)	202,858	125,517
om temporary	202,000	120,011
ct to hedge of cash flow	-	-
-	-	-
the Internal Ratings	-	_
	_	-
iabilities	-	_
labilitios	-	-
	-	-
	-	-
of banks and financial less of the issued		
	-	-
of banks and financial more of the issued		
	-	-
	-	-
% of the Common Equity ovisional Article 2 of the	-	-
OVISIONALAPTICLE 2 OF THE	_	-
n equity items of banks owns 10% or more of the		
owns 10% or more of the	-	_
	_	_
nces	-	_
1000	4,825	4,825
er I Capital or Tier II	7,020	4,020
5. 2 Supitar of 1101 11	-	-
	224,670	138,023
	7,073,079	4,386,596

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

I. Explanations Related to Components of Shareholders' Equity (Continued)

	Current Period	Prior Period
ADDITIONAL TIER I CAPITAL		-
Preferred Stock not Included in Common Equity and the Related Share Premiums	-	-
Debt instruments and premiums approved by BRSA	-	-
Debt instruments and premiums approved by BRSA(Temporary Article 4)	-	-
Additional Tier I Capital before Deductions	-	-
Deductions from Additional Tier I Capital Direct and indirect investments of the Bank in its own Additional Tier I Capital	-	-
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued	-	-
by financial institutions with compatible with Article 7.		
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial	-	-
Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10%		
Theshold of above Tier I Capital		
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of	-	-
Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued		
Share Capital	-	-
Other items to be defined by the BRSA (-) Transition from the Core Capital to Continue to deduce Components	-	-
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from	-	-
Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2		
of the Regulation on Banks' Own Funds (-) Not defense days agent (ich ii's which is not deducted from Operators Equity Tigs 1 age its (for the	-	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the		
purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or		
Tier II Capital is not available (-)	-	-
Total Deductions From Additional Tier I Capital	-	-
Total Additional Tier I Capital Total Tier I Capital (Tier I Capital=Common Equity Tier 1 Capital+Additional Tier I Capital)	7,073,079	4,386,596
TIER II CAPITAL	1,013,019	4,300,390
Debt instruments and share issue premiums deemed suitable by the BRSA		-
Debt instruments and share issue premiums deemed suitable by the broker Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	_	-
Debt instruments and share issue premiums deemed suitable by the BRSA	130,103	161,441
Tier II Capital Before Deductions	130,103	161,441
Deductions From Tier II Capital		-
Direct and indirect investments of the Bank on its own Tier II Capital (-)	-	
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by		
financial institutions with the conditions	_	-
Portion of the total of net long positions of investments made in equity items of banks and financial		
institutions outside the scope of consolidation where the Bank owns 10% or less of the issued		
common share capital exceeding 10% of Common Equity of the Bank (-)	-	-
Portion of the total of net long positions of investments made in Additional Tier I Capital item of banks		
and financial institutions outside the scope of consolidation where the Bank owns 10% or more of		
the issued common share capital exceeding 10% of Common Equity of the Bank		
Other items to be defined by the BRSA (-)	-	-
Total Deductions from Tier II Capital		
Total Tier II Capital	130,103	161.441
iotar nor 11 capital	130,103	101,441

İSTANBUL TAKAS VE SAKLAMA BANKASI A.S.



(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

I. Explanations Related to Components of Shareholders' Equity (Continued)

Total Capital (The sum of Tier I Capital and Tier II Capital) **Deductions from Total Capital**

Other items to be defined by the BRSA

Deductions from Capital Loans granted contrary to the 50th and 51th Article of the Law Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article the Assets Acquired against Overdue Receivables and Held for Sale but Retained more t

In transition from Total Core Capital and Supplementary Capital (the capital) to Conti

The Sum of net long positions of investments (the portion which exceeds the 10% of Ban banking, financial and insurance entities that are outside the scope of regulatory consol more than 10% of the issued common share capital of the entity which will not deducted Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the on Banks' Own Funds

The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 cap insurance entities that are outside the scope of regulatory consolidation, where the bank issued common share capital of the entity which will not deducted from Common Equity Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of th The Sum of net long positions of investments in the common stock of banking, financial a the scope of regulatory consolidation, where the bank does not own more than 10% of th the entity, mortgage servicing rights, deferred tax assets arising from temporary different Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provision Banks' Own Funds

TOTAL CAPITAL

Total Capital (The sum of Tier I Capital and Tier II Capital) Total risk weighted amounts

CAPITAL ADEOUACY RATIOS

Core Capital Adequacy Ratio (%)

Tier 1 Capital Adequacy Ratio (%)

Capital Adequacy Ratio (%) BUFFERS

Bank specific total Common Equity Tier 1 Capital requirement (%)

a) Capital conservation buffer requirement (%)

b) Bank specific counter-cyclical buffer requirement (%)

c)Systemic significant bank buffer ratio

The ratio of Additional Common Equity Tier 1 capital which will be calculated by the first p

Regulation on Capital Conservation and Countercyclical Capital buffers to Risk Weighted Amounts below the Excess Limits as per the Deduction Principles

Portion of the total of net long positions of investments in equity items of unconsolidated where the bank owns 10% or less of the issued share capital exceeding the 10% threshol Portion of the total of investments in equity items of unconsolidated banks and financial or less of the issued share capital exceeding the 10% threshold of above Tier I capital Remaining Mortgage Servicing Rights

Amount arising from deferred tax assets based on temporary differences

Limits related to provisions considered in Tier II calculation

General provisions for standard based receivables (before tenthousandtwentvfive limitat Up to 1.25% of total risk-weighted amount of general reserves for receivables where the Excess amount of total provision amount to credit risk Amount of the Internal Ratings Ba the Communiqué on the Calculation

Excess amount of total provision amount to 0,6% of risk weighted receivables of credit risk Based Approach in accordance with the Communiqué on the Calculation

Debt instruments subjected to Article 4 (to be implemented between 1 January 2018 and 1 January 2022)

Upper limit for Additional Tier I Capital subjected to temporary Article 4 Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4 Upper limit for Additional Tier II Capital subjected to temporary Article 4 Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4

(1) "The amounts to be taken into account at the end of the transition period are shown for the items subject to the transition provisions under the Provisional Articles of the "Regulation on Shareholders' Equity of Banks".

⁽²⁾ The previous period adjustments are not reflected in the Third Section XXVII. Other matters.

	Current Period	Prior Period
	7,203,182	4,548,037
	7,203,182	4,548,037
	-	-
e 57, Clause 1 of the Banking Law and		
than Three Years	-	-
	-	-
tinue to Download Components		
nks Common Equity) in the capital of		
lidation, where the bank does not own		
d from Common Equity Tier 1 capital,		
Provisional Article 2 of the Regulation		
	-	-
apital of banking, financial and		
k does not own more than 10% of the		
y Tier 1 capital, Additional Tier 1 capital,		
he Regulation on Banks' Own Funds	-	-
and insurance entities that are outside		
he issued common share capital of ences which will not deducted from		
nal Article 2 of the Regulation on		
nal Al ticle 2 of the Regulation on	-	-
	7,203,182	4,548,037
	27,914,572	30,709,683
	21,014,012	00,100,000
	25.34	14.28
	25.34	14.28
	25.80	14.81
	20.00	14.01
	2.5	2.5
	2.5	2.5
	2.0	2.0
	-	
paragraph of the Article 4 of		_
d Assets (%)		
A33613 (70)		
d banks and financial institutions		
old of above Tier I capital	-	
institutions where the bank owns 10%		
Institutions where the bank owns to /o	-	-
	-	_
	-	
ation)	130,103	161,441
e standard approach used	130,103	161,441
ased Approach in accordance with	100,100	101,771
ased Appi bacinin accordance with	-	_
risk Amount of the Internal Ratings		
ist Amount of the memorial Natings	-	-
	-	-
	-	-
	-	-
	-	-

Current Denied Drien Denied

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

I. Explanations Related to Components of Shareholders' Equity (Continued)

Information on addition debt instruments to shareholders' equity calculating:

None.

Information on applied approaches in order to evaluate internal capital adequacy within the scope of internal capital adequacy evaluation of internal capital requirement in terms of future and current activities:

The evaluation period for internal capital adequacy in the Bank has been designed within in accordance with the principle of proportionality and is consistent with the Guidelines on ISEDES Report and Guidelines on Stress Tests To Be Used By Banks For Capital and Liquidity Planning which is published by the Banking Regulation and Supervision Agency, and with the Regulation on Internal Systems of Banks and Internal Capital Adequacy Assessment Process (ISEDES) which entered into effect upon being published in Official Gazette No. 29057 dated 11 July 2014.

The Bank is in compliance with the said regulation and good practice guidelines in line with its small-scale structure, task environment, and requirements. In accordance with ISEDES, it is aimed for the Bank to internally determine a level of capital which covers the risks it has faced or is likely to face and to continue its operations with capital above that level. Maximum attention is paid to the ISEDES processes so that they are implemented with a long-term view and are risk focused, internalized within the Bank and that its consequences are used in the decision-making process.

Evaluations of the Bank's capital and liquidity adequacy are done from a risk-based perspective, considering the strategic plan, three-year budget projections, bank policies on capital adequacy, liquidity and funding, risk measurement outcomes for risks that the company is exposed to ISEDES and stress test reports. Within this scope, activities performed and services provided by the Bank are considered.

The Bank determines its capital level in such a way that it is above the minimum level and legal ratios required by the legal regulations of the Banking Regulation and Supervision Agency, and so that it is able to continue all its operations.

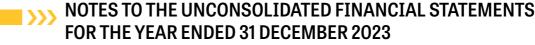
Also, scenario analyses, and particular, plenary, and reverse-stress tests are done in order to measure the effects of parameters that affect the financial power of the Bank at the capital level. In addition, via sensitivity analyses, primary and secondary structural block risks that the Bank is exposed to are determined within the scope of the proportionality principle.

The Bank takes stress tests, scenario analyses, risk appetites, the capital plan, the strategic plan and budget, the emergency and unexpected situation action plan for various risks, and other issues deemed necessary into consideration, and calculates and establishes a capital planning buffer, which is designed to prevent the capital adequacy level from becoming lower than the internal and legal minimum capital adequacy over the next three years as a result of possible negative situations and losses. The capital planning buffer is determined by considering worst case scenarios. However, the legal capital adequacy ratio determined by the BRSA as at least 12% and the ratio of the internal capital requirement calculated under the stress test are compared. The larger of these ratios is considered as the target ratio and it is evaluated whether the current capital adequacy ratio of the Bank is above the target rate.

According to the "Regulation on Internal Systems and the Internal Capital Adequacy Assessment Process of Banks", the ISEDES report and the Stress Test report are prepared annually with the participation of all relevant units of the Bank and the coordination of the Risk Management Unit. These reports are approved by the Board of Management or the Bank after being examined.

The senior management of the Bank and members of the Board of Management are jointly responsible for designing ISEDES and its implementation within the Bank. All units of the Bank execute their duties, authorities, and responsibilities which are within the scope of ISEDES in accordance with their own regulations. The inspection report regarding the data, systems, and processes is prepared by the Internal Audit Unit, and the validation report regarding the models and/or methods that are used for risk measurement within the scope of the internal capital adequacy calculation is prepared by the Internal Control Unit.

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(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations Related to Credit Risk

The Board of Management is responsible for Bank operations performed within the scope of credit risk management and these operations are performed in compliance with the "Regulation on Internal Systems and the Internal Capital Adequacy Assessment Process of Banks" and the "Regulation on Measuring and Reviewing Capital Adequacy of Banks". When calculating capital adequacy rates, the amount which is taken as a basis for credit risk and which is calculated via a standard method is considered.

The debtors of the cash and non-cash loans extended by the Bank are financial sector companies.

Credit limits are segregated according to the Bank's loan types. Allocated credit limits are determined as cash and non-cash by taking into account the types of loans. The Bank's credits provide efficiency and convenience in capital market transactions, enable brokerage houses to benefit from settlement receivables early by early settlement of settlement debts and help to deepen the markets. Since the possibility of non-refundability of payments and collections in Takasbank money market, which is similar to the Interbank money market, is guaranteed by the Bank, these transactions are monitored under non-cash loans.

The Bank operates as a central counterparty in the Securities Lending Market, the Futures and Options Market, Borsa İstanbul Equity Market, Borsa İstanbul Debt Securities Market and BİAŞ Swap Market and over the counter derivative market (OTC), Borsa Istanbul Money Market and the liabilities in the related markets are also non-cash loans in terms of the Bank.

Credit transactions bear credit risk. This risk can be defined as the possibility that the members and guarantors who use the credit do not fulfil the liabilities defined in agreements and that they have undertaken beforehand in written form.

In addition to foreign clearing, settlement and custody transaction commissions and foreign currency held for its own transactions in accordance with its foreign currency denominated contracts, the Bank also holds foreign currency for the Guarantee Fund received within the scope of BİAŞ Markets, BİAŞ Debt and Equity Markets, Takasbank Money Market (TMM), Over-the-Counter Derivatives Market, Takasbank Securities Lending Market (SLM), Renewable Energy Resource Guarantee Market (YEK-G), Natural Gas Futures Market (VGP), Natural Gas Market, BİAŞ Futures and Options Market (VIOP), Electricity Market, Electricity Futures Market, BİAŞ Money Market and BİAŞ Precious Metals Market, The Bank is exposed to foreign exchange risk and market risk is calculated accordingly. The Bank is exposed to foreign exchange risk and market risk is calculated due to the foreign currencies deposited in the Bank's accounts as collaterals for the BİAS Swap Market, Investor Compensation Center membership and pledge guarantees, check clearing, vehicle clearing, Turkish Electronic Fund Trading Platform (TEFAS), Private Pension Fund Trading Platform (BEFAS), public collateral management service and other services, and foreign currencies in the form of other collateral deposited in the Bank's accounts and foreign currencies remaining in the free accounts of its customers consisting of brokerage houses, banks and other financial institutions. In addition, with the Communiqué No. 2013/15 on Reserve Requirements, the liabilities subject to reserve requirements have been changed and since the Bank does not have the liabilities specified in the new communiqué, reserve requirements are not established at the CBRT.

Credit transactions involve credit risk, i.e. the possibility that the borrowing member or its guarantors may not fulfill their obligations as previously committed in writing and as defined by agreements.

The risk limits and allocations determined for daily transactions and concentrations related to off-balance sheet risks are monitored daily.

The credit worthiness of borrowers is monitored regularly in accordance with the related legislation. Independently audited financial statements of the borrowers prepared as per the regulation of Capital Markets Board are examined for the loans extended. The credit limits are amended according to the financial positions of the companies and collaterals against loans are taken in accordance with the application principles for lending operations. After the financial analysis, investigation and other examinations performed on the companies applying for loans, loan limits are proposed to the Board of Directors for approval. Loan limits become effective after approved by the Board of Directors. Limit change requests are revised on a six monthly basis unless substantive changes occur in the financial positions of customers.

The Bank has not been exposed to credit risk since the risk is minimized by receiving collaterals and determining loan limits according to the financial strength of the companies. Therefore, in the short term, there is no specific need to enter into any transaction to decrease or terminate its credit exposure.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations Related to Credit Risk (Continued)

The Bank has no liquidated non-cash loans, restructured loans or long-term commitments.

The Bank has no lending and banking transactions in foreign countries.

The Bank calculates general provisions for credit risk and receives cash and/or cash equivalent collaterals.

As of the balance sheet date;		
Number of cash loan customer	16	Loans
Number of non cash loan customers	86	Loans
Amount of general provisions for credit risks	6,455(*)	TL
Amount of specific provisions for credits under follow-up	-	TL

(*) Pursuant to the written application dated July 5, 2022 and numbered 43806 submitted to the BRSA, and in accordance with the letter dated February 7, 2023 and numbered 10042 received from the BRSA, as of this date, instead of the amount of off-balance sheet liabilities in the markets where CCP service is provided and the open position amount in Takasbank Money Market, which are included in the calculation as non-cash loans in off-balance sheet liabilities, Takasbank has started to calculate by taking into account the amounts allocated and committed from Takasbank's capital, therefore, there is a decrease in the amount of provision allocated compared to the previous year.

Total amount of incurred risks after offsetting transactions (before credit risk reduction), regardless of the credit risk reduction (deducting from provisions), and average amount of risks separated according to different risk classes and types for the related period:

Risk Classifications	Current Period Risk Amount	Average Risk Amount
Contingent and non-contingent receivables from central governments or central		
banks	10,094,388	11,103,498
Contingent and non-contingent receivables from regional or local governments	-	-
Contingent and non-contingent receivables from Administrative Units and non- commercial enterprises	-	-
Contingent and non-contingent receivables from international organizations	-	-
Contingent and non-contingent receivables from banks and intermediary		
institutions	133,210,160	122,674,289
Contingent and uncontingent corporate receivables	-	-
Contingent and uncontingent retail receivables	-	-
Receivables secured by contingent and non-contingent real estate mortgages	-	-
Overdue receivables	-	-
Receivables determined as high risk by the Board	13,247	13,449
Collateralized securities	-	-
securitization positions	-	-
Short-term receivables from banks and intermediary institutions and short-term		
corporate receivables	-	-
Investments in the Qualification of Collective Investment Institutions	-	-
Other receivables	1,632,958	1,329,104

İSTANBUL TAKAS VE SAKLAMA BANKASI A.S.



(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations Related to Credit Risk (Continued)

Risk Classifications

Contingent and non-contingent receivables from central governmen Contingent and non-contingent receivables from regional or local go Contingent and non-contingent receivables from Administrative Unit enterprises Contingent and non-contingent receivables from international organ Contingent and non-contingent receivables from banks and intermed Contingent and uncontingent corporate receivables Contingent and uncontingent retail receivables Receivables secured by contingent and non-contingent real estate m Overdue receivables Receivables determined as high risk by the Board Collateralized securities securitization positions Short-term receivables from banks and intermediary institutions and receivables Investments in the Qualification of Collective Investment Institutions Other receivables

	Prior Period Risk Amount	Average Risk Amount
nts or central banks	10,149,311	7,439,021
overnments	-	-
its and non-commercial		
	-	-
nizations	-	-
ediary institutions	133,024,980	93,488,183
	26,601,075	19,974,458
	-	-
nortgages	-	-
	-	-
	-	-
	-	-
	-	-
id short-term corporate		
	-	-
3	-	-
	1,403,318	776,621



NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations Related to Credit Risk (Continued)

Geographical distribution of risk amounts decomposed as part of significant risk group

			Conditional and														
	Conditional and	Conditional and unconditional	unconditional	Conditional and	Conditional	Conditional and								Short term			
	unconditional	exposures			and	unconditional	Conditional	Conditional	Conditional and					exposures	Exposures		
	exposures	to regional	administrative	exposures to		exposures	and	and	unconditional		Receivables	Exposures in		to banks,	in the form		
	to central	governments	units and non-	multilateral	exposures to		unconditional	unconditional	exposures		defined in high	the form bonds		brokerage	of collective		
	governments or	or local	commercial	development	international	brokerage	exposures to	retail	secured by real	Past due	risk category by	secured by	Securitization	houses and	investment	Other	
Current Period	central banks	authorities	enterprises	banks	organisations	houses	corporates	exposures	estate propery	receivables	BRSA	mortgages	Positions	corporates	undertakings	Receivables	Total
Domestic	10,094,388	-	-	-	-	128,627,744	-	-	-	-	13,247	-	-	-	-	1,632,958	140,368,337
European Union Countries	-	-	-	-	-	4,490,379	-	-	-	-	-	-	-	-	-	-	4,490,379
OECD Countries ⁽¹⁾	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Off-Shore Banking Regions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
USA, Canada	-	-	-	-	-	92,037	-	-	-	-	-	-	-	-	-	-	92,037
Other Countries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Associates, subsidiaries and																	
jointly controlled partnership	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated Assets/																	
Liabilities (2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	10,094,388	-	-	-	-	133,210,160	-	-	-	-	13,247	-	-	-	-	1,632,958	144,950,753
Prior Period																	
Domestic	10,149,311	-	-	-	-	132,330,798	26,601,075	-		-	-	-	-	-	-	1,403,318	170,484,502
European Union Countries	-	-	-	-	-	647,684	-	-	-	-	-	-	-	-	-	-	647,684
OECD Countries(1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Off-Shore Banking Regions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
USA, Canada	-	-	-	-	-	46,498	-	-	-	-	-	-	-	-	-	-	46,498
Other Countries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Associates, subsidiaries and																	
jointly controlled partnership	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Unallocated Assets/																	
Liabilities (2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total	10,149,311	-	-	-	-	133,024,980	26,601,075	-	-	-	-	-	-	-	-	1,403,318	171,178,684

⁽¹⁾OECD Countries excluding European countries, USA and Canada

 $\ensuremath{^{(2)}}\xspace$ Assets and liabilities that cannot be allocated on a consistent basis

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NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations Related to Credit Risk (Continued)

Risk profile by sector or counterparties

			Conditional														
		Conditional	and														
		and	unconditional	Conditional		Conditional											
	Conditional and	unconditional	receivables	and	Conditional	and											
	unconditional	exposures	from	unconditional	and	unconditional	Conditional	Conditional	al Conditional an	I							
	exposures	to regional	administrative	exposures to	unconditional	exposures	and	and	d uncondition	I	Receivables	Exposures in the	Investments				
	to central	governments	units and non-	multilateral	exposures to	to banks and	unconditional	unconditional	al exposure	6	defined in high	form of bonds	similar to				
	governments or	or local	commercial	development	International	brokerage	exposures to	retail	il secured by rea	l Past du	e risk category by	secured by	collective	Other			
Current Period	central banks	authorities	enterprises	banks	organisations	houses	corporates	exposures	s estate propert	receivable	es BRSA	mortgages	investment fund	receivables	TL	FC	Total
Agriculture	-	-	-	-	-	-	-	-	-	-		-	-	-	-	-	-
Farming and Stockbreeding	-	-	-	-	-	-	-	-	-	-		-	-	-	-	-	-
Forestry	-	-	-	-	-	-	-	-	-	-		-	-	-	-	-	-
Fishery	-	-	-	-	-	-	-	-	-	-		-	-	-	-	-	-
Industry	-	-	-	-	-	-	-	-	-			-	-	-	-	-	-
Mining and Quarry	-	-	-	-	-	-	-	-	-	-		-	-	-	-	-	-
Manufacturing	-	-	-	-	-	-	-	-	-			-	-	-	-	-	-
Electricity, Gas and Water	-	-	-	-	-	-	-	-	-			-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-	-			-	-	-	-	-	-
Services	-	-	-	-	-	133,210,160	-	-	-		- 13,247	-	-	-	99,829,641	33,393,766	133,223,407
Wholesale and Retail Trade	-	-	-	-	-	-	-	-	-			-	-	-	-	-	-
Accommodation and Dining	-	-	-	-	-	-	-	-	-			-	-	-	-	-	-
Transportation and Telecom	-	-	-	-	-	-	-	-	-	-		-	-	-	-	-	-
Financial Institutions	-	-	-	-	-	133,210,160	-	-	-	-	- 13,247	-	-	-	99,829,641	33,393,766	133,223,407
Real Estate and Rental Services	-	-	-	-	-	-	-	-	-	-		-	-	-	-	-	-
Professional Services	-	-	-	-	-	-	-	-	-	-		-	-	-	-	-	-
Educational Services	-	-	-	-	-	-	-	-	-	-		-	-	-	-	-	-
Health and Social Services	-	-	-	-	-	-	-	-	-	-		-	-	-	-	-	-
Other	10,094,388	-	-	-	-	-	-	-	-	-		-	-	1,632,958	11,727,346	-	11,727,346
Total	10,094,388	-	-	-	-	133,210,160	-	-	-		- 13,247	-	-	1,632,958	111,556,987	33,393,766	144,950,753



NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations Related to Credit Risk (Continued)

Risk profile by sector or counterparties

			Conditional														
	Conditional	Conditional	and														
	and	and	unconditional	Conditional		Conditional											
	unconditional	unconditional	receivables	and	Conditional	and											
	exposures	exposures	from		and	unconditional	Conditional	Conditional	Conditional and								
	to central	to regional	administrative			exposures	and	and	unconditional			Exposures in the					
	governments	governments	units and non-	multilateral	exposures to		unconditional	unconditional	exposures		defined in high	form of bonds	similar to				
	or central	or local	commercial	development	International	brokerage	exposures to	retail	secured by real		risk category by	secured by	collective	Other			_
Prior Period	banks	authorities	enterprises	banks	organisations	houses	corporates	exposures	estate property	receivables	BRSA	mortgages	investment fund	receivables	TL	FC	Total
Agriculture	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Farming and Stockbreeding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Forestry	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fishery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Industry	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mining and Quarry	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manufacturing	-		-	-	-	-	-	-	-	-	-	-	-		-	-	-
Electricity, Gas and Water	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-
Construction	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-
Services	-	-	-	-	-	133,024,980	26,601,075	-	-	-	-	-	-	-	138,059,737	21,566,318	159,626,055
Wholesale and Retail Trade	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accommodation and Dining	-	-	-	-	-	-	-	-	-	-	-	-			-	-	-
Transportation and Telecom	-	-	-	-	-	-	-	-	-	-	-	-			-	-	-
Financial Institutions	-	-	-	-	-	133,024,980	26,601,075	-	-	-	-	-	-	-	138,059,737		159,626,055
Real Estate and Rental Services	-	-	-	-	-	=	-	-	-	-	-	-	-	-	-	-	-
Professional Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Educational Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health and Social Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	10,149,311	-	-	-	-	-	-	-	-	-	-	-	-	1,403,318	11,552,629	-	11,552,629
Total	10,149,311	-		-	-	133,024,980	26,601,075	-	-	-	-	-	-	1,403,318	149,612,366	21,566,318	171,178,684

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations Related to Credit Risk (Continued)

Analysis of maturity-bearing exposures according to remaining maturities

			Te	erm to Maturi	ty	
E	xposures Classifications-Current Period	1 Month	1-3 Months	3-6 Months	6-12 Months	Over 1 year
	Conditional and unconditional exposures to					
	entral governments or central banks	8,728,215	699,782	-	166,431	499,959
	Conditional and unconditional exposures to					
	egional governments or local authorities	-	-	-	-	-
	Conditional and unconditional receivables					
	rom administrative units and noncommercial					
	enterprises	-	-	-	-	-
	Conditional and unconditional exposures to					
	nultilateral development banks	-	-	-	-	-
	Conditional and unconditional exposures to					
	nternational organisations	-	-	-	-	-
	Conditional and unconditional exposures to					
	anks and brokerage houses	127,107,409	5,238,866	237,250	187,708	438,927
	Conditional and unconditional exposures to					
	orporates	-	-	-	-	-
	Conditional and unconditional retail exposures	-	-	-	-	-
	Conditional and unconditional exposures secured					
	by real estate property	-	-	-	-	-
	Past due receivables	-	-	-	-	-
11 R	Receivables defined in high risk category by BRSA	13,247	-	-	-	-
12 E	xposures in the form of bonds secured by					
n	nortgages	-	-	-	-	-
13 S	Securitization Positions	-	-	-	-	-
14 S	Short term exposures and corporate exposures					
fi	rom banks and brokerage houses	-	-	-	-	-
	xposures in the form of collective investment					
U	Indertakings	-	-	-	-	-
16 C)ther receivables	1,632,958	-	-	-	-
Т	otal	137,481,829	5,938,648	237,250	354,139	938,886

İSTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.



(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations Related to Credit Risk (Continued)

			Te	erm to Maturi	ty	
	Exposures Classifications-Prior Period	1 Month	1-3 Months	3-6 Months	6-12 Months	Over 1 year
1	Conditional and unconditional exposures to					
	central governments or central banks	8,259,251	1,024	1,889,036	-	-
2	Conditional and unconditional exposures to					
	regional governments or local authorities	-	-	-	-	-
3	Conditional and unconditional receivables					
	from administrative units and noncommercial					
	enterprises	-	-	-	-	-
4	Conditional and unconditional exposures to					
_	multilateral development banks	-	-	-	-	-
5	Conditional and unconditional exposures to					
~	international organisations	-	-	-	-	-
6	Conditional and unconditional exposures to		0.004.410	054000		010 70 4
7	banks and brokerage houses	129,353,559	3,004,418	354,300	-	312,704
7	Conditional and unconditional exposures to corporates	23,426,525	2,821,822	352,728		
0	•	20,420,020	2,021,022	552,120	-	-
8	Conditional and unconditional retail exposures	-	-	-	-	-
9	Conditional and unconditional exposures secured by real estate property					
10	Past due receivables	_	_	_	_	_
10	Receivables defined in high risk category by BRSA	-	-	-	-	-
12	Exposures in the form of bonds secured by	-	-	-	-	-
IΖ	mortgages	_	-	_	_	
13	Securitization Positions					
13	Short term exposures and corporate exposures	-	-	-	-	-
14	from banks and brokerage houses	_	_	_	_	-
15	Exposures in the form of collective investment					
IJ	undertakings	-	-	-	-	-
16	Other receivables	1,403,318	-	-	-	-
.0	Total	162,442,653	5,827,264	2,596,064	-	312,704

Information about the risk exposure categories:

The credit rating of Banks, intermediary institutions and other financial institutions are inspected via the Takasbank Internal Credit Evaluation System and credit or position limits based on the maximum nominal limits or value at risk limits, which can be assigned within the scope of banking or central counterparty actions are determined. The membership types of banks and intermediary institutions which will perform the transaction in the market, or the capital market instruments that are provided by the central counterparty service, are also determined by this system.

There are no financial assets, the maturity or contract conditions of which are revised again (31 December 2022: None).

Details on the Bank's overdue depreciated financial assets are provided in the fifth chapter, first part, and footnote Note 5 of the report.

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations Related to Credit Risk (Continued)

Information about the risk exposure categories: (Continued)

Exposures by risk weights:

Risk Weights - Current Period	0%	10%	20%	50%	75%	100%	150%	250%	Other risk weights	Deductions from Equity
Exposures before credit risk mitigation	5,434,765	-	135,015,735	2,854,135	-	1,632,871	-	-	-	207,683
Exposures after credit risk mitigation	36,533,68	-	103,909,728	2,854,135	-	1,632,871	-	-	-	207,683
Risk Weights - Prior Period	0%	10%	20%	50%	75%	100%	150%	250%	Other risk weights	Deductions from Equity
Exposures before credit risk mitigation	3,034,386	_	162,985,531	2,980,659	_	2,178,108	_	_	-	130,342
Exposures after credit risk mitigation	37.394.373	_	130.108.015	2.198.143	_	1.478.153	_	_	_	130.342

Informations in terms of major sectors and type of counterparties:

None.

Information related to impairment and loan loss provisions

	Opening Balance	Charge for Period	Provision Reversals	Other Adjustments	Closing Balance
			Nevel Sals	Aujustinents	
Specific Provisions	2,792	(811)	-	-	1,981
General Provisions	-	-	-	-	-
	Opening	Charge	Provision	Other	Closing
Prior Period	Balance	for Period	Reversals	Adjustments	Balance
Specific Provisions	678	2,114	-	-	2,792

Risks of Cyclical Capital Buffer Calculation

None.

General Provisions

İSTANBUL TAKAS VE SAKLAMA BANKASI A.S.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

III. Explanations Related to Market Risk

The Bank's market risk management operations are conducted in compliance with the "Regulation on Internal Systems and the Internal Capital Adequacy Assessment Process of Banks" and the "Regulation on Measuring and Reviewing Capital Adequacy of Banks" and within the scope of the responsibility of the Board of Directors.

In the in-balance sheet and off-balance sheet accounts, interest and currency risks that arise from the fluctuations of the positions held by the Bank in financial markets are measured. When calculating capital adequacy rates, the amount which is taken as a basis for market risk, which is calculated using the standard method shown in the table below, is taken into consideration.

Information on market risk

(I) Capital Requirement against General Market Risk - Standard Meth (II) Capital Requirement against Specific Risks - Standard Method Capital requirement against Specific Risks of Securitisation Positions (III) Capital Requirement against Currency Exchange Risk - Standard (IV) Capital Requirement against Commodity Risks - Standard Metho (V) Capital Requirement against Exchange Risks - Standard Method (VI) Capital Requirement against Market Risks of Options - Standard (VII) Capital requirement against Counterparty Credit Risks - Standa (VIII) Capital Requirement against Market Risks of Banks applying Risk Model

(IX) Total Capital Requirement against Market Risk (I+II+III+IV+V+V) (X) Amount Subject to Market Risk (12,5 x VIII) or (12,5 x IX)

	Current Period	Prior Period
thod	272	-
	188	84
s-Standard Method	-	-
rd Method	49,732	4,628
od	-	-
	-	-
d Method	-	-
ard Method	-	-
Risk Measurement		
	-	-
VI+VII)	50,192	4,712
	627,406	58,906

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

III. Explanations Related to Market Risk (Continued)

Average Market Risk Table for the Market Risk Calculated by the End of the Month in the Period:

	C	urrent Period	Prior Period					
	Average	Maximum	Minimum	Average	Maximum	Minimum		
Interest rate risk	874	3,117	84	7	84	-		
Equity risk	-	-	-	-	-	-		
Foreign exchange risk	25,537	49,732	3,514	5,185	9,441	2,586		
Commodity risk	-	-	-	-	-	-		
Swap risk	-	-	-	-	-	-		
Option risk	-	-	-	-	-	-		
Counterparty credit risk	-	-	-	-	-	-		

Total Value at Risk	24,411	52,849	3,598	5,192	9,525	2,586

Information on counterparty credit risk:

The Bank has no counterparty credit risk for purchase and sell accounts as of 31 December 2023 (31 December 2022: None).

IV. Explanations Related to the Operational Risk

The Bank's market operational risk management activities are conducted in compliance with the "Regulation on Internal Systems and the Internal Capital Adequacy Assessment Process of Banks" and the "Regulation on Measuring and Reviewing the Capital Adequacy of Banks" and within the scope of the responsibility of the Board of Directors. When calculating the capital adequacy rates, the amount which is taken as a basis for operational risk is calculated using the basic indicator approach method Balance subject to operational risk is calculated by considering gross income of prior three fiscal years 2022, 2021 and 2020. The amount subject to Operational Risk for the current period is TL 3,279,694 (31 December 2022: TL 2,051,949).

a) Operational risk amount is measured by basic indicator approach on a yearly basis.

b) In case of basic indicator approach is used, information in below table should be used:

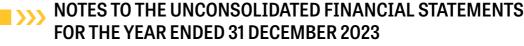
				Total/Total		
Current Period	2 Prior Period	1 Prior Period	31 December 2021	number of years	Rate (%)	Total
Gross Income	889,842	1,435,092	2,922,576	1,749,170	15	262,376
Amount subject						3,279,694
to operational risk						
(Total*12.5)						
				Total/Total	Rate	
Prior Period	2 Prior Period	1 Prior Period	31 December 2020	number of years	(%)	Total
Gross Income	958,185	889,842	1,435,092	1,094,373	15	164,156
Amount subject						
to operational risk						
(Total*12.5)						2,051,949

c) The Bank is not using standard method.

d) The Bank is not using alternative execution in standard method.

e) The Bank is not using advanced measurement method.

İSTANBUL TAKAS VE SAKLAMA BANKASI A.S.



(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

V. Explanations Related to Currency Risk

Except for the foreign currency that the Bank holds for its own transactions pursuant to foreign exchange and settlement and custody transactions, foreign exchange contracts, Takasbank Money Market, Swap Market, Debt Securities Market, Over-the-Counter Derivatives Market, Equity Lending Market, Natural Gas Market Renewable Energy Resource Guarantee Market (YEK-G), Natural Gas Futures Market (VGP), Natural Gas Market, Futures and Options Market (VIOP), Electricity Market, Precious Metals Market, BİAŞ Money Market, Equity Market, Leveraged Trading Transactions, investor compensation center, check clearing The Bank is exposed to foreign exchange risk due to the guarantees received for TEFAS and cash loans and other foreign currencies deposited in the Bank's accounts, as well as the foreign currency remaining in the free accounts of its customers consisting of intermediary institutions, banks and other financial institutions, and market risk is calculated in this context. However, with the Communiqué on Required Reserves numbered 2013/15, the liabilities subject to required reserves have been amended, and since the liabilities specified in the new communiqué are not in the Bank, required reserves are not established at the CBRT.

The Bank calculated a net long foreign exchange of TL 621,646 (31 December 2022: TL 57,853) for the net position between assets and liabilities in foreign currency, and recognised it in the amount basis to market risk.

Recognizing FX transactions of the Bank, the risk management policy that is also regarded in TL transactions is used and asset liability is managed so as not to be exposed to foreign exchange risk in transactions that affect FX assets and liabilities.

The Bank's foreign CBRT exchange bid rates as of the date of the financial statements and five working days prior to that date:

Current Period
Current Exchange Rate on Balance Sheet Date
1 st Business Day's Current Exchange Rate
2 nd Business Day's Current Exchange Rate
3 rd Business Day's Current Exchange Rate
4 th Business Day's Current Exchange Rate
5 th Business Day's Current Exchange Rate
Simple arithmetic averages for last 31 days

9

1 USD	1 EURO	1 GBP	100 JPY
29.4382	32.5739	37.4417	20.7467
29.3973	32.6937	37.5718	20.8217
29.3374	32.4186	37.2657	20.5175
29.2647	32.2421	37.0895	20.5059
29.2108	32.1766	37.0336	20.4635
29.1344	32.0726	36.9491	20.4417
29.0415	31.6995	36.6975	20.0990

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

V. Explanations Related to Currency Risk (Continued)

Information on the foreign currency risk of the Bank:

Current Period	EURO	USD	Other	Total
Assets				
Cash (cash in vault, effectives, cash in transit, cheques				
purchased) and balances with The Central Bank of the				
Republic of Turke y	4,886,085	-	-	4,886,085
Banks	4,200,223	20,734,872	161,877	25,096,972
Financial assets at fair value through profit and loss	-	-	-	-
Money market placements	-	-	-	-
Financial assets at fair value through other comprehensive				
income	661	-	-	661
- Loans	-	-	-	-
Investments in associates, subsidiaries and joint ventures	-	-	-	-
Financial assets measured at amortised cost	-	3,379,883	-	3,379,883
Hedging derivative financial assets	-	-	-	-
Tangible assets	-	-	-	-
Intangible assets	-	-	-	-
Other assets	967	29,198	-	30,165
Total Assets	9,087,936	24,143,953	161,877	33,393,766
Liabilities				
Bank depositS	-	-	-	-
Foreign currency deposits	-	-	-	-
Money market funds	-	-	-	-
Funds provided from other financial institutions	602,827	4,918,429	-	5,521,256
Securities issued	-	-	-	-
Funds	8,287,356	23,217,770	161,468	31,666,594
Hedging derivative financial liabilities	-	-	-	-
Other liabilities	-	-	-	-
Total Liabilities	8,890,183	28,136,199	161,468	37,187,850
Net Balance Sheet Position	197,753	(3,992,246)	409	(3,794,084)

İSTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

V. Explanations Related to Currency Risk (Continued)

Information on the foreign currency risk of the Bank (Continued)

Net Off-Balance Sheet Position	-	4,415,730	-	4,415,730
Financial derivative assets	-	4,415,730	-	4,415,730
Financial derivative liabilities	-	-	-	-
Non-cash loans	-	-	-	-
Prior Period				
Total assets	7,492,386	13,993,003	80,929	21,566,318
Total liabilities	7,453,273	13,974,519	80,673	21,508,465
Net Balance Sheet Position	39,113	18,484	256	57,853
Net Off-Balance Sheet Position	-	-	-	-
Financial derivative assets	-	-	-	-
Financial derivative liabilities	-	-	-	-

Non-cash loans

Exposure to currency rate risk

The Bank is mainly exposed to currency risk in EUR, USD and other currencies. The following table shows the Bank's sensitivity to the 10% increase and decrease in the related currencies. The relevant rate indicates the possible change in the exchange rate of the Bank's management.

This analysis is based on the assumption that all other variables, especially interest rates, remain stable.

Change in net asset value when the TL depreciated by 10% against the related FX Change in net asset value when the TL gains 10% against the related FX

Current P	eriod	Prior Peri	od
EURO	USD	EUR	USD
19,775	(399,225)	3,911	1,848
(19,775)	(399,225)	(3,911)	(1,848)

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VI. Explanations Related to Interest Rate Risk

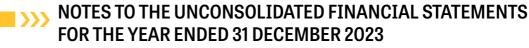
Interest rate sensitivity of the assets, liabilities and off-balance sheet items are measured by the Bank.

The maturity distribution (Gap) analysis determines the cash needs arising in each maturity period. The interest rates applied ensure that there is always a positive spread between the cost of liabilities and the return on assets.

TL and foreign currency deposit transactions, repo and reverse repo transactions, securities transactions, forward and demand placement transactions, foreign currency purchase and sale transactions and swap transactions can be carried out with the Central Bank of the Republic of Turkey or banks. These transactions are carried out by the Treasury Team Management Interest rate sensitivity of assets, liabilities and off-balance sheet items are measured by the Bank.

Government Domestic Debt Securities issued by the Ministry of Treasury and Finance of the Republic of Turkey, Eurobonds and Investment Funds issued by the Treasury, debt securities issued by banks established in Turkey and lease certificates are included in the Bank's portfolio in the current and prior periods. The Bank has no derivative obligations in its transactions aimed at evaluating the sources of funds.

İSTANBUL TAKAS VE SAKLAMA BANKASI A.S.



(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VI. Explanations Related to Interest Rate Risk (Continued)

Information related to the interest rate sensitivity of assets, liabilities and off-balance sheet items (based on reprising dates):

End of Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing ⁽²⁾	Total
Assets	inonen	montaio	montho	1010010		Dournig	iotai
Cash (cash in vault, effectives, cash in transit, cheques purchased) and balances with the Central							
Bank of the Republic Turkey	4,886,085	-	-	-	-	1,958	4,888,043
Banks ⁽²⁾	100,329,948	4,526,770	-	-	-	4,584,123	109,440,841
Financial assets at fair value through profit and loss	-	-	-	-	37,282	2,365	39,647
Money market placements	-	-	-	-	-		
Financial assets at fair value through other							
comprehensive income	-	-	-	-	-	4,332	4,332
Loans ⁽³⁾	1,793,500	-	-	-	-	-	1,793,500
Financial assets measured at amortised cost ⁽⁴⁾	423,349	1,430,303	895,180	792,605	398,391	-	3,939,828
Other assets ⁽¹⁾	55,113	-	-	-	-	1,179,710	1,234,823
Total Assets	107,487,995	5,957,073	895,180	792,605	435,673	5,772,488	121,341,014
Liabilities							
Bank deposits	-	-	-	-	-	-	-
Other deposits	-	-	-	-	-	-	-
Money market funds	-	-	-	-	-	-	-
Miscellaneous payables Marketable securities	33,971,040	-	-	-	-	73,298,723	107,269,763
issued	-	-	-	-	-	-	-
Funds borrowed from other financial institutions	5,651,092	-	-	-	-	-	5,651,092
Other liabilities ⁽¹⁾	-	-	-	-	-	8,420,159	8,420,159
Total Liabilities	39,622,132	-	-	-	-	81,718,882	121,341,014
Balance sheet long position	67,865,863	5,957,073	895,180	792,605	435,673	-	75,946,394
Balance sheet short position		-				(75,946,394)	(75,946,394)
Off-balance sheet long position	-	294,382	4,121,348	-	-	(,	4,415,730
Off-balance sheet short		L0 1,00L	1,121,010				.,
position	-	296,352	4,402,383	-	-	-	4,698,735
Total Position	67,865,863	6,547,807	9,418,911	792,605	435,673	(75,946,394)	9,114,465

⁽¹⁾ Explanations of other assets and other liabilities are provided below.

⁽²⁾ Expected credit loss provisions recognized under TFRS 9 are presented in the "Up to 1 month" column

⁽³⁾ Expected credit loss provisions recognized under TFRS 9 are presented in the "Up to 1 month" column

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(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VI. Explanations Related to Interest Rate Risk (Continued)

	Up to 1	1-3	3-12	4.53	5 Years		
End of Prior Period	Month	Months	Months	1-5 Years	and Over	Bearing ⁽²⁾	Total
Assets							
Cash (cash in vault,							
effectives, cash in transit,							
cheques purchased) and							
balances with the Central	1000 407					4 4 5 4	1000 050
Bank of the Republic Turkey	1,028,407	-	-	-	-	1,451	1,029,858
Banks ⁽²⁾	76,763,734	886,942	-	-	-	694,786	78,345,462
Financial assets at fair value							
through profit and loss	-	-	-	-	63,652	1,056	64,708
Money market placements	-	-	-	-	-	-	-
Financial assets at fair							
value through other							
comprehensive income	-	-	-	-	-	4,332	4,332
Loans ⁽³⁾	2,678,414	-	-	-	-	-	2,678,414
Financial assets measured							
at amortised cost ⁽⁴⁾	88,204	-	2,373,311	-	438,670	-	2,900,185
Other assets (1)	3,333	-	-	-	-	778,280	781,613
Total Assets	80,562,092	886,942	2,373,311	-	502,322	1,479,905	85,804,572
Liabilities							
Bank deposits	-	-	-	-	-	-	-
Other deposits	-	-	-	-	-	-	-
Money market funds	206,603	-	-	-	-	-	206,603
Miscellaneous payables	15,963,165	-	-	-	-	57,837,284	73,800,449
Marketable securities							
issued	-	-	-	-	-	-	-
Funds borrowed from other							
financial institutions	6,821,660	-	-	-	-	-	6,821,660
Other liabilities (1)	-	-	-	-	-	4,975,860	4,975,860
Total Liabilities	22,991,428		-	-	-	62,813,144	85,804,572
Delense sheet lens nosition	E7E70 004	000040	0 070 011		E00.000		01 000 000
Balance sheet long position	57,570,664	886,942	2,373,311	-	502,322	-	61,333,239
Balance sheet short position	-	-	-	-	-	(61,333,239)	(61,333,239)
Off-balance sheet long							
position	-	-	-	-	-	-	-
Off-balance sheet short							
position	-	-	-	-	-	-	-
Total Position	57,570,664	886,942	2,373,311	-	502,322	(61,333,239)	

İSTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.



(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

Other Assets	Current Period	Prior Period
Miscellaneous receivables	202,043	300,282
Investment properties	244,470	141,630
Intangible assets	202,858	125,517
Custody services comission rediscount	163,902	120,718
Deferred tax asset	163,165	43,267
Property & Equipment	149,948	32,355
Derivative Financial Assets	55,113	-
Temporary accounts	48,079	12,627
Subsidiaries	4,825	4,825
Stationary supplies	420	392
Total	1,234,823	781,613
Other Liabilities	Current Period	Prior Period
Shareholder's equity	7,280,762	4,516,938
Current tax liability	714,218	232,854
Provisions	425,099	221,393
Lease liabilities	80	4,675
Total	8,420,159	4,975,860

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⁽¹⁾ Explanations of other assets and other liabilities are provided below.

⁽²⁾ Expected credit loss provisions recognized under TFRS 9 are presented in the "Non-interest bearing" column.

⁽³⁾ Expected credit loss provisions recognized under TFRS 9 are presented in the"Up to 1 month"column.

⁽⁴⁾ Expected credit loss provisions recognized under TFRS 9 are presented in the "3-12 months" column.

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NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VI. Explanations Related to Interest Rate Risk (Continued)

Information related to the interest rate sensitivity of assets, liabilities and off-balance sheet items (based on reprising dates): (Continued)

Average interest rates applied to monetary financial instruments (%):

Current Period End Balance	EURO	USD	TL
Assets			
Cash (cash in vault, foreign currency cash, money in transit, cheques			
purchased) and balances with the Central Bank of Turkey	-	-	-
Due from other banks	4.97	6.97	42.84
Financial assets at fair value through profit and loss	-	-	-
Money market placements	-	-	-
Financial assets at fair value through other comprehensive income	-	-	-
Loans	-	-	43.00
Financial assets measured at amortized cost	-	7.33	12.53
Liabilities			
Bank deposits	-	-	-
Other deposits	-	-	-
Money market borrowings	-	-	-
Funds	-	-	43.05
Securities issued	-	-	-
Funds borrowed	4.16	5.49	41.00
Prior Period End Balance	EURO	USD	TL
Assets			
Cash (cash in vault, foreign currency cash, money in transit, cheques			
purchased) and balances with the Central Bank of Turkey	-	-	-
Due from other banks	3.73	5.94	11.07
Financial assets at fair value through profit and loss	-	-	9.40
Money market placements		-	-
Money market placements	-		
	-	-	-
Financial assets at fair value through other comprehensive income Loans	-	-	- 15.28
Financial assets at fair value through other comprehensive income Loans	- - 2.07	7.09	- 15.28 15.45
Financial assets at fair value through other comprehensive income Loans Financial assets measured at amortized cost	2.07	7.09	
Financial assets at fair value through other comprehensive income Loans Financial assets measured at amortized cost Liabilities	2.07	7.09	
Financial assets at fair value through other comprehensive income Loans Financial assets measured at amortized cost Liabilities Bank deposits	- - 2.07 -	7.09	
Financial assets at fair value through other comprehensive income Loans Financial assets measured at amortized cost Liabilities Bank deposits Other deposits	- - 2.07 - - -	- 7.09 - -	
Financial assets at fair value through other comprehensive income Loans Financial assets measured at amortized cost Liabilities Bank deposits Other deposits Money market borrowings	- 2.07 - -	- 7.09 - -	15.45
Financial assets at fair value through other comprehensive income	- - 2.07 - - -	- 7.09 - - -	15.45 - 9.00

İSTANBUL TAKAS VE SAKLAMA BANKASI A.S.



(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VI. Explanations Related to Interest Rate Risk (Continued)

Interest rate risk on banking accounts:

Type of Currency	Shock Applied (+/- x basis point)	Gains/(Losses)	Gains/Equity (Losses)/Equity
TRY	(+) 500 bp	(150,252)	(0.021)
TRY	(-) 400 bp	124,402	0.017
EUR	(+) 200 bp	(6,518)	(0.001)
EUR	(-) 200 bp	6,650	0.001
USD	(+) 200 bp	(77,021)	(0.011)
USD	(-) 200 bp	81,956	0.011
Total (of negative shocks)		213,009	0.030
Total (of positive shocks)		(233,792)	(0.032)

VII. Equity share position risk in banking accounts

As of 31 December 2023, the Bank has no equity share position risk arising from the equity share and banking accounts (31 December 2022: None).

VIII. Explanations Related to Liquidity Risk

The Guarantee Fund received within the scope of BİAŞ Markets, BİAŞ Debt and Equity Markets, Takasbank Money Market (TMM), Over-the-Counter Derivatives Market, Takasbank Securities Lending Market (SLM), Renewable Energy Resource Guarantee Market (YEK-G), Futures Natural Gas Market (VGP), Natural Gas Market, BİAŞ Futures and Options Market (VIOP), Electricity Market, Electricity Futures Market, BİAŞ Money Market and BİAŞ Precious Metals Market, In order to cover the risks that may arise from the BİAŞ Swap Market, Investor Compensation Center membership and pledge collaterals, check clearing, vehicle clearing, Turkey Electronic Fund Trading Platform (TEFAS), Private Pension Fund Trading Platform (BEFAS), public collateral management service and other transactions, the Bank takes care to work within the collaterals and to keep the majority of TL funds liquid and does not carry an open foreign currency position.

The Bank's main liquidity management strategy is to effectively manage all money market instruments and the potential risks that these instruments may pose to the Bank's balance sheet. In this direction, the highest attention is paid to the diversity of instruments, matching maturity structures and maintaining liquidity at an optimal level in order to reduce the risks associated with market products. Transactions with other banks in the over-the-counter market are carried out within the limits set by the Board of Directors. Compliance with these limits is regularly reviewed by the Internal Control Department.

The interest rates of payments, assets and liabilities are matched. Since there is no mismatch, there is no need for the measurement of the effect on profitability.

The Bank's short and long-term liquidity needs are met by internal and external resources.

The Bank's cash flows, its own funds and amounts remaining in members' free accounts, Takasbank money market (TPP), OTC derivatives market, stock lending market (PPP), natural gas market, renewable energy guarantee market (YEK-G), natural gas market (VGP), natural gas market, BİAŞ futures and options market (VIOP), electricity market, electricity futures market, BİAŞ money market and precious metals market, BİAŞ swap market, investor compensation center membership and pledge guarantees, check clearing, cash collateral received for reasons such as vehicle swap, crowdfunding platform, TEFAS, cash collateral for other services related to public guarantee management, are valued overnight at other banks in the over-thecounter market to manage liquidity risk.

The Bank manages its liquidity risk by having enough cash and cash equivalent resources in order to meet present and probable debt obligations, by being able to close short positions and by being able to fund loan requirements.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VIII. Explanations Related to Liquidity Risk (Continued)

Liquidity position is assessed and managed considering the market-wide and Bank-specific factors. The most important scenario among these scenarios is to maintain the ratio of net liquid assets/payables to clients in limits.

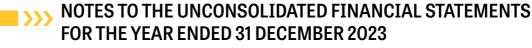
According to the Decree of the Banking Regulation and Supervision Board dated 24 December 2015 and numbered 6613, for development and investment banks, it has been decided to apply the total and foreign currency liquidity adequacy ratios related to the first and second maturity brackets according to the first paragraph of Article 13 of the Regulation Regarding the Measurement and Evaluation of Banking Liquidity Adequacy and to continue to report to the Authority.

In accordance with the fifth paragraph of Article 4 of the Regulation on Liquidity Coverage Ratio Calculation of Banks, it has been decided to apply the consolidated and unconsolidated total and foreign currency liquidity coverage ratios for development and investment banks as zero percent until otherwise determined by the BRSA. In this context, the Bank reports to the BRSA, but compliance with the legal ratio is not required.

Ratios throughout the period are as below:

	Current Period (%)	Prior Period (%)
Period Average	266	263
Highest	304	292
Lowest	113	230

İSTANBUL TAKAS VE SAKLAMA BANKASI A.S.



(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VIII. Explanations Related to Liquidity Risk (Continued)

Presentation of assets and liabilities according to their remaining n

		Up to 1	1-3	3-12	1-5	5 Year and		
Current Period	Demand	Month	Month	Month	Year	Over	Undistributed ⁽¹⁾	Tota
Assets								
Cash (cash in vault, foreign currency cash,								
money in transit, cheques purchased) and	4.050	4 000 005						1000.010
balances with the Central Bank of Turkey	1,958	4,886,085	4 500 770	-	-	-	-	4,888,043
Banks	4,584,123	100,329,948	4,526,770	-	-	-	-	109,440,841
Financial assets at fair value through profit and loss	2,365					37,282		39,647
Money market placements	2,000	_	_	_	_	- 01,202	_	
Fair value with changes in other								
comprehensive income	4,332	-	-	-	-	-	-	4,332
Loans	-	1,793,500	-	-	-	-	-	1,793,500
Financial assets measured at amortized								
cost	-	423,349	1,430,303	895,180	792,605	398,391	-	3,939,828
Other assets (1)	-	55,113	-	-	-	-	1,179,710	1,234,823
Total Assets	4,592,778	107,487,995	5,957,073	895,180	792,605	435,673	1,179,710	121,341,014
Liabilities								
Bank deposits	-	-	-	-	-	-	-	-
Other deposits	-	-	-	-	-	-	-	-
Funds borrowed	-	5,651,092	-	-	-	-	-	5,651,092
Money market borrowings	-	-	-	-	-	-	-	-
Securities issued	-	-	-	-	-	-	-	-
Funds	73,298,723	33,971,040	-	-	-	-	-	107,269,763
Other liabilities	-	159,288	11	691,668	-	-	7,569,192	8,420,159
Total Liabilities	73,298,723	39,781,420	11	691,668	-	-	7,569,192	121,341,014
Liquidity gap	(68,705,945)	67,706,575	5,957,062	203,512	792,605	435,673	(6,389,482)	-
Net position	-	-	-	-	-	-	-	-
Receivables from derivative financial								
instruments	-	-	294,382	4,121,348	-	-	-	4,415,730
Liabilities from derivative financial								
instruments	-	-	296,352	4,402,383	-	-	-	4,698,735
Non-Cash Loans	-	33,224,169	637,511	521,436	-	-	-	34,383,116
Prior period								
Total assets	701,625	80,562,092	886,942	2,373,311	-	502,322	778,280	85,804,572
Total liabilities	57,837,284	23,047,376	-	237,492	4,412	-	4,678,008	85,804,572
Liquidity gap	(57,135,659)	57.514.716	886,942	2.135.819	(4,412)	502.322	(3,899,728)	
Net position	-	-				-	-	-
Receivables from derivative financial								
instruments	-	-	-	-	-	-	-	-
Liabilities from derivative financial								
instruments	-	-	-	-	-	-	-	-
Non-Cash Loans	-	85,036,149	3,191,188	1,919,810	-	-	-	90,147,147

		Up to 1	1-3	3-12		5 Year and		_
Current Period	Demand	Month	Month	Month	Year	Over	Undistributed ⁽¹⁾	Tota
Assets								
Cash (cash in vault, foreign currency cash,								
money in transit, cheques purchased) and								
balances with the Central Bank of Turkey	1,958	4,886,085	-	-	-	-	-	4,888,043
Banks	4,584,123	100,329,948	4,526,770	-	-	-	-	109,440,841
Financial assets at fair value through profit	0.005					07000		00.047
and loss	2,365	-	-	-	-	37,282	-	39,647
Money market placements	-	-	-	-	-	-	-	-
Fair value with changes in other	4.000							4.332
comprehensive income	4,332	1700 000	-	-	-	-	-	1
Loans	-	1,793,500	-	-	-	-	-	1,793,500
Financial assets measured at amortized cost		423,349	1,430,303	895,180	792,605	398,391		3,939,828
	-		1,430,303	090,100	192,005	390,391	- 1170 710	
Other assets (1)	4 502 779	55,113	E 057 079	905 190	702 005	405 670	1,179,710	1,234,823
Total Assets	4,592,778	107,487,995	5,957,073	895,180	792,605	435,673	1,179,710	121,341,014
Liabilities								
Bank deposits	-	_	-	-	-	-	-	-
Other deposits	-	-	-	-	-	-	-	-
Funds borrowed	-	5,651,092	-	-	-	-	-	5,651,092
Money market borrowings	-		_	_	-	_	-	0,001,002
Securities issued	-	-	_	_	-	_	-	-
Funds	73.298.723	33,971,040	_	_	-	_	-	107,269,763
Other liabilities		159,288	11	691,668	-	_	7,569,192	8,420,159
Total Liabilities	73,298,723	39,781,420	11	691.668		-	7,569,192	121,341,014
Total Elabilities	10,200,120	00,101,420		001,000			1,000,102	121,041,014
Liquidity gap	(68,705,945)	67,706,575	5,957,062	203,512	792,605	435,673	(6,389,482)	-
Net position	-	-	-	-	-	-	-	-
Receivables from derivative financial								
instruments	-	-	294,382	4,121,348	-	-	-	4,415,730
Liabilities from derivative financial								
instruments	-	-	296,352	4,402,383	-	-	-	4,698,735
Non-Cash Loans	-	33,224,169	637,511	521,436	-	-	-	34,383,116
Prior period								
Total assets	701,625	80,562,092	886,942	2,373,311	-	502,322	778,280	85,804,572
Total liabilities	57,837,284	23,047,376	- 000,342	2,373,311	4,412	- 102,022	4,678,008	85,804,572
IULAI IIADIIILIUS	51,051,204	23,041,310	-	201,482	4,412	-	4,070,000	00,004,072
Liquidity gap	(57,135,659)	57,514,716	886,942	2,135,819	(4,412)	502,322	(3,899,728)	-
Net position	-	-	-	-	-	-	-	-
Receivables from derivative financial								
instruments	-	-	-	-	-	-	-	-
Liabilities from derivative financial								
instruments	-	-	-	-	-	-	-	-
Non-Cash Loans	-	85,036,149	3,191,188	1,919,810	-	-	-	90,147,147

		Up to 1	1-3	3-12	1-5	5 Year and		
Current Period	Demand	Month	Month	Month	Year	Over	Undistributed ⁽¹⁾	Tota
Assets								
Cash (cash in vault, foreign currency cash,								
money in transit, cheques purchased) and								
balances with the Central Bank of Turkey	1,958	4,886,085	-	-	-	-	-	4,888,043
Banks	4,584,123	100,329,948	4,526,770	-	-	-	-	109,440,841
Financial assets at fair value through profit						07000		00.047
and loss	2,365	-	-	-	-	37,282	-	39,647
Money market placements	-	-	-	-	-	-	-	-
Fair value with changes in other comprehensive income	4,332							4.332
Loans	4,332	1,793,500	-	-	-	-	-	4,332 1,793,500
Financial assets measured at amortized	-	1,793,500	-	-	-	-	-	1,793,300
cost	_	423,349	1,430,303	895,180	792,605	398,391	_	3,939,828
Other assets (1)		55,113	1,400,000	000,100	102,000	000,001	1,179,710	1,234,823
Total Assets	4,592,778	107,487,995	5,957,073	895,180	792,605	435,673	1,179,710	121,341,014
	4,002,110	101,401,000	3,331,013	000,100	102,000	400,010	1,110,110	121,041,014
Liabilities								
Bank deposits	-	-	-	-	-	-	-	-
Other deposits	-	-	-	-	-	-	-	-
Funds borrowed	-	5,651,092	-	-	-	-	-	5,651,092
Money market borrowings	-	-	-	-	-	-	-	-
Securities issued	-	-	-	-	-	-	-	-
Funds	73,298,723	33,971,040	-	-	-	-	-	107,269,763
Other liabilities	-	159,288	11	691,668	-	-	7,569,192	8,420,159
Total Liabilities	73,298,723	39,781,420	11	691,668	-	-	7,569,192	121,341,014
Liquidity gap	(68,705,945)	67,706,575	5,957,062	203,512	792,605	435,673	(6,389,482)	-
Net position	-	-	-		-	-	-	-
Receivables from derivative financial			004000	4404.0.40				4 445 70.0
instruments	-	-	294,382	4,121,348	-	-	-	4,415,730
Liabilities from derivative financial instruments			000 050	4,402,383				4 000 705
Non-Cash Loans	-	33,224,169	296,352 637,511	4,402,383 521,436	-	-	-	4,698,735 34,383,116
NUII-GASIT LUAIIS		33,224,109	037,011	521,450	-	-		34,303,110
Prior period								
Total assets	701,625	80,562,092	886,942	2,373,311	-	502,322	778,280	85,804,572
Total liabilities	57,837,284	23,047,376	-	237,492	4,412	-	4,678,008	85,804,572
Liquidity gap	(57,135,659)	57.514.716	886.942	2.135.819	(4.412)	502.322	(3,899,728)	
Net position	(37,133,039)		- 000,942	2,100,010	(4,412)		(3,033,120)	
Receivables from derivative financial								
						_		-
instruments	-	-	-				-	
instruments Liabilities from derivative financial	-	-	-				-	
	-	-	-	-	-	_	-	-

		Up to 1	1-3	3-12	1-5	5 Year and		
Current Period	Demand	Month	Month	Month	Year	Over	Undistributed (1)	Total
Assets								
Cash (cash in vault, foreign currency cash,								
money in transit, cheques purchased) and								
balances with the Central Bank of Turkey	1,958	4,886,085	-	-	-	-	-	4,888,043
Banks	4,584,123	100,329,948	4,526,770	-	-	-	-	109,440,841
Financial assets at fair value through profit								
and loss	2,365	-	-	-	-	37,282	-	39,647
Money market placements	-	-	-	-	-	-	-	-
Fair value with changes in other								
comprehensive income	4,332	-	-	-	-	-	-	4,332
Loans	-	1,793,500	-	-	-	-	-	1,793,500
Financial assets measured at amortized								
cost	-	423,349	1,430,303	895,180	792,605	398,391	-	3,939,828
Other assets (1)	-	55,113	-	-	-	-	1,179,710	1,234,823
Total Assets	4,592,778	107,487,995	5,957,073	895,180	792,605	435,673	1,179,710	121,341,014
Liabilities								
Bank deposits	-	-	-	-	-	-	-	-
Other deposits	-	-	-	-	-	-	-	-
Funds borrowed	-	5,651,092	-	-	-	-	-	5,651,092
Money market borrowings	-	-	-	-	-	-	-	-
Securities issued	-	-	-	-	-	-	-	-
Funds	73,298,723	33,971,040	-	-	-	-	-	107,269,763
Other liabilities	-	159,288	11	691,668	-	-	7,569,192	8,420,159
Total Liabilities	73,298,723	39,781,420	11	691,668	-	-	7,569,192	121,341,014
Liquidity gap	(68,705,945)	67,706,575	5,957,062	203,512	792,605	435,673	(6,389,482)	
Net position	-	-	-	-	-	-	-	-
Receivables from derivative financial								
instruments	-	-	294,382	4,121,348	-	-	-	4,415,730
Liabilities from derivative financial			000.050	4 400 000				4 000 705
instruments	-	-	296,352	4,402,383	-	-	-	4,698,735
Non-Cash Loans	-	33,224,169	637,511	521,436	-	-	-	34,383,116
Prior period								
Total assets	701,625	80,562,092	886,942	2,373,311		502,322	778,280	85,804,572
Total liabilities					4 410	002,322		
IULAI IIADIIILIES	57,837,284	23,047,376	-	237,492	4,412	-	4,678,008	85,804,572
Liquidity gap	(57,135,659)	57,514,716	886,942	2,135,819	(4,412)	502,322	(3,899,728)	-
Net position	-	-	-	-	-	-	-	-
Receivables from derivative financial								
instruments	-	-	-	-	-	-	-	-
Liabilities from derivative financial								
instruments	-	-	-	-	-	-	-	-
Non-Cash Loans	-	85,036,149	3,191,188	1,919,810	-	-	-	90,147,147

		Up to 1	1-3	3-12	1-5	5 Year and		
Current Period	Demand	Month	Month	Month	Year	Over	Undistributed ⁽¹⁾	Tota
Assets								
Cash (cash in vault, foreign currency cash,								
money in transit, cheques purchased) and	4.050	4 000 005						4 0 0 0 0 4 0
balances with the Central Bank of Turkey	1,958	4,886,085	-	-	-	-	-	4,888,043
Banks	4,584,123	100,329,948	4,526,770	-	-	-	-	109,440,841
Financial assets at fair value through profit and loss	2,365	_	_	_	_	37,282	_	39,647
Money market placements	2,303					01,202		53,041
Fair value with changes in other								
comprehensive income	4,332	-	-	-	-	-	-	4,332
Loans		1,793,500	-	-	-	-	-	1,793,500
Financial assets measured at amortized		, ,						, ,
cost	-	423,349	1,430,303	895,180	792,605	398,391	-	3,939,828
Other assets (1)	-	55,113	-	-	-	-	1,179,710	1,234,823
Total Assets	4,592,778	107,487,995	5,957,073	895,180	792,605	435,673	1,179,710	121,341,014
Liabilities								
Bank deposits	-	-	-	-	-	-	-	-
Other deposits	-	-	-	-	-	-	-	-
Funds borrowed	-	5,651,092	-	-	-	-	-	5,651,092
Money market borrowings	-	-	-	-	-	-	-	-
Securities issued	-	-	-	-	-	-	-	-
Funds	73,298,723	33,971,040	-	-	-	-	-	107,269,763
Other liabilities	-	159,288	11	691,668	-	-	7,569,192	8,420,159
Total Liabilities	73,298,723	39,781,420	11	691,668	-	-	7,569,192	121,341,014
Liquidity gap	(68,705,945)	67,706,575	5,957,062	203,512	792,605	435,673	(6,389,482)	
Net position	-	-	-	-	-	-	-	-
Receivables from derivative financial								
instruments	-	-	294,382	4,121,348	-	-	-	4,415,730
Liabilities from derivative financial								
instruments	-	-	296,352	4,402,383	-	-	-	4,698,735
Non-Cash Loans	-	33,224,169	637,511	521,436	-	-	-	34,383,116
Prior period								
Total assets	701,625	80,562,092	886,942	2,373,311	-	502,322	778,280	85,804,572
Total liabilities	57,837,284	23,047,376	-	237,492	4,412	-	4,678,008	85,804,572
Liquidity gop	(57,135,659)	57,514,716	886,942	2,135,819	(4,412)	502,322	(3,899,728)	
Liquidity gap Net position	(07,130,009)	57,514,710	000,942	2,130,019	(4,412)		(3,099,120)	-
Receivables from derivative financial				-			-	
instruments	-	-	-	-	-	-	-	-
Liabilities from derivative financial								
instruments	-	-	-	-	-	-	-	-
Non-Cash Loans	-	85,036,149	3,191,188	1,919,810	-	-	-	90,147,147

⁽¹⁾ Accounts that constitute the balance sheet assets such as fixed assets, participation and subsidiaries, prepaid expenses, receivables for follow up those are required to maintain banking operations and are not convertible to cash in short term period are recorded into this account.

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NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VIII. Explanations Related to Liquidity Risk (Continued)

Securitization positions:

The Bank does not apply securitisation as of 31 December 2023 (31 December 2022: None).

Explanations on Leverage Ratio:

a) Information on issues that cause differences between current period and previous period leverage ratios:

The leverage ratio of the Bank calculated in accordance with the "Regulation on Measurement and Assessment of Leverage Level of Banks" is 4.90% (December 31, 2022: 2.55%).

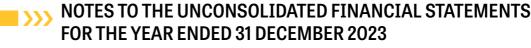
In accordance with the written application dated July 5, 2022 and numbered 43806 submitted to the BRSA and the letter dated February 7, 2023 and numbered 10042 received from the BRSA, the Bank started to calculate the leverage ratio by taking into account the amounts allocated and committed from Takasbank's capital instead of the amount of off-balance sheet liabilities in the markets where CCP service is provided and the open position amount in Takasbank Money Market, which are included in the calculation as non-cash loans in off-balance sheet liabilities as of this date. Accordingly, the leverage ratio increased above the legal limit of 3%.

b) Leverage ratio:

	Current Period ⁽¹⁾	Prior Period ⁽¹⁾
Assets on the balance sheet		
Assets on the balance sheet (excluding derivative financial instruments and loan		
derivatives, including collaterals)	120,307,144	80,016,265
(Assets deducted from core capital)	(208,473)	(135,836)
Total risk amount for assets on the balance sheet	120,098,671	79,880,429
Derivative financial instruments and credit derivatives		
Renewal cost of derivative financial instruments and loan derivatives	-	-
Potential credit risk amount of derivative financial instruments and loan derivatives	10,589,679	-
Total risk amount of derivative financial instruments and loan derivatives	-	-
Financing transactions with securities or goods warranties		
Risk amount of financial transactions with securities or goods warranties (excluding		
those in the balance sheet)	-	-
Risk amount arising from intermediated transactions	-	-
Total risk amount of financing transactions with securities or goods warranties	-	-
Off-the-balance sheet transactions		
Gross nominal amount of the off-balance sheet transactions	4,849,545	81,402,099
(Adjustment amount arising from multiplying by the credit conversion rate)	-	
Total risk amount for off-balance sheet transactions	4,849,545	81,402,099
Capital and total risk		
Tier 1 capital	6,640,109	4,119,327
Total risk amount	135,537,895	161,282,528
Leverage ratio		
Leverage ratio (%)	4.90	2.55

⁽¹⁾ The amounts in the table are calculated by using the guarterly average amounts.

İSTANBUL TAKAS VE SAKLAMA BANKASI A.S.



(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VIII. Explanations Related to Liquidity Risk (Continued)

Credit Risk Mitigation Techniques

The Bank does not perform on-balance sheet and off-balance sheet netting. For cash loans, the Bank does not use equity shares, government domestic debt securities, letters of guarantee, cash blockage (TL/FX), equity umbrella fund shares, debt securities umbrella fund shares, money market umbrella fund shares, Borsa Istanbul A.S. shares, asset-backed securities whose collateral conditions are determined by the Bank, gold traded on stock exchanges, Euro bonds issued by the Republic of Turkey Ministry of Treasury and Finance, bank bonds and bills, lease certificates issued by the Republic of Turkey Treasury Varlık Kiralama A.Ş. and exchange-traded fund shares.

Takasbank Money Market (TMM) transactions are regarded as non-cash loans due to the guarantorship of the Bank in TMM. In the Futures Option Market (VIOP), the Borsa Istanbul Money Market, the Borsa Istanbul Equity Market, the Borsa Istanbul Debt Securities Market and the BIAS Swap Market and over the counter derivative market (OTC), due to the Bank being the counterparty, transactions are considered as non-cash loans and services are provided within the scope of guarantees.

Cash (TL, USD, EUR), guarantee letter, treasury bills, government debt securities, investment bond participation certificates, shares traded on the stock market and determined by Takasbank, Euro bonds, bank bonds and bills issued by the Ministry of Treasury and Finance, lease certificates issued by Hazine Müsteşarlığı Varlık Kiralama A.Ş., gold that can be traded on stock market are considered as collateral in Takasbank Money Market (TMM).

As transaction collateral in the SLM, cash TL, convertible foreign currency (USD, Euro, GBP), government domestic debt securities, Euro bonds issued by the Republic of Turkey Ministry of Treasury and Finance, lease certificates issued by the Republic of Turkey Treasury Asset Leasing Inc. lease certificates issued by the Turkish Treasury, standard gold traded on the stock exchange, fund units in the Equity Umbrella Fund, fund units in the Debt Securities Umbrella Fund, mortgage-backed securities, mortgage-backed securities, asset-backed securities and asset-backed securities, equity securities in the BIST 100 index, Borsa Istanbul A. S. Shares and commodity certificates (based on gold) issued by the General Directorate of Mint and Stamp Printing House of the Ministry of Treasury and Finance of the Republic of Turkey are given as collateral.

Cash (TL, USD, EUR, GBP), government domestic debt stock, as transaction collateral in VIOP, Euro bonds issued by the Ministry of Treasury and Finance, shares in BIST 100 index, fund participation shares affiliated to the Stock Umbrella Fund, fund participation shares of debt instruments umbrella fund, Undersecretariat of Treasury Varlık Kiralama A.Ş. Gold, mortgagebacked securities, mortgage-backed securities, asset-backed securities, and asset-backed securities are purchased.

Cash TL, convertible foreign currencies (USD, EUR, GBP), government domestic debt securities, T.R. Eurobonds issued by the Ministry of Treasury and Finance, T.R. Treasury Varlık Kiralama A.Ş. Lease bills issued by Borsa İstanbul A.Ş., gold in exchangetraded standards, shares in the BIST 100 index, fund shares affiliated to the Equity Umbrella Fund, fund shares affiliated to the Debt Securities Umbrella Fund, Borsa İstanbul A.Ş. Mortgage-backed securities, mortgage-backed securities, asset-backed securities and asset-backed securities are accepted as collateral. In addition, domestic debt securities issued by Germany and the U.S. can be accepted as transaction collateral in the BİAŞ swap market.

In Borsa Istanbul Stock Market and Borsa İstanbul Borrowing Instruments Market, cash TL, convertible foreign currency (USD, EUR, GBP), government domestic debt securities and Hazine Müstesarlığı Varlık Kiralama A.S. Lease certificates issued by Euro bonds issued by the Ministry of Treasury and Finance, shares in BIST 100 index, Fund participation shares attached to the Stock Umbrella Fund, Borrowing Instruments Fund participation shares attached to the Umbrella Fund, Gold in the Stock Market Standard, Mortgage-backed securities, mortgage-backed securities, asset-backed securities and asset-backed securities, Borsa İstanbul A.Ş. shares are accepted as collateral.

Cash (TL, USD, EUR, GBP) as transaction collateral in OTC, government domestic debt stock, Euro bond issued by the Ministry of Treasury and Finance, Hazine Müsteşarlığı Varlık Kiralama A.Ş. Lease certificates issued by the Company, domestic debt securities issued by Germany and the USA, and mortgage-backed securities, mortgage-backed securities, asset-backed securities and asset-backed securities.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VIII. Explanations Related to Liquidity Risk (Continued)

At the end of each day, Takasbank evaluates the collaterals at the prices stated below. In consequence of guarantee valuation carried out every day, in the event that the depreciation of the guarantees exceeds the limits determined by the Bank, a margin call is made to ensure that the guarantees are brought to the level of the initial guarantee.

a) For foreign exchange: The average of the interbank rates throughout the day, including the time of risk calculation at 6:00 p.m. at the end of the day, and the bid rate published by CBRT at 3:30 p.m. at the time of risk calculation at the end of the day.

b) For shares: the theoretical rate determined by Takasbank if no transaction has taken place on the stock exchange. For traded securities, the last transaction price may also be used, if the unmatched buy and sell orders arrive later than the last transaction price (in case of simultaneous purchase and sale), the average of the buy and sell prices.

c) For government bonds, treasury bills and leasing certificates: the theoretical price determined using the Takasbank yield curve for the day of valuation, if these prices cannot be obtained, the indicative daily values determined by the CBRT for domestic government debt securities and the traded prices for domestic debt securities issued by the U.S. and Germany,

c) For foreign currencies: the foreign exchange buying rate determined by the CBRT on the day of the valuation for the next day,

d) For mutual funds: the price announced by the issuer on the day of the valuation,

e) For Eurobonds: the prices calculated using the yield curve consisting of the traded Eurobonds and the price determined by Takasbank if the yield curve cannot be produced,

f) For banknotes and bonds: The theoretical price calculated by Takasbank,

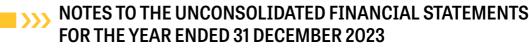
g) For gold; In the last session of the Borsa Istanbul Precious Metals and Precious Stones Market on the day of valuation, the price calculated using the USD/ONS rate for transactions with a value date of T+O and the CBRT foreign exchange buying rate, if the transaction has not taken place, the weighted average price formed in the previous session, if the transaction has not taken place, the theoretical price, or the weighted average price of the previous session

ğ) For mortgage-backed securities, mortgage-backed securities, asset-backed securities and asset-backed securities; Theoretical price determined by Takasbank yield curve or the price determined by Takasbank.

h) For the stock exchange share: the price determined by the protocol concluded between the stock exchange and Takasbank. After dividend payment and capital increase, Borsa İstanbul A.Ş. If the price is determined separately by the Company, the guarantees will be revalued with the price.

I) The price announced by the issuer for equity umbrella fund units and debt umbrella fund units.

İSTANBUL TAKAS VE SAKLAMA BANKASI A.S.



(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VIII. Explanations Related to Liquidity Risk (Continued)

Collaterals in terms of risk categories:

Expecting electricities Current Period	Amount	Financial Collaterals	Other/ Physical Collaterals	Guarantees and Credit Derivatives
Exposure classifications - Current Period	Amount	Conaterais	Conaterais	Derivatives
Conditional and unconditional receivables from central governments or central banks	5.434.678	4.659.710		
5	0,404,070	4,009,710	-	-
Conditional and unconditional receivables from regional or local governments	-	-	-	-
Conditional and unconditional receivables from				
administrative units and non-commercial enterprises	-	-	-	-
Conditional and unconditional receivables from multilateral				
development banks	-	-	-	-
Conditional and unconditional receivables from international				
organizations	-	-	-	-
Conditional and unconditional receivables from banks and				
brokerage houses	106,763,863	26,446,297	-	-
Conditional and unconditional corporate receivables	-	-	-	-
Conditional and unconditional retail receivables	-	-	-	-
Conditional and unconditional secured mortgage receivables	-	-	-	-
Past due receivables	-	-	-	-
Receivables in high risk category defined by BRSA	13,247	-	-	-
Securities collateralised by mortgages	-	-	-	-
Securitisation positions	-	-	-	-
Short-term receivables from banks, stockbrokers and				
corporates	-	-	-	-
Investments of natured collective investment enterprise	-	-	-	-
Other receivables	1,632,958	-	-	-
Total	113,844,746	31,106,007	-	-

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VIII. Explanations Related to Liquidity Risk (Continued)

Collaterals in terms of risk categories:

Exposure classifications - Prior Period	Amount	Financial Collaterals	Other/ Physical Collaterals	Guarantees and Credit Derivatives
Conditional and unconditional receivables from central				
governments or central banks	3,034,366	7,114,945	-	-
Conditional and unconditional receivables from regional or local governments	-	-	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	_	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	106,891,677	26,133,303	-	-
Conditional and unconditional corporate receivables	25,489,336	1,111,739	-	-
Conditional and unconditional retail receivables	-	-	-	-
Conditional and unconditional secured mortgage receivables	-	-	-	-
Past due receivables	-	-	-	-
Receivables in high risk category defined by BRSA	-	-	-	-
Securities collateralised by mortgages	-	-	-	-
Securitisation positions	-	-	-	-
Short-term receivables from banks, stockbrokers and				
corporates	-	-	-	-
Investments of natured collective investment enterprise	-	-	-	-
Other receivables	1,403,318	-	-	-
Total	136,818,697	34,359,987	-	-

IX. Risk management objectives and policies

The purpose of the risk management system is to define, measure, track, and report the risks, through policies, implementing procedures, and limitations identified to track, control, and, when necessary, change the risk-gain structure of future cash flows of the Bank and therefore the nature and level of its activities.

The purpose of the internal capital adequacy assessment process (ISEDES) is to internally determine the capital level which is adequate to compensate for the risks that the Bank is or is likely to be exposed to and to enable the Bank to continue its operations with capital above this level.

When establishing and implementing the Risk Management System and ISEDES, the proportionality principle is considered, in accordance with BRSA legislation and good practice guidelines.

The general risk policy of the Bank is to perform its activities taking manageable, controllable, and reasonable risks, which maintain the balance between income and expenses. The Bank manages its risks in such a way that they stay above the minimum and below the maximum levels stated in the regulations published by the BRSA and below the risk appetite confirmed by the Board of Directors.

The Bank's risk capacity is determined in accordance with the capital adequacy policy. In capital and liquidity planning, the Bank's current and stressed liquidity needs, risk appetite and capacity are evaluated together.

İSTANBUL TAKAS VE SAKLAMA BANKASI A.S.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

IX. Risk management objectives and policies (Continued)

The fund management strategy of the Bank is designed to avoid any liquidity problems, to sustain optimization of the riskincome balance, and to obtain maximum benefits from resources while taking a reasonable level of risk.

The footnotes and related explanations prepared in accordance with the Communiqué on "Public Disclosures related with Banks' Risk Management Regulations" published in Official Gazette No. 29511 on 23 October 2015 and entered into force as of 31 March 2016 are given in this section. The following tables, which should be given in annual periods in accordance with the related communiqué, have not been presented as of 31 December 2023 because the standard approach is used in the calculation of Bank's capital adequacy and there are no credit derivatives and securitization position.

- The Change Table of Risk Weighted Assets (RWA) under the Internal Grading Based (IGB) approach
- RWA changes for Counterparty Credit Risk under the Internal Capital Method
- The market risk RWA change table, according to the internal model approach
- Quantitative information to be made public for banks using internal model approach
- Internal model approach for trading account
- Comparison of VaR estimates with profit/loss
- IRB Credit risk exposures by portfolio and PD range
- IRB (specialized lending and equities under the simple risk weight method)
- IRB (specialized lending and equities under the simple risk weight method)
- IRB Retrospective test of default probabilities in each risk class
- Change table of RWA under IRB approach
- CVA capital charge
- IRB CCR exposures by portfolio and PD scale
- Credit Derivatives
- Exposures to central counterparties
- Securitization exposures in the banking book
- Securitization exposures in the trading book
- Securitization exposures in the banking book and associated regulatory capital requirements bank acting as originator or as sponsor
- Securitization exposures in the banking book and associated capital requirements bank acting as investor
- 1. Risk management approach and risk weighted amounts

1.1. Bank's risk management approach

a) How the business model determines and interacts with the overall risk profile (e.g. the key risks related to the business model and how each of these risks is reflected and described in the risk disclosures) and how the risk profile of the bank interacts with the risk tolerance approved by the board:

The Bank's activities basically consist of settlement, custody, collateral management, banking, central counterparty services (CCP), treasury operations and other transactions executed at the markets operated by the Bank. The risks exposed due to these activities are credit risk, market risk, operational risk, liquidity risk and interest rate risk in the banking book. Risks arising from information technologies and business continuity are evaluated in the operational risk framework. Capital is also allocated by the Bank to the covered risks under central counterparty general business risk with respect to CCP.

With regard to information technology risks, the development of key indicators such as business interruptions is tracked by the risk management department semi-annually and results are reported to Board of Directors at least annually through Summary IT Risk Assessment Report. In addition, recommended actions and key risk indicators for risks at or above the operational risk appetite are monitored by the Internal Control department and reported to senior management by the Risk Management department.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

IX. Risk management objectives and policies (Continued)

1. Risk management approach and risk weighted amounts (Continued)

1.1. Bank's risk management approach (Continued)

Specific significance is attributed to business continuity risks as a possible disruption in services provided by the Bank align with its structure and operations, may be to the extent of affecting entire capital markets. Effectiveness and its compliance with international standards of the Bank's business continuity management system and information security management system operations have been registered within this scope ISO 22301- Business Continuity Management System Certificate and ISO 27001- Information Security Management System Certificate were received by the Bank. In determining the risk profile, the risk factors and relationship between them that the Bank may be sensitive due to its structure and operations, are taken into account. Risk appetites have been set by the Bank Board of Directors for the entire risk exposure, and risk limits and signal values have been established based on general and critical risk types to control the current risk profile, which is in turn to prevent exceeding overall risk appetite and risk appetites based on risk types determined by the Board of Directors. The development of the risk limits and signal values are monitored regularly by the Risk Management Department and reported to Executive Management.

The Bank's risk appetite is reviewed according to results of internal capital adequacy assessment process (ICAAP) at least once a year, risk limits and signal values determined in terms of general and risk types are reviewed according to the changes in market conditions and Bank's strategies. The review process is conducted to determine if the limits are significant and sufficient with respect to risks and the Bank's risk appetite. The primary responsibility for the review of limits, and overseeing that the risks assumed by the Bank are within the risk limits and monitored by the Executive Management lies with the Board of Directors.

Signal value overflows are reported via e-mail by the Risk Management Department to the Audit Committee, Senior Management and unit managers who perform the respective process at the management of the business line. If the overflows occur in the allocated risk appetites and risk limits, written information is provided to the Audit Committee by the Risk Management Department to notify the Senior Management and Board of Directors ensuring that the necessary measures to be taken.

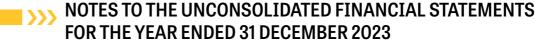
In the markets, where the Bank provides CCP service, there are trade limits allocated to members in order to limit risks of the members against the Bank. The maximum risk limits are determined using the shareholder's equity and/or ratings issued by the internal rating and assessment system of the Bank. Risk limits can be set over nominal open position amounts or another indicator (e.g. value at risk) that measures member risks, such as initial margin. Along with this, there are also liquidity risk, credit risk and concentration risk limits based on markets, where CCP service is provided.

Credit risk exposure of the Bank by the reason of the CCP service is monitored by comparing existing (deposited) margin with the required margin. Concentration risk is monitored to based on the ratio of required margin level for each member to total margin requirement in the respective market, and the limit is monitored on daily basis by the Central Counterparty Department of the Bank. However, if in any market the ratio of the risks belonging to members outside the top 3, to total risk doesn't exceed a certain rate (if the market does not have enough depth) and/or, if there are members that use less than a certain ratio of the allocated limit in the respective market, the limit cannot be applied.

If concentration limits are exceeded by any member, the member may be prevented from taking an additional position, the member may be demanded for additional trade margin, and its trade limits may be reduced until the end of a period to be set with the approval of the General Manager of the Bank and if required with the decision of Board of Directors.

It is essential that the ratio of the sum of liquid trade margins of the top 2 members with highest risk at each market, where the Bank is CCP, liquid assets in the respective market's guarantee fund and the highly liquid assets that the Bank allocates and commits from its own capital, to the risk amount of these members is not below a certain limit.

İSTANBUL TAKAS VE SAKLAMA BANKASI A.S.



(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

IX. Risk Management Objectives and Policies (Continued)

1. Risk management approach and risk weighted amounts (Continued)

1.1 Bank's risk management approach (Continued)

b) The risk governance structure: responsibilities attributed throughout the bank (e.g. oversight and delegation of authority; breakdown of responsibilities by type of risk, business unit etc.); relationships between the structures involved in risk management processes (e.g. board of directors, executive management, separate risk committee, risk management structure, compliance function, internal audit function):

Duties, authorities and responsibilities within the scope of risk management system are performed by Executive Management in accordance with the legislation and by all the units of the Bank as part of the framework of communiqués, procedures and directives. It is mandatory to ensure that risk management policy and implementing procedures adapt to the changing conditions. The Board of Directors assesses regularly the sufficiency of such policy and implementing procedures and makes the necessary changes. Bank Senior Management is jointly and Board Members are severally responsible for the design and its application within the Bank of ICAAP. ICAAP Report and Stress Test Report are prepared in coordination with Risk Management Department with the participation of all respective units, and the results of the reports are used in the Bank's decision-making processes.

Three line of defence approach that comprising of business line management, central risk management function and independent review, is employed in risk management. Accordingly;

- Under the management of the business line, risks arising from product and services provided by each unit of the Bank, employed process, human resource and systems are determined, process and sub-process based risks and controls are defined, and Senior Management is informed ensuring that appropriate actions are taken.
- The centralized risk management function is achieved through the establishment of risk and control systems within the Bank, the segregation of duties and responsibilities, and the review of processes and functions by the Risk Management Unit, the Legislation and Compliance Unit and the Internal Control Unit, in addition to the operational units performing them. The Internal Control Unit performs the activities of controlling that the payment and securities settlement system. banking and capital market activities offered by the Bank are carried out in compliance with the relevant legal regulations, internal legislation and, where necessary, international practices, effectively and adequately at the first stage level as a "secondary stage protection" element. These control activities and their control periods are determined annually within the scope of the Internal Control Review Plan and Internal Control Lists. In addition, the Internal Control Unit, together with the Internal Audit Unit, carries out studies that will form the basis for the Management Declaration.
- Independent review process involves assessment of risk management and internal control framework from all aspects. Internal Audit Department provides extensive assurance for Board of Directors and Senior Management, as an element capable of acting in an independent and impartial manner within the organization. During audit activities, first of all, compliance of Bank activities with the regulation, internal strategies, policies, principles and targets are analysed. In addition, reports are submitted to Board of Directors and Senior Management on whether first and second line of defence have reached risk management and risk control targets or not, and on effectiveness and efficiency of risk management and designed controls. Elements such as effectiveness and efficiency of Bank operations, protection of assets, reliability and soundness of reporting processes, risk management and internal control framework, operation units and their functions, infrastructure, asset management and information technology are included into the scope of assurance reported to Board of Directors and Senior Management.

The assumed risks due to CCP activities are managed within a comprehensive risk management framework. The framework of this risk management has been determined within the scope of Istanbul Settlement and Custody Bank Incorporation Central Counterparty Regulation. The respective regulation regulates a detailed risk management framework such as membership types and trade limits, margining and guarantee fund, stress tests, risk management practices, model security and back tests, the position of internal system units activities in CCP risk management framework, risk mitigation methods and crisis management tools. These activities are carried out by the Central Counterparty Department within the Bank's organizational structure, controlled by the Internal Control Unit and audited by the Internal Audit Unit.

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(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

IX. Risk Management Objectives and Policies (Continued)

1. Risk management approach and risk weighted amounts (Continued)

1.1 Bank's risk management approach (Continued)

The Bank has established a CCP Risk Advisory Committee designated to submit opinion to Board of Directors on CCP regulations and management of CCP risks and relevant matters. The Committee consists of CCP member representatives, representatives CCP members' legal entity clients and independent members of Takasbank Board of Directors and chaired by one of the independent member of Board of Directors. At Risk Advisory Committee, matters that may affect CCP's risk management such as change in risk models used in CCP risk management, default procedures, membership admission criteria, settlement of new type of capital market instruments or usage of insurance or external resource use in the transactions are discussed.

To prevent systemic risk, the Bank allocates capital for risks arising from CCP activities and determines the committed capital from the remaining capital. The stress tests conducted as part of the CCP application assess whether the collateral, guarantee fund, and resources that can be deployed in the event of a Bank default in the markets where CCP services are provided, consisting of the allocated and committed portions of capital, are large enough to cover the funding needs that will arise from the two highest-risk members and their affiliates. In addition, the appropriateness of the models and confidence levels used in the calculation of initial margin in the markets where CCP services are provided is analyzed by the Bank through backtesting. The results of the stress tests and retrospective tests, as well as any recommended actions, are reported quarterly to the Board of Directors via the internal system units and to the Capital Markets Board (CMB) via the CCP department.

c) Channels to communicate, decline and enforce the risk culture within the bank (e.g. code of conduct; manuals containing operating limits or procedures to treat violations or breaches of risk thresholds; procedures to raise and share risk issues between business lines and risk functions):

At least, in order for creating a Bank-wise risk culture through the framework of operational risk management established by the Bank in accordance with Takasbank Operational Risk Management Procedure; Risk Management Department consult on management of risk exposure by the through mutual negotiations with all the risk and control officer or process owners at workshop studies, training documents are sent to the Bank personnel and if required training is provided and operational risk policy and procedures are announced to the relevant Bank staff.

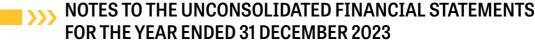
The Bank's risk and control self-assessment process involves assessment of the impacts, possibilities and controls of risks that Bank processes are exposed to, and appropriate actions for risks aligned with or above the Bank's operational risk appetite.

During self-assessment studies, in coordination with Risk Management Department and Internal Control Department, subprocesses risks and controls established against these risks are reviewed and updated by holding mutual negotiations with all units. Risks belonging to all units are also screened by Internal Audit Department and Internal Control Department for the usage of audit and control activities.

Procedures and principles have been regulated regarding promptly and adequately execution of activities that shall be carried out pursuant to The Bank, Organization and Duties Instruction, Banking Law, Capital Markets Law and provisions of other relevant legislations, determination of the organizational structure and role and realm of authority of the units and facilitation of coordination among units.

Pursuant to Takasbank Risk Management Regulation, the Risk Management Unit notifies the Audit Committee, Senior Management and the unit managers performing the relevant process under the management of the line of business by e-mail. In addition, in the event that the allocated risk appetites and risk limits are exceeded, written information is provided by the Risk Management Unit to the Audit Committee for notification to the Senior Management and the Board of Directors in order to take the necessary measures.

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INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

IX. Risk Management Objectives and Policies (Continued)

1. Risk management approach and risk weighted amounts (Continued)

1.1 Bank's risk management approach (Continued)

Takasbank Ethical Directive prepared in accordance with the Banking Ethical Principles published by the BAT has been approved by the Board of Directors and all Bank personnel are obliged to act in accordance with the principles set forth in the said directive. In addition, Takasbank Conflict of Interest Policy Directive was established and approved by the Board of Directors to regulate the principles and procedures regarding the Bank's conflict of interest policy. There is also the Takasbank Gift Procedure approved by the General Manager, which regulates the procedures and principles to prevent any conflicts of interest and any disputes that may arise between employees, customers, stakeholders, other institutions and the Bank regarding gifts and other issues.

In the Asset Liability Committee meeting held with the participation of Senior Management, relevant unit managers and Risk Management Department Manager on monthly basis, a consultation is held on the Bank's entire operations and it is ensured that necessary action is taken.

Details of ICAAP process established at the Bank and stress test procedure and principles are provided in the Takasbank ICAAP Instruction and Takasbank Stress Test Program Policy and Implementation Procedures respectively.

c) The scope and main features of risk measurement systems:

Systems, which may be applied in a reliable and integrate with the operations, have been built to measure quantifiable risk exposure of the Bank and assess non-quantifiable risks, procedures and principles are provided in the communiqué and procedures which are endorsed by the Board of Directors.

Board of Directors and Senior Management evaluate assumptions underlying the used models and their limitations, data sources used to measure risks and adequacy and suitability of implementation procedures. Accuracy and reliability of risk measurement methodologies, methods or models are determined by using actual results via back tests. To reflect the changing market conditions, methodologies, methods and models used in risk measurement are updated periodically.

In all risk analysis and assessments as part of principle of proportionality first and second pillar risks are taken into account. Credit risk (counterparty credit risk is included), market risk and operational risk which are part of the first pillar risk measured and reported periodically according to standardised approach, standard method and basic indicator approach respectively and reported pursuant to Communiqué on Measurement and Assessment of Banks' Capital Adequacy and its sub-regulations. Also, credit risk that the Bank is exposed to due to guarantees provided under CCP activities and the transactions causing this risk, are measured under legal credit risk capital requirement. Second pillar risks are assessed within the scope of ICAAP.

Value at market risk and internal market risk capital requirement are calculated on daily basis by using internal method which is determined in the Communiqué on Measurement and Assessment of Banks' Capital Adequacy and its sub-regulations, and the loss amount that the portfolio may be exposed to is reported to Senior Management via stress tests and scenario analysis.

Legal risk, reputational risk, strategic risk, business continuity risk, information technologies risk and risks arising from critical stakeholders and subsidiaries, which may affect the Bank's operations and reputation, are considered as operational risk. As part of operational risk, all quantifiable and non-quantifiable risks are addressed in the Operational Risk Database, and losses, which are quantifiable, and reflected to booking records as expenses are addressed in the Operational Risk Loss Database.

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(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

IX. Risk Management Objectives and Policies (Continued)

1. Risk management approach and risk weighted amounts (Continued)

1.1 Bank's risk management approach (Continued)

c) The Scope and main features of risk measurement systems: (Continued)

Risk assessment is conducted in coordination with Risk Management Department with all the respective units by the Bank in the considering of the entire risk exposure before new product and services are offered. In addition to this, also Risk Analysis Report and Technical Adequacy Report are prepared in accordance with the Communiqué Regarding Banks Receiving Support Service and Takasbank Support Service Purchasing Procedure before support service purchasing contract is signed by the Bank or service contract with the support service provider is renewed and then are submitted for Board of Directors approval annexed to the Audit Committee Assessment Report.

d) Explanations about the process of risk information reporting provided to the board and senior management, in particular the scope and main content of reporting on risk exposure:

The Banks establishes extensive reporting systems and prepares reports to be used in the management of risk exposure, processes involving determination of strategies and decision-making. The reports prepared should at the least include information such as:

- Risk analysis results and development,
- Results of stress tests and scenario analysis are intended to respective risk type and the whole of the Bank,
- Whether there was an overflows of risk limits and signal values,
- Assumptions underlying risk assessment process, parameters and constraints regarding the used models and any changes in these.
- Risk mitigation techniques and risk transfer strategies

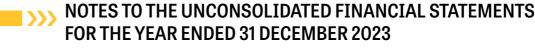
The Bank ensures that measurement, assessment, monitoring, limitation, stress test and scenario analysis studies aligned with operational structure and complexity are carried out with respect to risk management and the respective results are reported regularly. It is ensured that the reports are submitted at regular intervals to the Board of Directors and via Senior Management to the units responsible for occurrence and monitoring of risk.

e) Qualititive information on stress testing (e.g. portfolios subject to stress testing, scenarios adopted and methodologies used, and use of stress testing in risk management):

A stress test program has been built by the Bank to measure that the risks and fragilities may arise from adverse development pertain to the Bank or come to light in economic and financial environment under stress, the procedures and principles related to the process have been provided in the Takasbank Stress Test Program Policy and Implementation Procedures. Stress tests are designed in coherence with the Bank's risk appetite and strategy and with a forward-looking perspective and include risk mitigating management actions.

Risk concentrations existing in different areas are revealed upon application of partial stress test for certain portfolio and/ or critical risk types affecting the bank. Holistic stress tests targeting the entire Bank, employed in capital and liquidity planning, are carried out with the participation of all the relevant units of the Bank and in coordination with Risk Management Department in the context of ICAAP at least once a year, and sent to BRSA following Board of Directors approval with ICAAP report. The Bank takes into account stress tests that carried out under ICAAP, scenario analysis and their results in creating budget, strategic plan, fund management strategy and policies. In the stress tests apply fundamentally scenarios such as the increase in interest rates and downgrade of sovereign rating are tackled.

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INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

IX. Risk Management Objectives and Policies (Continued)

1. Risk management approach and risk weighted amounts (Continued)

1.1 Bank's risk management approach (Continued)

The stress tests conducted as part of the CCP application will assess whether the collateral, guarantee fund, and resources that can be deployed in the event of a bank failure in the markets in which the CCP service is provided, consisting of the allocated and committed portions of capital, are large enough to meet the funding needs that will be created by the two highest risk members and their affiliates. In addition, the appropriateness of the models and confidence levels used in the calculation of initial margin in the markets where CCP services are provided is analyzed by the Bank through backtesting. The results of the stress tests and retrospective tests, as well as any recommended actions, are reported to the Board of Directors via the internal system units and to the CMB by the CCP department on a quarterly basis.

Reverse stress tests conducted by the Central Counterparty Services (CCP) Department on a quarterly basis analyze how many CCP member defaults can be covered by total default resources in the event that CCP members that have not defaulted under extreme market conditions fail to meet or fulfill their additional contribution obligations. Reverse stress tests are performed to determine how many CCP members can cover the default of the total default resources under the extreme market conditions defined in the stress tests, and to analyze the market conditions that equate the total default resources to the resource requirements that could result from the default of the two highest risk members and their affiliates.

g) The strategies and processes to manage, hedge and mitigate risks that arise from the bank's business model and the processes for monitoring the continuing effectiveness of hedges and mitigants:

Bank operations basically consist of settlement, custody, collateral management, banking, central counterparty services and treasury operations and other transactions executed at the markets operated by the Bank. The risk exposure due to these operations are credit risk, market risk, operational risk, liquidity risk and interest rate risk in the banking book. Information technologies risks and business continuity risks are considered as operational risk. Capital is also allocated by the Bank to covered risks under central counterparty general business risk with respect to CCP.

The Bank manages its risks ensuring that they remain over/under the minimum/maximum limits in all the governing legal regulations and below the risk appetites endorsed by the Board of Directors based on overall risk and risk types. The Bank has determined signal values under risk limits based on overall risk and risk type, and early warning systems in the name of controlling current risk profile to avoid overflows of overall risk appetite and risk appetites based on risk types endorsed by the Board of Directors and such values are monitored regularly by the Risk Management Department.

Within the framework of the Takasbank Restructuring Plan and Takasbank Orderly Slowdown of Operations Plan approved by the Bank's Board of Directors, necessary actions are taken by the Senior Management to reduce the risk levels to which the Bank is exposed, and these plans are reviewed at least once a year with the participation of all relevant units of the Bank under the coordination of the Risk Management Unit.

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(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

IX. Risk Management Objectives and Policies (Continued)

1. Risk management approach and risk weighted amounts (Continued)

1.1 Bank's risk management approach (Continued)

In reducing credit risk level, the Bank may take into account besides risk mitigant effect of collaterals, risk mitigation techniques such as insurance or derivative products for hedging risks. In addition to this, while using margins, guarantee fund contribution shares, and Takasbank resources that may be resorted to in the default event of CCP members pursuant to Article 36 of Istanbul Settlement and Custody Bank Incorporation Central Counterparty Regulation, the following priority order should be followed:

- Collaterals in the accounts of the defaulted CCP member itself or in the customer accounts under itself where a deficit of collateral occurs,
- The deposited guarantee fund contribution share of the defaulted CCP member.
- Compensations to be made from insurance policies, if any,
- Allocated capital of Takasbank for covered risks,
- Deposited guarantee fund contributions of the other CCP members,
- Additional guarantee fund contributions which may be requested from the CCP members,
- Commitment made from the remaining capital of Takasbank.

In article 46 and 73 of 6362 no Capital Markets Law, it is legislated that clearing and custody agencies may request collateral from investment institutions and investors under investment services and activities, assets in guarantee fund, established with collaterals kept with clearing agencies to overcome clearing risks, cannot be seized or pledged even for public claims, cannot be included into bankruptcy estate and precautionary measure cannot be exercised over them. This situation legally leaves collaterals provided to the Bank by the members out of bankruptcy and acts as a credit mitigant on the credit risk that the Bank may be exposed to.

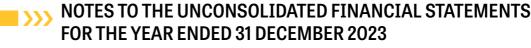
The Bank's fund management strategy is designed to avoid any liquidity problems, to ensure optimization in the risk-return balance, to take a reasonable level of risk and to utilize the resources with the highest efficiency rates. The Bank's securities portfolio includes Government Domestic Debt Securities (GDDS) issued by the Republic of Turkey Ministry of Treasury and Finance, debt securities issued by banks established in Turkey and lease certificates, The Bank purchases debt securities issued by Turkey Wealth Fund (TWF) and companies 100% owned by TWF, lease certificates issued by companies 100% owned by Turkey Wealth Fund and TWF, asset-backed securities (ABS) issued by banks resident in Turkey and TL denominated debt securities issued abroad by supranational institutions resident abroad. Derivatives can be used for the bank's portfolio for hedging and liquidity management purposes. In addition, derivatives can also be used for risk mitigating transactions related to positions undertaken as a result of CCP services.

Actions suggested for risks aligned with or above operational risk appetite and key risk indicators are monitored by Internal Control Department and reported by Risk Management Department to Executive Management. Moreover, operational risk losses, process and sub-process risks are monitored periodically. The operational risks that the Bank is/may be exposed to covered to a large extent by purchasing insurance policies.

It is assessed by the Senior Management whether risks shall be accepted or not for risks aligned with or above the Bank's operational risk appetite, for uncontrollable risks and risks that cannot be mitigated, and whether the level of activity in such line of business shall be reduced or not or entirely terminated or not and submitted to the approval of Board of Directors.

Distribution of the Bank's asset and liability items are based on certain currencies and maturity/repricing period, liquidity deficit/surplus, resources that may be generated during possible liquidity crisis situations and free shareholders' equity level are monitored regularly.

İSTANBUL TAKAS VE SAKLAMA BANKASI A.S.



(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

IX. Risk Management Objectives and Policies (Continued)

1. Risk management approach and risk weighted amounts (Continued)

1.2 Overview of Risk Weighted Amounts

Credit risk (excluding counterparty credit risk) Standardised approach Internal rating-based approach Counterparty credit risk Standardised approach for counterparty credit risk Internal model method Basic risk weight approach to internal models equity position in the banking account Investments made in collective investment companies-look through approach Investments made in collective investment companies-mandatebased approach Investments made in collective investment companies-1250% weighted risk approach Settlement risk Securitization exposures in banking book IRB ratings-based approach IRB supervisory formula approach SA/simplified supervisory formula approach Market risk Standardised approach Internal model approaches Operational risk Basic Indicator approach Standard approach Advanced measurement approach The amount of the discount threshold under the equity(subject to a 250% risk weight) Floor adjustments Total

Risk Weighted	Risk Weighted Amounts M				
Current Period	Prior Period	Current Period			
24,007,472	28,598,828	1,920,598			
24,007,472	28,598,828	1,920,598			
-		-			
-	-	-			
-	-	-			
-		-			
-	-	-			
-	-	-			
_	-	-			
-	-	-			
-	-	-			
-	-	-			
-	-	-			
-	-	-			
-	-	-			
627,406	58,906	50,192			
627,406	58,906	50,192			
-	-	-			
3,279,694	2,051,949	262,376			
3,279,694	2,051,949	262,376			
-	-	-			
-	-	-			
-	-	-			
-	-	-			
27,914,572	30,709,683	2,233,166			

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

IX. Risk Management Objectives and Policies (Continued)

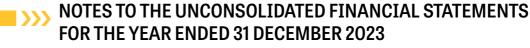
2. Linkages between financial statements and regulatory exposures

2.1. Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories

Current Period	Carrying values of items in accordance with TAS									
	Carrying values under scope of regulatory consolidation	Subject of credit risk framework	Subject to counterparty credit risk framework	Subject to the market risk framework	Not subject to capital requirements or subject to deduction from capital					
Assets										
Cash and balances at central bank	4,888,043	4,888,043	-	4,886,085	-					
Financial assets held for trading	-	-	-	-	-					
Financial assets at fair value through profit										
orloss	39,647	-	-	39,647	-					
Banks	109,440,841	109,556,498	-	25,096,972	-					
Receivables from money markets	-	-	-	-	-					
Financial assets available for sale (net)	4,332	4,332	-	661	-					
Loans and receivables	1,793,500	1,795,481	-	-	-					
Factoring receivables	-	-	-	-	-					
Held-to-maturity investments (net)	3,939,828	3,937,847	-	3,379,883	-					
Investments in associates (net)	-	-	-	-	-					
Investments in subsidiaries (net)	4,825	-	-	-	4,825					
Investments in joint ventures (net)	-	-	-	-	-					
Leasing receivables	-	-	-	-	-					
Derivative financial assets held for hedges	55,113	-	-	55,113	-					
Tangible assets (net)	149,948	149,948	-	-	-					
Intangible assets (net)	202,858	-	-	-	202,858					
Investment properties (net)	244,470	244,470	-	-						
Tax assets	163,165		-	-	163,165					
Assets held for sale and discontinued	100,100				100,100					
operations (net)	-	-	-	-	-					
Other assets	414,444	384,279	-	30,165	-					
Total assets	121,341,014	120,960,898	-	33.488.526	370.848					
Liabilities										
Deposits	-	-	-	-	-					
Derivative financial liabilities	-	-	-	-	-					
Loans	5,651,092	-	-	5,521,256	-					
Debts to money markets		-	-	-	-					
Issued securities	-	-	-	-	-					
Funds	107,269,763	-	-	31,666,594	-					
Miscellaneous debts		-	-		-					
Other liabilities	-	-	-	-	-					
Factoring debts	-	_	-	-	-					
Debts from leasing transactions	80	_	_	-	-					
Derivative financial liabilities		_	_	_	_					
Provisions	425,099	_	_	-	-					
Tax liability	714,218	_	_	_	_					
Liabilities for assets held for sale and	114,210	-	-	-	-					
discontinued operations (net)										
Subordinated loans	-	-	-	-	-					
Equity	7,280,762	-	-	-	16,987					
	1.200./02	-	-	-	10.987					

Banks subject to credit risk are included in the market risk column as the foreign currency denominated in financial assets and other assets items whose fair value differences are reflected in other comprehensive income are exposed to foreign exchange risk.

İSTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.



(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

IX. Risk Management Objectives and Policies (Continued)

2. Linkages between financial statements and regulatory exposures (Continued)

2.1. Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories (Continued)

Prior Period	Carrying values of items in accordance with TAS										
	Carrying values under scope of regulatory consolidation	Subject of credit risk	Subject to counterparty credit risk framework	Subject to the market risk framework	Not subject to capital requirements or subject to deduction from capital						
Assets	consolidation	Tanework	TISKITAIIIEWULK	Tamework	nonicapita						
Cash and balances at central bank	1.029.858	1.029.858	-	1,028,407							
Financial assets held for trading	-		-	-							
Financial assets at fair value through profit											
orloss	64,708	-	-	64,708							
Banks	78,345,462	78,433,306	-	18,007,434							
Receivables from money markets		-	-								
Financial assets available for sale (net)	4,332	4,332	-	661							
Loans and receivables	2,678,414	2,681,206	-	-							
Factoring receivables	_,,		-	-							
Held-to-maturity investments (net)	2,900,185	2.897.393	-	2,521,911							
Investments in associates (net)	_,	_,,	-	_,,0							
Investments in subsidiaries (net)	4,825	-	-	-	4,825						
Investments in joint ventures (net)		-	-	-	1,020						
Leasing receivables	-	-	-	-							
Derivative financial assets held for hedges	-	-	-	-							
Tangible assets (net)	32.355	32,355		-							
Intangible assets (net)	125.517	- 1	-	-	125.517						
Investment properties (net)	141.630	141.630	-	-	120,011						
Tax assets	43.267	-	-	-	43.267						
Assets held for sale and discontinued	10,201				10,201						
operations (net)	-	-	-	-							
Other assets	434,019	434,019	-	7,905							
Total assets	85,804,572	85,654,099	-	21,631,026	173,609						
Liabilities											
Deposits	-		-	-	-						
Derivative financial liabilities	-		-	-							
Loans	6,821,660		-	6,821,660							
Debts to money markets	206,603		-	-							
Issued securities	-		-	-							
Funds	73,800,449		-	14,686,805							
Miscellaneous debts	-		-	-							
Other liabilities	-		-	-							
Factoring debts	-		-	-							
Debts from leasing transactions	4,675		-	-							
Derivative financial liabilities	-		-	-							
Provisions	221,393		-	-							
Tax liability	232,854		-	-							
Liabilities for assets held for sale and											
discontinued operations (net)	-		-	-							
Subordinated loans	-		-	-							
Equity	4,516,938		-	-	7,681						
Total liabilities	85,804,572			21,508,465	7,681						

Banks subject to credit risk are included in the market risk column as the foreign currency denominated in financial assets and other assets items whose fair value differences are reflected in other comprehensive income are exposed to foreign exchange risk.

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

IX. Risk Management Objectives and Policies (Continued)

2. Linkages between financial statements and regulatory exposures (Continued)

2.2 Main sources of differences between regulatory exposure amounts and carrying values in financial statements

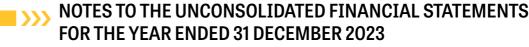
Current Period	Total	Items subject to credit risk framework		Items subject to market risk framework
Asset carrying value amount under scope of regulatory				
consolidation	121,341,014	120,960,898	-	-
Liability carrying value amount under scope of regulatory				
consolidation	121,341,014	-	-	-
Total net amount under regulatory scope of consolidation	121,341,014	120,960,898	-	627,406
Off-balance sheet amounts	35,272,485	35,272,485	-	-
Differences in valuations	-	-	-	-
Differences due to different netting rules (except placed row 2)	-	-	-	-
Differences due to consideration of provisions	-	-	-	-
Differences due to prudential filters	-	-	-	-
Exposure amounts considered for regulatory purposes	145,571,025	144,943,619	-	627,406
			Items subject	Items

Prior Period	Total	to credit risk	to counterparty credit risk framework	subject to market risk framework
Asset carrying value amount under scope of regulatory consolidation	85.804.572	85.654.099		21.631.026
Liability carrying value amount under scope of regulatory	00,004,012	05,054,099	-	21,031,020
consolidation	85.804.572	-	-	21.508.465
Total net amount under regulatory scope of consolidation	85,804,572	85,654,099	-	58,906
Off-balance sheet amounts	90,964,679	90,964,679	-	-
Differences in valuations	-	-	-	-
Differences due to different netting rules (except placed row 2)	-	-	-	-
Differences due to consideration of provisions	-	-	-	-
Differences due to prudential filters	-	-	-	-
Exposure amounts considered for regulatory purposes	171,237,590	171,178,684	-	58,906

2.3 Explanations of differences between accounting and Regulatory exposure amounts in accordance with TAS:

- a) Banks explain the origins of any significant differences between the amounts in columns a and b on B1. There are no significant differences. As there is no difference according to the explanation of the regulation, the table has been filled by merging with the respective column.
- b) Banks explain the origins of differences between carrying values and amounts considered for regulatory purposes shown in B2.
- c) In accordance with the implementation of the guidance on prudent valuation (Regulation on Measurement and Evaluation of Capital Adequacy of Banks Annex 3) banks must describe systems and controls to ensure that the valuation estimates are prudent and reliable. Disclosure must include: -Valuation methodologies, including an explanation of how far markto-market and mark-to-model methodologies are used. - Description of the independent price verification process. -Procedures for valuation adjustments or reserves (including a description of the process and the methodology for valuing trading positions by type of instrument).





(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

IX. Risk Management Objectives and Policies (Continued)

3. Credit Risk Disclosure

3.1 General information about credit risk

3.1.1 General qualitative information about credit risk

a) How the business model translates into the components of the bank's credit risk profile:

Loan transactions bear the possibility of borrower member or guarantors' inability to perform their obligations that they have committed and undertaken in writing and as per the agreements, meaning credit risk.

The Bank's cash loan transactions consist of loans offered to brokerage houses. Additionally, cash loans may also be offered to members, who are unable to perform their cash obligation at Turkey Electronic Fund Trading Platform and Pension Fund Trading Platform on effective date, meaning defaulted members. As the Bank acts as a guarantor in the mutual obligations of members at Takasbank Money Market, these transactions are considered as non-cash loan according to banking regulation. The Bank acts as CCP at Security Lending Market, Futures and Options Market and Borsa Istanbul Money Market, Borsa İstanbul Equity Market and Borsa İstanbul Debt Securities Market and BİAS Swap Market and over the counter derivative market (OTC), obligations in these markets are also of noncash loans.

In addition to this, the Bank may also be exposed to credit risk due to treasury transactions executed as part of fund management operations and transactions executed under the Bank's collateral management functions.

b) Criteria and approach used for defining credit risk management policy and for setting credit risk limits:

Credit risk appetite has been determined by the Bank's Board of Directors taking into account concentration in cash and noncash loan transactions of the Bank that are subject to credit risk. The Bank's credit risk appetite is reviewed at least once a year. In addition to this, to control risk in question, limit and signal values have been set by the Board of Directors to avoid overflow of credit risk appetite and these limits are monitored on daily basis by Risk Management Department.

Audit Committee, Senior Management and unit managers performing the respective process at the management of the business lines are notified by the Risk Management Department via email when the signal value is reached. If the allocated credit risk limits and credit risk appetite is exceeded, written information is provided to the Audit Committee by the Risk Management Department to notify Senior Management and Board of Directors ensuring that required measures are taken.

Credit risk limits and signal values are reviewed according to market conditions and changes in the Bank's strategies, and the review process is handled to determine if limits are significant and sufficient against risks and the Bank's credit risk appetite. The supervisory responsibility regarding reviewing of credit risk limits and overseeing that risks assumed by the Bank are within risk limits and for monitoring by the Executive Management belongs to the Board of Directors.

The Bank has trade limits that allocated to members at markets, where the Bank acts as CCP, to limit members' risks against the Bank. In determining maximum risk limits are used with shareholders' equity and/or ratings issued by the Bank's internal rating and assessment system are used. Risk limits may be set over nominal open position amounts or another indicator such as initial margin that measures member risks (for instance value at risk). In addition, there is also concentration risk limit determined based on CCP markets and in this regard the ratio of required margin for each member to the total requirement at the market is monitored on daily basis by CCP Department.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

IX. Risk Management Objectives and Policies (Continued)

3. Credit Risk Disclosure (Continued)

3.1 General information about credit risk (Continued)

c) Structure and organisation of the credit risk management and control function:

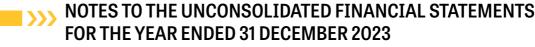
In credit risk management three line of defence consisting of business line management, central risk management function and independent review, is used. Accordingly;

- Under the management of the business line, process and sub-process based risks and controls are defined by Derivatives Clearing and Settlement Team, Debt Securities Clearing and Settlement Team, Treasury and Credits Departments, Markets Department and Central Counterparty Department, and Senior Management is informed ensuring that appropriate actions are taken.
- The centralized risk management function is ensured through the establishment of risk and control systems related to credit risk within the Bank, the separation of duties and responsibilities, and the review of processes and functions by the Risk Management Unit, the Legislation and Compliance Unit and the Internal Control Unit, in addition to the operational units performing them. The Internal Control Unit performs the activities of controlling that the banking and capital market activities offered by the Bank are carried out in compliance with the relevant legal regulations, the Bank's internal legislation and, where necessary, international practices, effectively and adequately at the first stage level as a "secondary stage protection" element. These control activities and their control periods are determined annually within the scope
- of the Internal Control Review Plan and Internal Control Lists. In addition, the Internal Control Unit, together with the Internal Audit Unit, carries out studies that will form the basis for the Management Declaration.
- Independent review process involves assessment of risk management and internal control framework from all aspects. Internal Audit Department provides extensive assurance for Board of Directors and Senior Management, as an element capable of acting in an independent and impartial manner within the organization. During audit activities, first of all, compliance of Bank activities with the regulation, internal strategies, policies, principles and targets are analysed. In addition, reports are submitted to Board of Directors and Senior Management on whether first and second line of defence have reached credit risk management and risk control targets or not, and on effectiveness and efficiency of credit risk management and designed controls. Elements such as effectiveness and efficiency of Bank operations, protection of assets, reliability and soundness of reporting processes, credit risk management and internal control framework, operation units and their functions, infrastructure, asset management and information technology are included into the scope of assurance reported to Board of Directors and Senior Management.

Roles, authorities and responsibilities as part of credit risk management are performed by the Executive Management in line with the governing regulation, and by all of the Bank's units subject to their own communiqué, procedure and directives.

In cases where credit risk limit and signal values are overflowed, and members fail to perform their obligations at markets, where CCP service is provided by the Bank, required actions are put into effect by Executive Management in accordance with Takasbank Restructuring Plan. In particular for CCP activities, liquidity risk is related to credit risk and in this regard in terms of cashing in margins liquidity risk is evaluated specifically and at the same time restructuring tools include actions against liquidity crunch that the Bank may face due to the CCP service it provides. These action are chosen as to minimize financial risk that the Bank faces, and at the same time to have minimal negative impact on the market, and systemic risk is evaluated in terms of providing assurance to the market, and its impacts on member/clients.

İSTANBUL TAKAS VE SAKLAMA BANKASI A.S.



(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

IX. Risk Management Objectives and Policies (Continued)

3. Credit Risk Disclosure (Continued)

3.1 General information about credit risk (Continued)

An authorized CCP Risk Advisory Committee has been established by the Bank to provide advice to the Board of Directors on CCP risks management related issues, in such committee matters, which may affect CCP's risk management such as changes in risk models used in CCP risk management, default procedures, member admission criteria, settlement of new type of capital market instrument or use of insurance or external resources in transactions, are discussed.

d) Relationships between the credit risk management, risk control, compliance and internal audit functions;

Credit risk related to operations are maintained by business lines with a perspective focused on risk. At the first line of defence; credit risk is managed through the existence of an effective and strong collateral mechanism and allocation of appropriate limits. In determining credit or position limits to be allocated to financial institutions and membership types of members, who shall execute trades at CCP markets or CCP- enabled capital market instruments, ratings resulting from internal credit rating and assessment system study and representing credit worthiness of the financial institutions and their strength to serve their existing or future commitments to the Bank, are used after such limits entry into force following Board of Directors approval.

Credit worthiness of the members is monitored by the Bank at regular intervals, and credit limits are updated according to the changes in the members' financial structures. Continuous and transaction basis execution of limits, risk and collateral controls in electronic environment for minimizing operational errors.

Liquid and/or near-liquid collateral shall be taken at the time of loan disbursement in accordance with the relevant rules and guidelines developed by the Derivative Instruments Settlement Department, Equity and Debt Settlement Department, Credit Department, Markets Department, and Central Counterparty Department. Collateral is valued at the end of each day, and valuation coefficients are used in calculating the collateral values of non-cash assets to avoid impairment or liquidity problems when the collateral is converted into cash as needed.

In article 46 and 73 of 6362 no Capital Markets Law, it is legislated that clearing and custody agencies may request collateral from investment institutions and investors under investment services and activities, assets in guarantee fund, established with collaterals kept with clearing agencies to overcome clearing risks, cannot be seized or pledged even for public claims, cannot be included into bankruptcy estate and precautionary measure cannot be exercised over them. In this regard, collaterals entrusted to Takasbank are taken under legal protection and this situation creates a risk mitigating effect for the Bank's credit risk exposure.

In all CCP markets ensure that members perform their obligations promptly and in full to Takasbank, it is essential that risks are measured in an effective manner and monitored. In this regard;

- Initial margin level is calculated at regular intervals to include the recently experiences financial volatilities and monitored continuously in considering of market conditions and revised when required.
- Guarantee fund size is created used confidence levels, which describe very strong financial volatilities but of low possibility.
- Trade margin sufficiency should be followed to the extent of intraday price movement and position changes.
- Trade margins, guarantee fund contributions shares, sufficiency of resources allocated and committed from the Bank capital to CCP risks are followed at regular intervals via stress tests.
- Financial strength of members is monitored continuously and their trades are limited via established limits in light of financial strength.

The Bank, Incorporation Central Counterparty Regulation regulates a detailed risk management framework such as membership types and trade limits, margining and guarantee fund, stress tests, risk management applications, model security and back test, position of internal system units activities within CCP risk management framework, risk mitigation methods and crisis management tools.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

IX. Risk Management Objectives and Policies (Continued)

3. Credit Risk Disclosure (Continued)

3.1 General information about credit risk (Continued)

In the second line of defence; within the scope of Takasbank Risk Management Communiqué the Bank manages credit risk by taking into account credit risk appetite, credit risk limits, signal values that set under early warning system, partial and holistic stress test and scenario analysis and internal capital adequacy assessment process. Measurement, monitoring, limit, stress test and scenario analysis studies are conducted at the bank by Risk Management Department subject to principle of proportionality and in alignment with the volume, nature and complexity of the operations in the three line of defence. It is essential that to reveal the credit risk that the Bank may face, risk measurement and monitoring activities are performed and the results are taken into consideration in the Bank's strategic decision-making processes. Furthermore, Internal Control Department must control transaction of units that may cause credit risk, in line with legal regulations and internal regulation. Such control activities and control periods of the operations are determined annually in the Internal Control List. In addition to the related studies, Internal Control Department and Internal Audit Department perform studies related to the Management Statement.

In the third line of defence, operations of these units are audited periodically by the Internal Audit Department, which inspects and audits on behalf of the Board of Directors. As an element, which has the ability to act independently and impartially within the organization, Internal Audit Department provides extensive assurance to Board of Directors and Senior Management. Audit provides assurance as to whether first and second lines of defence have reached credit risk management and risk control targets or not, on governance, credit risk management and effectiveness and efficiency of the designed controls. Factors such as the general effectiveness and efficiency of activities, the protection of assets, the reliability and robustness of reporting processes, the framework of credit risk management and internal control, operations units and their functions, infrastructure, asset management and information technology are included in the scope of the assurance reported to the Board of Directors and Senior Management. In this regard, the compliance of Bank's activities with the legislation, internal strategies, policies, principles and targets are examined.

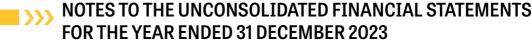
Pursuant to article 46, paragraph 2 of The Bank Incorporation Central Counterparty Regulation is titled "Infrastructure of internal systems and information technologies" the soundness of the Bank's risk management and information technology infrastructures are audited semi-annually and the final report is sent to Capital Markets Board. In addition to this, subject to article 12 of again the respective regulation is titled "General obligations of CCP members" the task of overseeing and auditing whether CCP members serve their obligation or not, has been assigned to Takasbank, and the members must ensure the continuity of essential internal control, risk management and internal audit mechanisms to be a party to this service at CCP markets or CCP capital market instruments. In this regard on-site CCP member audits are conducted by Internal Audit Department.

e) Scope and main content of the reporting on credit risk exposure and on the credit risk management function to the executive management and to the board of directors:

The report containing credit risk based amount (including counterparty credit risk based amount as well) calculated according to standardised approach on monthly basis pursuant to Communiqué on Measurement and Assessment of Banks' Capital Adequacy and their sub-regulations, and the progress of credit risk appetite, credit risk limit and signal values and credit risk concentrations, are reported by Risk Management Department on daily basis to the Senior Management, monthly basis to the Audit Committee and Senior Management and on quarterly basis to the Executive Management.

Stress Test Report containing credit risk stress test and scenario analysis results, and ICAAP report are submitted to Executive Management annually by the Risk Management Department, and reported to the BRSA. In addition, adequacy of model employed in calculation of initial margin at CCP markets, and confidence level are analysed with back tests by the Bank. Results of stress tests and back tests performed by CCP Department, and if there are, suggested measures, are reported on quarterly basis via internal system units to the Board of Directors.

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(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

IX. Risk Management Objectives and Policies (Continued)

3. Credit Risk Disclosure (Continued)

3.1 General information about credit risk (Continued)

3.1.2 Credit quality of assets:

Default represents the non-performing loans that recognized first paragraph of fifth article of Regulation on Identification and Provision against Non-Performing Loans and Other Receivables.

	а	b	С	d
	Gross amount	valued in		Net values
Current Period	accordance w	Provisions	(a+b-c)	
		Non-defaulted		
	Defaulted	exposures		
Loans	-	1,795,481	1,981	1,793,500
Debt securities	-	3,942,329	2,501	3,939,828
Off-balance sheet exposures	-	34,383,116	4,474	34,378,642
Total	-	40,120,926	8,956	40,111,969
	Gross amount	valued in		Net values
Prior Period	accordance w	vith TMS	Provisions	(a+b-c)
		Non-defaulted		
	Defaulted	exposures		
Loans	-	2,681,206	2,792	2,678,414
Debt securities	-	2,901,106	921	2,900,185
Off-balance sheet exposures	-	90,964,679	63,619	90,901,060
Total	-	96,546,991	67,332	96,479,659

Defaulted loans and debt securities at end of the previous reporti

Loans and debt securities defaulted since the last reporting period

Receivables back to non-defaulted status

Amounts written off

Other changes

Defaulted loans and debt securities at end of the reporting period

	Current Period	Prior Period
ing period	-	-
	-	-
	-	-
	-	-
	-	-
ł	-	-

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)



NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

IX. Risk Management Objectives and Policies (Continued)

3. Credit Risk Disclosure (Continued)

3.1 General information about credit risk (Continued)

3.1.4 Additional disclosure related to the credit quality

a) The scope and definitions of "past due" and "impaired" exposures used for accounting purposes and the differences, if any, between the definition of past due and default for accounting and regulatory purposes:

None.

b) The extent of past-due exposures (more than 90 days) that are not considered to be impaired and the reasons for this. 100% provision is allocated for the above mentioned receivable.

None.

- c) Definitions of the methods used in determining the provision amoun: Since the Bank has no non-performing receivables, there is no provision amount.
- d) Definitions of restructured receivables: The Bank has no restructured receivables.
- e) Breakdown of exposures by geographical areas, industry and residual maturity:

None.

f) Amounts of impaired exposures (according to the definition used by the bank for accounting purposes) and related allowances and write-offs, broken down by geographical areas and industry:

None.

- g) Ageing analysis of accounting past-due exposures: None.
- h) Breakdown of restructured exposures between impaired and not impaired exposures:

There is no restructured receivable.

3.2 Credit risk mitigation

3.2.1 Qualitative disclosure requirements related to credit risk mitigation techniques

a) Core features of policies and processes for, and an indication of the extent to which the bank makes use of, on and offbalance sheet netting.

On-balance sheet and off-balance sheet nettings are not applied at the Bank.

b) Core features of policies and processes for collateral evaluation and management.

Transaction and membership collaterals and guarantee funds obtained from the markets served, services in the nature of collateral management and foreign currency amounts (USD, Euro) deposited to Takasbank one business day in advance for Borsa Istanbul Swap Market foreign currency obligations include the assets held at the Bank and evaluated by the Bank through best efforts. Cash amounts other than transaction guarantees, guarantee funds and other funds are invested in the Central Bank of the Republic of Turkey, BİAŞ Debt Securities Market, BİAŞ Money Market, BİAŞ Swap Market and banks established in Turkey. In determining the investment maturities, the needs of the markets served regarding the structure and utilization of the foreign currency amounts (USD, Euro) deposited to Takasbank one business day in advance for collateral, guarantee fund or Borsa Istanbul Swap Market foreign currency obligations are taken into consideration. In order to limit the volatility that the placement amount may cause on the cash flows of the banks to be invested, the maturity distribution and the size of the amount are taken into consideration in the investment decision.

c) Information about market or credit risk concentrations under the credit risk mitigation instruments used (i.e. by guarantor type, collateral and credit derivative providers)

Cash TL collaterals considered as liquid assets, government bonds issued by the Republic of Turkey Ministry of Treasury and Finance, euro bonds issued by the Republic of Turkey Ministry of Treasury and Finance and lease certificates issued by the Republic of Turkey Treasury Varlık Kiralama A.Ş. are used as collateral for credit risk mitigation.

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

IX. Risk Management Objectives and Policies (Continued)

3. Credit Risk Disclosure (Continued)

3.2 Credit risk mitigation (Continued)

3.2.2 Credit risk mitigation techniques

Current Period	Exposures unsecured: carrying amount as per TAS	Exposures secured by collateral	Collateralized amount of exposures secured by collateral	Exposures secured by financial guarantees	Collateralized amount of exposures secured by financial guarantees	Exposures secured by credit derivatives	Collateralized amount of exposures secured by credit derivatives
Loans	1,793,500	-	-	-	-	-	-
Debt securities Total Of which	3,939,828 5,733,328	-	-	-	-	-	-
defaulted	-	-	-	-	-	-	-
Prior Period	Exposures unsecured: carrying amount as per TAS	Exposures secured by collateral	Collateralized amount of exposures secured by collateral	Exposures secured by financial guarantees	Collateralized amount of exposures secured by financial guarantees	Exposures secured by credit derivatives	Collateralized amount of exposures secured by credit derivatives
Loans Debt securities	2,678,414 2,900,185	-	-	-	-	-	-
Total Of which defaulted	5,578,599	-	-	-	-	-	-

Current Period	Exposures unsecured: carrying amount as per TAS	Exposures secured by collateral	Collateralized amount of exposures secured by collateral	Exposures secured by financial guarantees	Collateralized amount of exposures secured by financial guarantees	Exposures secured by credit derivatives	Collateralized amount of exposures secured by credit derivatives
Loans Debt securities Total	1,793,500 3,939,828 5,733,328	-	-	-	-	-	-
Of which defaulted	-	-	-	-	-	-	
					Collateralized		Collateralized
Prior Period	Exposures unsecured: carrying amount as per TAS	Exposures secured by collateral	Collateralized amount of exposures secured by collateral	Exposures secured by financial guarantees	amount of exposures secured by financial guarantees	Exposures secured by credit derivatives	amount of exposures secured by credit derivatives

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

IX. Risk Management Objectives and Policies (Continued)

3. Credit Risk Disclosure (Continued)

3.3 Credit risk under standardised approach

3.3.1 Disclosures on banks' use of credit ratings under the standard approach for credit risk

a) Names of the external credit assessment institutions (ECAIs) and export credit agencies (ECAs) used by the bank, and the reasons for any changes over the reporting period:

As of 31 December 2023, in the calculation of the Bank's credit risk based amount, "Fitch Ratings" and "Japan Credit Rating Agency/(JCR)" and "Islamic International Rating Agency/(IIRA)" ratings are used for determining risk weights for "Receivables from Central Governments or Central Banks" risk class. Export credit agency ratings are not used by the Bank.

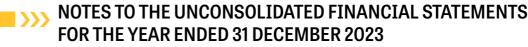
b) The asset classes for which each ECAI or ECA is used:

External credit ratings are used by the Bank for "Receivables from Central Governments or Central Banks" risk class. Export credit agency ratings are not used by the Bank.

- c) A description of the process used to transfer the issuer to issue credit ratings onto comparable assets in the banking book:
 - In credit risk based amount calculation of the Bank, external credit ratings are not used except for the "Receivables from Central Governments or Central Banks" risk class.
- d) The alignment of the alphanumerical scale of each agency used with risk buckets (except where Agency (BRSA) publishes a standard mapping with which the bank has to comply):

External credit rating agency ratings that are not on the organization's matching table, are not used.

İSTANBUL TAKAS VE SAKLAMA BANKASI A.S.



(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

IX. Risk Management Objectives and Policies (Continued)

3. Credit Risk Disclosure (Continued)

3.3 Credit risk under standardised approach

3.3.2 Credit risk exposure and credit risk mitigation effects

Current Period	Exposure CCF and		Exposur CCF an		RWA and RWA density		
		Off-		Off-		Concentration	
	On-balance	balance	On-balance	balance	Risk	of risk	
	sheet	sheet	sheet	sheet	weighted	weighted	
Risk classes	amount	amount	amount	amaount	amount	amount	
Exposures to sovereigns and their							
central banks	5,434,678	-	5,434,678	4,659,710	-	0.0%	
Exposures to regional and local							
governments	-	-	-	-	-	-	
Exposures to administrative bodies							
and non-commercial entities	-	-	-	-	-	-	
Exposures to multilateral							
development banks	-	-	-	-	-	-	
Exposures to international							
organizations	-	-	-	-	-	-	
Exposures to banks and brokerage							
houses	103,486,754	34,383,116	125,273,341	7,936,819	22,209,013	92.5%	
Exposures to corporates	-	-	-	-	-	-	
Retail exposures	-	-	-	-	-	-	
Exposures secured by residential							
property	-	-	-	-	-	-	
Exposures secured by commercial							
property	-	-	-	-	-	-	
Past-due items	-	-	-	-	-	-	
Exposures in high-risk categories	-	13,247	-	13,247	165,588	0.7%	
Exposures in the form of bonds							
secured by mortgages	-	-	-	-	-	-	
Short term exposures to banks,							
brokerage houses and corporates	-	-	-	-	-	-	
Exposures in the form of collective							
investment undertakings	-	-	-	-	-	-	
Other exposures	756,836	876,122	756,836	876,122	1,632,871	6.8%	
Equity share investments	-	-	-	-	-	-	
Total	109,678,268	35.272.485	131,464,855	13.485.898	24.007.472	100.0%	

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

IX. Risk Management Objectives and Policies (Continued)

3. Credit Risk Disclosure (Continued)

3.3 Credit risk under standardised approach (Continued)

3.3.2 Credit risk exposure and credit risk mitigation effects (Continued)

Prior Period	Exposure CCF an		Exposur CCF an		RWA and RWA density		
	sheet	Off-balance sheet	sheet	Off-balance sheet	Risk weighted	Concentration of risk weighted	
Risk classes	amount	amount	amount	amaount	amount	amount	
Exposures to sovereigns and their							
central banks	3,034,366	-	3,034,366	7,114,945	-	0.0%	
Exposures to regional and local governments	-	-	-	-	-	-	
Exposures to administrative bodies							
and non-commercial entities	-	-	-	-	-	-	
Exposures to multilateral							
development banks	-	-	-	-	-	-	
Exposures to international							
organizations	-	-	-	-	-		
Exposures to banks and brokerage							
houses	76,593,853	62,498,762	96,659,521	36,365,459	21,666,728	75.8%	
Exposures to corporates	-	27,648,385	64,429	26,536,646	5,528,801	19.3%	
Retail exposures	-	-	-	-	-	-	
Exposures secured by residential property	-	-	-	-	-		
Exposures secured by commercial							
property	-	-	-	-	-		
Past-due items	-	-	-	-	-		
Exposures in high-risk categories	-	-	-	-	-	-	
Exposures in the form of bonds							
secured by mortgages	-	-	-	-	-		
Short term exposures to banks,							
brokerage houses and corporates	-	-	-	-	-	-	
Exposures in the form of collective							
investment undertakings	-	-	-	-	-	-	
Other exposures	585,786	817,532	585,786	817,532	1,403,298	4.9%	
Equity share investments	-	-	-	-	-	-	
Total	80,214,005	90,964,679	100,344,102	70,834,582	28,598,828	100,0%	

İSTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.



(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

IX. Risk Management Objectives and Policies (Continued)

3. Credit Risk Disclosure (Continued)

3.3 Credit risk under standardised approach (Continued)

3.3.3 Exposures by asset classes and risk weights

Current Period:

Asset Classes/									Other risk	Total credit risk exposure amount (after
Risk Weights	0%	10%	20%(1)	50% ⁽¹⁾	75%	100%(1)	150%	200%	weights	CCF and CRM)
Exposures to central governments or central banks	10,094,388	-	-	-	-	-	-	-	-	10,094,388
Exposures to regional governments or local authorities	-	-	-	-	-	-	-	-	-	-
Exposures to public sector entities	-	-	-	-	-	-	-	-	-	-
Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-
Exposures to international organisations	-	-	-	-	-	-	-	-	-	-
Exposures to brokerage houses and banks	26,446,297	-	103,909,728	2,854,135	-	-	-	-	-	133,210,160
Exposures to corporates	-	-	-	-	-	-	-	-	-	-
Retail exposures	-	-	-	-	-	-	-	-	-	-
Exposures secured by residential property	-	-	-	-	-	-	-	-	-	-
Exposures secured by commercial real estate	-	-	-	-	-	-	-	-	-	-
Past-due loans	-	-	-	-	-	-	-	-	-	-
Higher-risk categories by the Agency Board	-	-	-	-	-	-	-	-	13,247	13,247
Exposures in the form of covered bonds	-	-	-	-	-	-	-	-	-	-
Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-
Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	-	-	-	-	-
Investments in equity shares	-	-	-	-	-	-	-	-	-	-
Other assets	87	-	-	-	-	1,632,871	-	-	-	1,632,958
Total	36,540,72	-	103,909,78	2,854,135	-	1,632,871	-	-	13,247	144,950,753

⁽¹⁾ Means unrated receivables

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(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

IX. Risk Management Objectives and Policies (Continued)

3. Credit Risk Disclosure (Continued)

3.3 Credit risk under standardised approach (Continued)

3.3.3 Exposures by asset classes and risk weights (Continued)

Prior Period:

Asset Classes/									Other risk	Total credit risk exposure amount (after CCF and
Risk Weights	0%	10%	20%(1)	50% ⁽¹⁾	75%	100%(1)	150%	200%	weights	CRM)
Exposures to central governments or central banks	10,149,311	-	-	-	-	-	-	-	-	10,149,311
Exposures to regional governments or local authorities	-	-	-	-	-	-	-	-	-	-
Exposures to public sector entities	-	-	-	-	-	-	-	-	-	-
Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-
Exposures to international organisations	-	-	-	-	-	-	-	-	-	-
Exposures to brokerage houses and banks	26,133,303	-	105,930,367	961,310	-	-	-	-	-	133,024,980
Exposures to corporates	1,111,739	-	24,177,648	1,236,833	-	74,855	-	-	-	26,601,075
Retail exposures	-	-	-	-	-	-	-	-	-	-
Exposures secured by residential property	-	-	-	-	-	-	-	-	-	-
Exposures secured by commercial real estate	-	-	-	-	-	-	-	-	-	-
Past-due loans	-	-	-	-	-	-	-	-	-	-
Higher-risk categories by the Agency Board	-	-	-	-	-	-	-	-	-	-
Exposures in the form of covered bonds	-	-	-	-	-	-	-	-	-	-
Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-
Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	-	-	-	-	-
Investments in equity shares	-	-	-	-	-	-	-	-	-	-
Other assets	20	-	-	-	-	1,403,298	-	-	-	1,403,318
Total	37,394,373	_	130,108,015	2,198,143	_	1,478,153	_		-	171,178,684

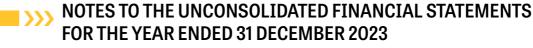
⁽¹⁾Means unrated receivables.

4. Qualitative Disclosure Related to Counterparty Credit Risk

Transactions subject to counterparty credit risk are considered as credit risk. These transactions consist of reverse repo transactions executed on behalf of closed brokerage houses depending on assignment by CMB. There is none counterparty credit risk as of 31.12.2022.

Performance of The Bank's operation within the limits of legal and internal capital limits and below the credit risk appetite established by the Board of Directors, constitutes credit risk policy of the Bank.

İSTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.



(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

IX. Risk Management Objectives and Policies (Continued)

4. Qualitative Disclosure Related to Counterparty Credit Risk (Continued)

4.1 Analysis of counterparty credit risk (CCR) exposure by approach

Dealersaut	Potential		Alpha used	FAD	Ris
		EEPE ⁽¹⁾		EAD post CRM	Weighte Amount
-	-		1,4	-	
		-	-	-	
				-	
				-	
				_	
Replacement	Potential future		Alpha used for computing	EAD post	Risk Weighted
		EEPE ⁽¹⁾	regulatory EAD	CRM	•
0000			r ogulator y Er to	CRIVI	Amounts
-	-		1.4	-	Amounts -
-	-		<u> </u>	-	Amounts -
-	-		<u> </u>	-	Amounts -
-	-		<u> </u>		- Amounts
-	-		<u> </u>		Amounts -
-	-	-	<u> </u>	- -	- Amounts
-	-	-	<u> </u>	- -	<u>Amounts</u> - -
-	-	-	<u> </u>	-	- Amounts -
-	-	-	<u> </u>	-	- Amounts -
-	-	-	<u> </u>	-	Amounts
-	-	-	<u> </u>	-	- Amounts -
-	-	-	<u> </u>	-	- Amounts -
-	-	-	<u> </u>	-	- Amounts -
-	-	-	<u> </u>	-	- Amounts -
	Replacement	Replacement future cost exposure	Replacement future cost exposure EEPE(*) - - -	Replacement future for computing cost exposure EEPE(**) regulatory EAD 1,4 1,4 1,4 </td <td>Replacement future for computing EAD post cost exposure EEPE(*) regulatory EAD CRM - - 1,4 - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -</td>	Replacement future for computing EAD post cost exposure EEPE(*) regulatory EAD CRM - - 1,4 - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -

		Potential		Alpha used		Risk
	Replacement	future		for computing	EAD post	Weighted
Prior Period	cost	exposure	EEPE ⁽¹⁾	regulatory EAD	CRM	Amounts
Standardised approach-CCR (for derivatives)	-	-		1.4	-	-
Internal model method (derivative financial instruments,						
repo transactions, securities or commodity lending or						
borrowing transactions, for long time swap transactions						
with credit securities transactions)			-	-	-	-
Simple approach for credit risk mitigation(repo						
transactions, securities or commodity lending or borrowing						
transactions, for a long time swap transactions with credit						
securities transactions)					-	-
Comprehensive approach for credit risk mitigation (repo						
transactions, securities or commodity lending or borrowing						
transactions, for a long time swap transactions with credit						
securities transactions)					-	-
Repo transactions, securities or commodity lending or						
borrowing transactions, long-term transactions of swaps						
and risk exposure for credit securities transactions					-	-
Total						-

⁽¹⁾ Effective Expected Positive Exposure

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

IX. Risk Management Objectives and Policies (Continued)

4. Qualitative Disclosure Related to Counterparty Credit Risk (Continued)

4.2 Capital Requirement for KDA

None.

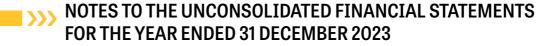
4.3 CCR exposures by regulatory portfolio and risk weights

Current period:

Risk Weight/Regulatory portfolio	0%	10%	20% ⁽¹⁾	50% ⁽¹⁾	75%	100%	150%	Others	Total credit exposure
Exposures to sovereigns and their central									
banks	-	-	-	-	-	-	-	-	-
Exposures to regional and local government	-	-	-	-	-	-	-	-	-
Exposures to administrative bodies and non- commercial entities	_	-	-	-	-	-	-	-	-
Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-	-	-	-
Exposures to banks and brokerage houses	-	-	-	-	-	-	-	-	-
Exposures to corporates	-	-	-	-	-	-	-	-	-
Retail exposures	-	-	-	-	-	-	-	-	-
Exposures secured by residential property	-	-	-	-	-	-	-	-	-
Exposures secured by commercial property	-	-	-	-	-	-	-	-	-
Past-due items	-	-	-	-	-	-	-	-	-
Exposures in high-risk categories	-	-	-	-	-	-	-	-	-
Exposures in the form of bonds secured by mortgages	_	-	-	-	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-
Exposures in the form of collective									
investment undertaking	-	-	-	-	-	-	-	-	-
Equity share investments	-	-	-	-	-	-	-	-	-
Other exposures	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-

⁽¹⁾ It expresses the non-rated receivables.





(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

IX. Risk Management Objectives and Policies (Continued)

4. Qualitative Disclosure Related to Counterparty Credit Risk (Continued)

4.3 CCR exposures by regulatory portfolio and risk weights (Continued) Prior period:

Risk Weight/Regulatory portfolio	0%	10%	20%(1)	50% ⁽¹⁾	75%	100%	150%	Others	Total credit exposure
Exposures to sovereigns and their central									
banks	-	-	-	-	-	-	-	-	-
Exposures to regional and local government	-	-	-	-	-	-	-	-	-
Exposures to administrative bodies and non- commercial entities	-	-	-	_	-	-	-	-	-
Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-	-	-	-
Exposures to banks and brokerage houses	-	-	-	-	-	-	-	-	-
Exposures to corporates	-	-	-	-	-	-	-	-	-
Retail exposures	-	-	-	-	-	-	-	-	-
Exposures secured by residential property	-	-	-	-	-	-	-	-	-
Exposures secured by commercial property	-	-	-	-	-	-	-	-	-
Past-due items	-	-	-	-	-	-	-	-	-
Exposures in high-risk categories	-	-	-	-	-	-	-	-	-
Exposures in the form of bonds secured by mortgages	-	-	-	-	-	-	-	-	-
Short term exposures to banks, brokerage									
houses and corporates	-	-	-	-	-	-	-	-	-
Exposures in the form of collective investment undertaking	-	-	-	-	-	-	_	-	-
Equity share investments	-	-	-	-	-	-	-	-	-
Other exposures	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-

⁽¹⁾ It expresses the non-rated receivables.

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

IX. Risk Management Objectives and Policies (Continued)

4. Qualitative Disclosure Related to Counterparty Credit Risk (Continued)

4.4 Composition of collateral for CCR exposure

	Co	Collateral for other transactions				
	Collater	al received	Collate	eral given	Collateral	Collateral
Current Period	Segregated	Unsegregated	Segregated	Unsegregated	received	given
Cash-domestic currency	-	-	-	-	-	-
Cash-foreign currency	-	-	-	-	-	-
Sovereign debts- domestic	-	-	-	-	-	-
Sovereign debts -other	-	-	-	-	-	-
Government agency debts	-	-	-	-	-	-
Corporate debts	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	-	-	-	-	-	
	Co	ollateral for deriv	vative transac	tions		l for other actions
	Colleton	al nagaiwad	Collete	nalaivan	0.0.1	0.11.4

	Co	Collateral for derivative transactions					
	Collater	al received	Collate	eral given	Collateral	Collateral	
Prior Period	Segregated	Unsegregated	Segregated	Unsegregated	received	given	
Cash-domestic currency	-	-	-	-	-	-	
Cash-foreign currency	-	-	-	-	-	-	
Sovereign debts- domestic	-	-	-	-	-	-	
Sovereign debts -other	-	-	-	-	-	-	
Government agency debts	-	-	-	-	-	-	
Corporate debts	-	-	-	-	-	-	
Equity securities	-	-	-	-	-	-	
Other collateral	-	-	-	-	-	-	
Total	-	-	-	-	-	-	

İSTANBUL TAKAS VE SAKLAMA BANKASI A.S.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

IX. Risk Management Objectives and Policies (Continued)

4. Qualitative Disclosure Related to Counterparty Credit Risk (Continued)

4.5 Credit derivatives

None (31 December 2022: None).

4.6 Central counterparty risk

None (31 December 2022: None).

5. Securitization Disclosures

Since the Bank does not have any securitization, the relevant tables and explanations that should be prepared within the scope of "Communiqués on Public Disclosure of Risk Management of Banks" are not given.

6. Market Risk Disclosures

6.1 Qualitative disclosure requirements related to market risk

a) Strategies and processes of the bank: this must include an explanation of Bank management's strategic objectives in undertaking trading activities, as well as the processes implemented to identify, measure, monitor and control the bank's market risks, including policies for hedging risk and strategies/processes for monitoring the continuing effectiveness of hedges.

Market risk is defined as the loss that the Bank's on-balance and off-balance sheet positions may be exposed to in the context of FX risk and interest rate risk arising from movements on market prices.

The Bank's fund management strategy has been devised in alignment with the objectives to avoid any liquidity issue, ensure optimization on the risk-return balance and invest resources at highest return rates by taking reasonable level of risk. It is essential that fund management operations remain within legal limits and is executed in light of the Bank's market risk appetite and market risk limits and signal values.

In accordance with the fund management strategy implemented, treasury operations are carried out in accordance with the procedures and principles set out in the Fund Management Strategy Implementation Principles Procedure. Cash amounts excluding transaction guarantees, guarantee funds and other funds are invested at the Central Bank of the Republic of Turkey, BİAŞ Debt Securities Market, BİAŞ Money Market, BİAŞ Swap Market and banks established in Turkey. The Bank's securities portfolio includes government bonds and Eurobonds issued by the Ministry of Treasury and Finance of the Republic of Turkey, debt securities issued by banks established in Turkey and lease certificates. Derivatives can be used for the bank's portfolio for hedging and liquidity management purposes. In addition, derivatives can also be used for risk mitigating transactions related to positions undertaken as a result of CCP services. In addition, the Bank invests in mutual funds, which are required to be purchased as per the legislation, provided that they are limited to the obligation.

In the asset-liability structure of the balance sheet, attention is paid to asset-liability equality in terms of maturity and currency. Only highly liquid instruments are included in the securities portfolio. The upper limit of the open foreign currency position arising from profit-oriented transactions in foreign currency markets is limited to the net general foreign currency position.

Capital requirement for foreign currency risk is calculated over the amount of on-balance sheet and off-balance sheet net position in foreign currencies. In addition, capital requirement for interest rate risk is calculated for the securities in the Bank's trading portfolio. Market risk is measured by the Bank using the standard method in accordance with the Regulation on Measurement and Assessment of Capital Adequacy of Banks and its sub-regulations.

Value at market risk and internal market risk capital requirement are also calculated on a daily basis to inform the Senior Management by using the internal method specified in the Regulation on Measurement and Assessment of Capital Adequacy of Banks and its sub-regulations. In addition, with respect to market risk, specific stress tests are conducted on a daily and monthly basis, holistic stress tests and scenario analyses are conducted on an annual basis, and the development of the foreign currency net general position/equity standard ratio is monitored.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

IX. Risk Management Objectives and Policies (Continued)

6. Market Risk Disclosures (Continued)

6.1 Qualitative disclosure requirements related to market risk (Continued)

b) Structure and organisation of the market risk management function: description of the market risk governance structure established to implement the strategies and processes of the bank discussed in row (a) above, and describing the relationships and the communication mechanisms between the different parties involved in market risk management.

In market risk management three-line of defence approach consisting of business line management, central risk management function and independent review is used. Accordingly;

- Under the management of the business line, process and sub-process based risks and controls are defined by Treasury Management Team and Payment and Transfer Services Department, and Senior Management is informed ensuring that appropriate actions are taken.

- Central risk management function is facilitated by establishing market risk and control systems within the Bank, segregation of duties and responsibilities and review of process and functions by Internal Control Department besides operational units performing such functions. Internal Control Department perform activities involving controlling that the banking and capital markets activities offered by the Bank are compliant with respective legal regulations, internal regulations and where necessary compliant with international practices in an effective and adequate manner at first line, as "secondary phase protection" element. Such activities and their control periods are determined annually in the Internal Control List. Furthermore, Internal Control Department and Internal Audit Department conduct tasks related to the Management Statement

- Independent review process involves assessment of risk management and internal control framework from all aspects. Internal Audit Department provides extensive assurance for Board of Directors and Senior Management, as an element capable of acting independently and impartially within the organization. During audit activities, primarily compliance of the Bank activities with the regulations, internal strategies, policies, principles and targets are analysed. In addition, reports are submitted to Board of Directors and Senior Management on whether first and second line of defence have reached market risk management and risk control targets or not, and on effectiveness and efficiency of market risk management and designed controls. Elements such as effectiveness and efficiency of Bank operations, protection of assets, reliability and soundness of reporting processes, market risk management and internal control framework, operation units and their functions, infrastructure, asset management and information technology are included into the scope of assurance reported to Board of Directors and Senior Management.

Market risk related to operations are maintained by business lines with a perspective focused on risk. At the first line of defence; distribution of the Bank portfolio based on maturity and instrument and market developments are monitored constantly by Fund Management Team and Executive Management, the strategy in question is reviewed at least once a year in light of the Bank's business and trade volume and area of activity. Segregation of duties principle is applied at authority and responsibility level in front office and back office practices.

To be able to manage effectively market risk exposure arising from CCP operations, in determining collateral valuation coefficients at the outset market risk and the risk exposure that shall be faced during conversion of collateral to cash are taken into account, variation margins are calculated on daily basis and settlement prices are set in a healthy manner. Position and margins are valued at intraday and end of day market prices, thus margin-risk balance is monitored by CCP Department close to real-time.

İSTANBUL TAKAS VE SAKLAMA BANKASI A.S.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

IX. Risk Management Objectives and Policies (Continued)

6. Market Risk Disclosures (Continued)

6.1 Qualitative disclosure requirements related to market risk (Continued)

At the second line of defence; within the Takasbank Risk Management Communiqué framework, the Bank manages market risk by taking into account market risk appetite, established market risk limit, signal value determined within the scope of early warning system and internal capital requirement. Moreover, on daily basis the portfolio's value at risk is calculated; the amount of loss that the portfolio may face in the utmost adverse market conditions is calculated using partial and holistic stress tests and scenario analyses monitored by internal capital requirement calculation, and results are reported on daily and monthly basis to Senior Management, guarterly and annually basis to Executive Management.

In addition to the controls performed in the first line of defence, operations of the respective units are also controlled based on risk during certain periods by Internal Control Department in second line of defence in terms of compliance with legal regulations and internal regulations. And in third line of defence operations of these units are audited periodically by Internal Audit Department inspecting and auditing on behalf of the Board of Directors. As an element, which is capable of acting independently and impartially within the organization, Internal Audit Department provides extensive assurance to the Board of Directors and Senior Management. The audit provides assurance as to whether the first and second lines of defences have reached market risk management and risk control targets or not, and on governance, market risk management and effectiveness/efficiency of designed controls. Usually elements such as effectiveness and efficiency of operations, protection of assets, reliability and soundness of reporting processed, market risk management and internal control framework, operational units and their functions, infrastructure, asset management and information technology are included into the scope of assurance reported to Board of Directors and Senior Management. In this regard relevance of Bank operations to the regulations, internal strategies, policies, principles and targets, is reviewed.

c) Scope and nature of risk reporting and/or measurement systems:

Market risk is measured on monthly basis according to standard method in accordance with Communiqué on Measurement and Assessment of Banks' Capital Adequacy and its sub-regulations, and reported to the BRSA. In addition to this market risk based amount, internal market risk capital requirement and market risk limit are calculated on daily basis to inform the Senior Management, by using the internal method as per the respective Communiqué and its sub-regulations, and the results are reported by the Risk Management Department to Senior Management, and the respective unit managers.

Reports containing information regarding the Bank's market risk based amount, market risk appetite and market risk limit and signal value conformity levels, treasury operations, FX net general position/shareholders' equity standard ratio trend and market risk internal model outcomes are reported by the Risk Management Department on monthly basis to the Audit Committee and Senior Management, and on quarterly basis to the Executive Management. Back tests are conducted to establish that conceptual soundness of the employed internal model and all critical risks are embodied in the model, and the results are reported to the Executive Management. Moreover, partial stress tests performed by Risk Management Department with respect to market risk are reported on daily basis to the Senior Management, and operational unit managers in charge of risk, and on monthly basis to the Executive Management.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

IX. Risk Management Objectives and Policies (Continued)

6. Market Risk Disclosures (Continued)

6.1 Qualitative disclosure requirements related to market risk (Continued)

Furthermore, Stress Test Report containing market risk holistic stress test and scenario analyses results and ICAAP report are submitted annually to the Executive Management by the Risk Management Department, and following approval by the Board of Directors, reported to the BRSA.

	Risk Weighted Amount		
	Current Period	Prior Period	
Outright products			
Interest rate risk (general and specific)	5,756	1,056	
Equity risk (general and specific)	-	-	
Foreign exchange risk	621,650	57,850	
Commodity risk	-	-	
Options			
Simplified approach	-	-	
Delta-plus method	-	-	
Scenario approach	-	-	
Securitization	-	-	
Total	627,406	58,906	

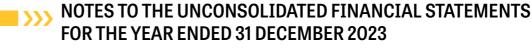
The footnotes and related explanations prepared in accordance with the Communiqué on "Public Disclosures related with Banks' Risk Management Regulations" published in Official Gazette No. 29511 on 23 October 2015 and entered into force as of 31 March 2016 are given in this section. The following tables, which should be given in annual periods in accordance with the related communiqué, have not been presented as of 31 December 2023 as the standard approach is used in the calculation of Bank's capital adequacy:

- Internal model method for trading account
- Comparison with profit/loss and VaR estimated
- Comparison of RmD estimates with profit/loss

X. Explanations Related to Presentation of Financial Assets and Liabilities at Fair Value

The estimated fair value of funds provided from other financial institutions with fixed interest rate is calculated by determining their cash flows discounted by the current interest rates used for other liabilities with similar characteristics and maturity structure. The fair value of loans is calculated by determining the cash flows discounted by the current interest rates used for receivables with similar characteristics and maturity structure. The book value of the banks, money market placements, and funds borrowed from other financial institutions and sundry creditors reflect their fair values since they are short-term.

İSTANBUL TAKAS VE SAKLAMA BANKASI A.S.



(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations Related to Presentation of Financial Assets and Liabilities at Fair Value (Continued)

The table below shows the book value and the fair value of the financial assets and liabilities.

Financial Assets

Financial assets at fair value through profit/loss Money market placements Banks Financial assets at fair value through other comprehensive income Financial assets at fair value through amortized cost Loans **Financial Liabilities** Bank deposits Other deposits Payables to money market Funds borrowed from other financial institutions Securities issued Other liabilities

Financial Assets

Financial assets at fair value through profit/loss Money market placements Banks Financial assets at fair value through other comprehensive income Financial assets at fair value through amortized cost Loans **Financial Liabilities**

Bank deposits Other deposits Payables to money market Funds borrowed from other financial institutions Securities issued Other liabilities

Book Value	Fair Value
31 December 2023	31 December 2023
115,338,287	115,435,587
39,647	39,647
-	-
109,556,498	109,556,498
4,332	4,332
3,942,329	4,039,629
1,795,481	1,795,481
112,920,855	112,920,855
-	-
-	-
-	-
5,651,092	5,651,092
-	-
107,269,763	107,269,763
Book Value	Fair Value
31 December 2022	31 December 2022
84,084,658	84,122,288
64,708	64,708
-	-
78,433,306	78,433,306

-	-
80,828,712	80,828,712
2,681,206	2,681,206
2,901,106	2,938,736
4,332	4,332

-	-
206,603	206,603
6,821,660	6,821,660
-	-
73,800,449	73,800,449

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations Related to Presentation of Financial Assets and Liabilities at Fair Value (Continued)

Fair value classifications is as follows:

Level 1: Registered in active markets price for identical assets or liabilities (unadjusted)

Level 2: Other than published prices included within Level 1, either directly (by price) or indirectly (derived from price) observable datas in terms of assets or liabilities

Level 3: Not based on observable market data in relation to assets or liabilities

Level 1	Level 2	Level 3	Total
-	55,113	4,332	59,445
-	-	4,332	4,332
-	-	-	-
-	55,113	-	55,113
		-	
-	-	-	-
-	-	-	-
Level 1	Level 2	Level 3	Total
-	-	4,332	4,332
-	-	4,332	4,332
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
	-	- 55,113 55,113 55,113	- 55,113 4,332 - - 4,332 - - - - 55,113 - - 55,113 - - 55,113 - - 55,113 - - 55,113 - - - - -

The Bank has assessed that the costs of financial assets whose fair value difference representing the share in the capital is reflected in other comprehensive income best reflect the fair values of the related assets. The fair value of the related assets has been determined as Level 3.

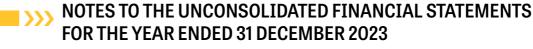
XI. Explanations Related to Transactions Made on Behalf of Others and Fiduciary Transactions

The Bank carries out trading, custody, management and advisory services on others' behalf and account.

Off balance sheet contingencies and commitments table, TL 5,102 (31 December 2022: TL 3,462) consists of sales and securities which are traded on BIAS. Under the fiduciary transactions agreement, there are no transactions carried out with other financial institutions and there are no financial services rendered directly in this context.

In accordance with its articles of association, the Bank performs central clearing and settlement services, central counterparty services, clearing, settlement and custody activities, market operation, establishment and operation of payment, transfer and settlement systems and banking services. Total amount of collaterals received by the Bank from its customers in relation to the transactions detailed above.

İSTANBUL TAKAS VE SAKLAMA BANKASI A.S.



(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

XII. Explanations on Segment Reporting

The Bank operates mainly in clearing-operation, custody, loans and treasury.

	Custody,				
	Clearing and	Loans and	Treasury		
Current Period	Operation	MM	Transactions	Undistributed	Total
Cash and Balances with Central Bank	-	-	4,888,043	-	4,888,043
Financial Assets At Fair Value Through					
Profit/Loss (Net)	-	-	-	39,647	39,647
Banks	-	-	109,440,841	-	109,440,841
Money Markets	-	-	-	-	-
Financial Assets At Fair Value Through Other					
Comprehensive Income	-	-	4,332	-	4,332
Loans ⁽¹⁾	-	1,793,500	-	-	1,793,500
Financial Assets At Fair Value Through					
Amortized Cost ⁽²⁾	-	-	3,939,828	-	3,939,828
Subsidiaries	-	-	-	-	-
Joint Ventures (Net)	-	-	4,825	-	4,825
Tangible Assets (Net)	-	-	-	149,948	149,948
Intangible Assets (Net)	-	-	-	202,858	202,858
Investment Properties (Net)	-	-	-	244,470	244,470
Tax Assets	-	-	-	163,165	163,165
Türev Finansal Varlıklar	-	-	55,113	-	55,113
Other Assets ⁽³⁾	163,901	-	-	250,543	414,444
Total Assets	163,901	1,793,500	118,332,982	1,050,631	121,341,014
Funds Borrowed	-	-	5,651,092	-	5,651,092
Debts to the Money Markets	-	-		-	
Funds	89,054,071	11,122,105	-	7,093,587	107,269,763
Lease Liability			-	80	80
Derivative Financial Liability	_	_	-	-	-
Provisions	_	4,474	-	420,625	425,099
Tax Liability	_		-	714,218	714,218
Shareholder's Equity	_	-	_	7,280,762	7,280,762
onaronolaer 3 Equity				1,200,102	1,200,102
Total Liabilities	89,054,071	11,126,579	5,651,092	15,509,272	121,341,014

Custodu

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

XII. Explanations on Segment Reporting (Continued)

	Custody,	1	T		
Prior Period	Clearing and Operation	Loans and MM	Treasury Transactions	Undistributed	Total
Cash and Balances with Central Bank	-	-	1,029,858	-	1,029,858
Financial Assets At Fair Value Through Profit/Loss (Net)	-	-		64,708	64,708
Banks	-	-	78,345,462	-	78,345,462
Money Markets	-	-	-		-
Financial Assets At Fair Value Through Other Comprehensive Income	-	-	4,332	-	4,332
Loans ⁽¹⁾	-	2,678,414	-	-	2,678,414
Financial Assets At Fair Value Through Amortized Cost ⁽²⁾	-	-	2,900,185	-	2,900,185
Subsidiaries	-	-	-	-	-
Joint Ventures (Net)	-	-	4,825	-	4,825
Tangible Assets (Net)	-	-	-	32,355	32,355
Intangible Assets (Net)	-	-	-	125,517	125,517
Investment Properties (Net)				141,630	141,630
Tax Assets	-	-	-	43,267	43,267
Other Assets ⁽³⁾	120,717	-	-	313,302	434,019
Total Assets	120,717	2,678,414	82,284,662	720,779	85,804,572
Funds Borrowed	-	-	6,821,660	-	6,821,660

Funds Borrowed	-	-	6,821,660	-	6,821,660
Debts to the Money Markets	-	-	206,603	-	206,603
Funds	65,095,890	4,751,548	-	3,953,011	73,800,449
Lease Liability	-	-	-	4,675	4,675
Derivative Financial Liability	-	-	-	-	-
Provisions	-	60,558	-	160,835	221,393
Tax Liability	-	-	-	232,854	232,854
Shareholder's Equity	-	-	-	4,516,938	4,516,938

4,812,106

7,028,263

8,868,313 85,804,572

65,095,890

Total Liabilities

⁽³⁾ Derivative financial assets item is included under the heading of treasury transactions.

⁽²⁾ Expected loss provisions set aside within the scope of TFRS 9 are given

⁽¹⁾ Expected loss provisions set aside within the scope of TFRS 9 are given

İSTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

XII. Explanations on Segment Reporting (Continued)

The Bank operates mainly in the areas of clearing-operation, custody service, credit and treasury transactions.

	Custody,		_		
	Clearing and	Loans and	Treasury		
Current Period	Operation	MM	Transactions	Other	Total
Net interest income	2,422	973,842	3,724,028	-	4,700,292
Net fees and commissions income and other					
operating income	2,650,188	-	-	-	2,650,188
Dividend income	-	-	42,346	-	42,346
Trading profit/loss	-	-	(229,953)	-	(229,953)
Other operating receivables	-	-	-	198,795	198,795
Impairment provision for loans and other					
receivables	-	(27,807)	-	-	27,807
Other operating expenses ⁽¹⁾	-	-	-	(2,300,211)	(2,300,211)
Profit before taxes	2,652,610	946,035	3,536,421	(2,101,416)	5,033,650
Tax provision	-	-	-	(1,394,521)	(1,394,521)
Net profit for the period	2,652,610	946,035	3,536,421	(3,495,937)	3,639,129

⁽¹⁾ Personnel expenses, earthquake related aids, other provision expenses and other operating expenses are included in other operating expenses.

	Custody, Clearing and	Loans and	Treasury		
Prior Period	Operation	MM	Transactions	Other	Total
Net interest income	-	235,798	1,329,677	-	1,565,475
Net fees and commissions income and other					
operating income	1,000,645	193,919	-	-	1,194,564
Dividend income	-	-	29,446	-	29,446
Trading profit/loss	-	-	23,910	-	23,910
Other operating receivables	-	-	-	109,294	109,294
Impairment provision for loans and other					
receivables	-	(72,963)	-	-	(72,963)
Other operating expenses ⁽¹⁾	-	-	-	(589,558)	(589,558)
Profit before taxes	1,000,645	356,754	1,383,033	(480,264)	2,260,168
Tax provision	-	-	-	(528,047)	(528,047)
Net profit for the period	1,000,645	356,754	1,383,033	(1,008,311)	1,732,121

⁽¹⁾ Personnel expenses are included in the other operating expenses.

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FIVE

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS

I. Explanations and Notes Related to the Assets

1. Information on Cash and Balances with the Central Bank of Turkey:

1.a) Information on cash and balances with the Central Bank of Turkey:

	Current Pe	Prior Period		
	TL	FC	TL	FC
CBRT	1,871	4,886,085	1,431	1,028,407
Cash/foreign currency	87	-	20	-
Other	-	-	-	-
Total	1,958	4,886,085	1,451	1,028,407

1.b) Information related to the account of the Central Bank of Turkey:

	Current Period		Prior Peri	od
	TL	FC	TL	FC
Unrestricted demand deposit	1,871	-	1,431	-
Unrestricted time deposit	-	4,886,085	-	1,028,407
Restricted time deposit	-	-	-	-
Total	1,871	4,886,085	1,431	1,028,407

1.c.) Information on required reserves:

In accordance with the Official Statement numbered 2013/15 about Required Reserves, liabilities that are subject to required reserves have been changed. Required reserves are not kept in the Central Bank of Turkey as the liabilities stated in the newly announced Official Statement are lacked in the Bank.

1.d.) Information on securities:

IWith the Communiqué No. 2022/20 on the Establishment of Turkish Lira Denominated Securities for Foreign Currency Liabilities, the obligations were changed. With the regulation numbered 2022/23, the name of the communiqué was changed to "Communiqué on Securities Issuance". Within the scope of the obligations specified in the new communiqué, the Mandatory Securities facility as of December 31, 2023 will be established in the blocked account on January 26, 2024. We do not have any obligations to be established.

2. Information on financial assets at fair value through profit or loss (combination with net values)

	Current Period		Prior Period	
	LC	FC	LC	FC
Derivative financial assests held for trading				
Forward transactions	37,291	-	63,652	-
Swap transactions				
Futures transactions	-	-	-	-
Options transactions	-	-	-	-
Other	2,356		1,056	
Total	39,647	-	64,708	-

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NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Notes Related to the Assets (Continued)

3. Information on Banks

3.a) Information on banks and other financial institutions:

	Current Pe	eriod	Prior Period		
	TL	FC	TL	FC	
Banks					
Domestic	84,459,507	20,514,574	60,425,866	17,313,258	
Foreign	19	4,582,398	6	694,176	
Branches and overseas head office	-	-	-	-	
Total	84,459,526	25,096,972	60,425,872	18,007,434	
As of 31 December 2023, the Expected Loss Pro 2022: 87,844 TL).	ovision balance reserve	d for the Banks acco	ount is TL 115,657 (31	December	
3.b) Information on foreign banks account:					
	Unrestricted	amount	Restricted a	mount	

	Unrestricted	amount	Restricted a	amount
	Current Period	Prior Period	Current Period	Prior Period
European Union Countries	4,490,379	647,684	-	-
USA, Canada	92,037	46,498	-	-
OECD countries	-	-	-	-
Off-shore banking regions	-	-	-	-
Other	-	-	-	-
Total	4,582,416	694,182	-	-

3.c) Information on receivables from money markets

Information on receivables from money markets: None (31 December 2022: None).

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Notes Related to the Assets (Continued)

4. Information on financial assets at fair value through other comprehensive income:

4.a) Information on equity instruments:

		Current Period		Prior Period	
Name	Acquired On	Amount	Ratio (%)	Amount	Ratio (%)
Borsa İstanbulA.Ş	31.05.2013	324	0.15	324	0.15
Ege Tarım Ürünleri Lisanslı					
Depoculuk A.Ş.	03.01.2011	637	4.12	637	4.12
Sermaye Piyasası Lisanslama Sicil ve					
Eğitim Kuruluşu A.Ş.	29.07.2011	210	10.50	210	10.50
S.W.I.F.T.SCRL	24.04.2009	339	0.02	339	0.02
SASE - Sarajevo Menkul Kıymetler					
Borsası	18.05.2011	322	5.00	322	5.00
Türkiye Ürün Ihtisas Borsası A.Ş.	25.07.2018	2,500	5.00	2,500	5.00

Total	4,332	4,332	
		Current Period	Prior Period
Debt securities		-	-
Quoted on a stock exchange		-	-
Not quoted on a stock exchange		-	-
Share certificates		4,332	4,332
Quoted on a stock exchange		-	-
Not quoted on a stock exchange		4,332	4,332
Impairment provision(-)		-	-
Total		4,332	4,332

5. Information on derivative financial assets:

a) i. Information on derivative financial assets at fair value through profit or loss: TL 55,113 (31 December 2022: None).

a) ii. Information on derivative financial assets at fair value through other comprehensive income: None (31 December 2022: None).

İSTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Notes Related to the Assets (Continued)

6. Information on loans:

a) Information on all types of loans and advances given to shareholders and employees of the Bank:

	Current Pe	riod	Prior Period		
	Cash	Non-Cash	Cash	Non-Cash	
Direct loans granted to shareholders	840,953	17,831,604	2,107,175	34,398,499	
Corporate shareholders	840,953	17,831,604	2,107,175	34,398,499	
Real person shareholders	-	-	-	-	
Indirect loans granted to shareholders	-	-	-	-	
Loans granted to employees	-	-	-	-	
Total	840,953	17,831,604	2,107,175	34,398,499	

b) Information on loans with standard qualifications and close monitoring followed by restructured loans:

		Loans under Follow-up			
	Performing	Non-			
Cash Loans	Loans	restructured	Restructu	ired	
			Revised		
Current Period			Contract Terms	Refinanced	
Non-specialized loans	1,795,481	-	-	-	
Business loans	-	-	-	-	
Export loans	-	-	-	-	
Import loans	-	-	-	-	
Loans given to financial sector	1,795,481	-	-	-	
Consumer loans	-	-	-	-	
Credit cards	-	-	-	-	
Other	-	-	-	-	
Specialized loans	-	-	-	-	
Other receivables	-	-	-	-	
Total	1,795,481	-	-	-	

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Notes Related to the Assets (Continued)

6. Information on Loans (Continued)

		Loans under Follow-up		
	Performing Loans	Non-		
Cash Loans		restructured	Restructured	
			Revised	
Prior Period			Contract Terms	Refinanced
Non-specialized loans	2,681,206	-	-	-
Business loans	-	-	-	-
Export loans	-	-	-	-
Import loans	-	-	-	-
Loans given to financial sector	2,681,206	-	-	-
Consumer loans	-	-	-	-
Credit cards	-	-	-	-
Other	-	-	-	-
Specialized loans	-	-	-	-
Other receivables	-	-	-	-
Total	2,681,206	-	-	-

c) Information on consumer loans, individual credit cards, and personnel loans and personnel credit cards: None (31 December 2022: None).

d) Information on commercial loans with instalments and corporate credit cards: None (31 December 2022: None).

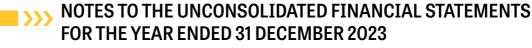
e) Loans according to borrowers:

	Current Period	Prior Period
Private	1,795,481	2,681,206
Public	-	-
Total	1,795,481	2,681,206

f) Domestic and foreign loans:

	Current Period	Prior Period
Domestic loans	1,795,481	2,681,206
Foreign loans	-	-
Total	1,795,481	2,681,206

İSTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.



(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Notes Related to the Assets (Continued)

6. Information on loans (Continued):

g) Loans granted to subsidiaries and associates:None (31 December 2022: None). h) Information on non-performing loans (Net):

	Current Period	Prior Period	
Uncollectable loans and receivables			
Loans and receivables with limited collectability			
Loans and receivables with doubtful collectability	-		
Total	-		
i) Information on non-performing loans (Net)			
i.1) Information on loans and other receivables included in non-performing loans wh (31 December 2022: None).	nich are restructured or	rescheduled: Non	
i.2) Information on movement of non-performing loans: None (31 December 2022: N	None).		
i.3) Information on non-performing loans arising from foreign currency loans: None	e (31 December 2022: No	one).	
j) Expected credit losses:			
Current Period	Prior F	Prior Period	
Standard Loans Und		Loans Under	

	Current Period		Prior Period	
	Standard Loans	Loans Under Close Monitoring	Standard Loans	Loans Under Close Monitoring
12 Month expected credit losses	1,981	-	2,792	-
Significant increase in credit risk	-	-	-	-
Total	1,981	-	2,792	-

	Current Period		Prior Period	
	Standard Loans	Loans Under Close Monitoring	Standard Loans	Loans Under Close Monitoring
nth expected credit losses	1,981	-	2,792	-
cant increase in credit risk	-	-	-	-
	1,981	-	2,792	-

k) Explanations on the write-off policy: Financial Statements and Related Disclosures and Footnotes to be publicly disclosed by banks have not prepared in accordance with Article 25 of the Communiqué.

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Notes Related to the Assets (Continued)

7. Information on financial assets measured at amortised cost:

7.a) i. Information on financial assets measured at amortised cost:

	Current Period	Prior Period
Government bonds	1,762,139	2,374,232
Treasury bills	-	-
Government debt instruments	717,471	526,874
Other(*)	1,462,719	-
Total	3,942,329	2,901,106

^(*) Securities and investment funds received from other private banks are included.

7.a) ii. Information on government debt instruments:

	Current Period	Prior Period
Debt securities	3,942,329	2,901,106
Quoted on a stock exchange	3,942,329	2,901,106
Not quoted on a stock exchange	-	-
Impairment provision (-)	-	-

3,942,329

2,901,106

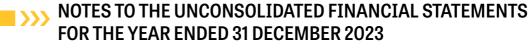
7.a) iii. Movement of financial assets measured at amortised cost:

	Current Period	Prior Period
Beginning balance	2,901,106	4,835,980
Foreign currency differences on monetary assets	-	-
Purchases during year	7,269,155	5,269,658
Disposals through sales and redemptions ⁽¹⁾	(5,727,789)	(7,759,202)
Impairment provision (-)	-	-
Effect of valuation ⁽²⁾	(500,143)	554,670
Total	3,942,329	2,901,106

⁽¹⁾All of disposals through sales and redemptions amount is from redemptions.

⁽²⁾ Includes interest accruals change.

İSTANBUL TAKAS VE SAKLAMA BANKASI A.S.



(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Notes Related to the Assets (Continued)

7. Information on financial assets measured at amortised cost: (Continued)

7.b) Information on expected credit loss provisions for financial assets

Treasury Loan	
Miscellaneous Receivables	
Reverse Repo	

Total

Other Financial Assets Measured at Amortized Cost

Total

7.c) Information on other financial assets:

None. (31 December 2022: None)

8. Information on investments in associates (Net):

8.a) Information on consolidated associates according to Communiqué on Preparing Banks' Consolidated Financial Statements and related Turkish Accounting Standard: None (31 December 2022: None). 8.b) Information on the unconsolidated associates: None (31 December 2022: None). 8.c) Explanations of consolidated associates: None (31 December 2022: None). 8.d) Information on sector information on consolidated associates: None (31 December 2022: None). 8.e) Consolidated associates which are quoted on the stock exchange: None (31 December 2022: None).

Total

Prior Period	Current Period
87,844	115,657
6,265	5,489
-	-
94,109	121,146
Prior Period	Current Period
921	2,501
921	2,501

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

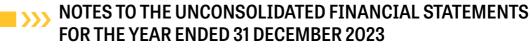
I. Explanations and Notes Related to the Assets (Continued)

9. Information on subsidiaries (Net):

9.a) Information on the unconsolidated subsidiaries:

Description		ldress ity/Country)	If differ	Bank's share per ent voting perce	•	Bank	risk group's share percentage (%)
Merkezi Kayıt K		tanbul/Türkiye		51	28.57		65
Total Assets (1)	Shareholder's Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit/Loss	Prior Perio Profits/ Losses	d Fair Value
991,089	540,465	258,187	106,256	83,663	319,916	133,849	-
⁾ Current period fina	incial statements are	e obtained from unr	eviewed financia	al statements prepared	d as of 31 December	r 2023 in accorda	nce with the TAS.
					31 Decemb	oer 2023 3	31 December 2022
Paid-in capital Legal reserves						100,000 41,482	100,000 27,566
Other reserves Profit/loss Prior periods p. Current period						414,576 94,660 319,916	- 171,750 37,901 133.849
Intangible Asse	ts (-)					(46,250)	(20,564)
Total Core Cap Supplementary						509,808	278,752
Capital						509,808	278,752
Net Usable Equ	iity					509,808	278,752

İSTANBUL TAKAS VE SAKLAMA BANKASI A.S.



(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Notes Related to the Assets (Continued)

9. Information on subsidiaries (Net): (Continued)

There is no assessment of subsidiaries' internal capital adequacy. Paid capital is indicated in the main agreement of the Bank as Turkish Liras and registered in the trade registry. Legal reserves are the reserve funds which are indicated in the Turkish Trade Act's (numbered 6762) 466.dam's first paragraph and second paragraph's third subparagraph, and 467.dam and accounted from related year's profit.

9.b) Information on the consolidated subsidiaries:

i. Information on the consolidated subsidiaries: None (31 December 2022: None).

ii. Information on movement of consolidated subsidiaries: None (31 December 2022: None).

iii. Sectorial information on the consolidated subsidiaries: None (31 December 2022: None).

iv. Consolidated subsidiaries quoted on the stock exchange: None (31 December 2022: None).

10. Information on entities under common control (joint ventures): None (31 December 2022: None).

11. Information on finance lease receivables (Net): None (31 December 2022: None).

12. Information on investment property:

As of December 31, 2023, the Bank has investment property balance measured at fair value amounting to TL 244,470 (December 31, 2022: TL 141,630).

As of 31 December 2023, the Bank has no rental income from investment properties.



(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Notes Related to the Assets (Continued)

13. Information on tangible assets

	Prior Year	Prior Year		Closing Year
	31 December 2022	Additions	Disposals	31 December 2023
Cost:				
Real Estate	-	-	-	-
Vehicles	-	39,986	(543)	39,443
Other	64,029	121,931	(22,329)	163,631
Total Cost	64,029	161,917	(22,872)	203,074

	31 December 2022	Charge for the Year	Disposals	31 December 2023
Accumulated Depreciation:				
Real Est ate	-	-	-	-
Vehicles	-	(1,903)	-	(1,903)
Other	(31,674)	(24,795)	5,246	(51,223)
Total Accumulated				
Depreciation	(31,674)	(26,698)	5,246	(53,126)
Net Book Value	32,355	135,219	(17,626)	149,948
	Prior Year			Closing Year
	31 December 2021	Additions	Disposals	31 December 2022
Cost:				
Real Estate	-	-	-	-
Vehicles	-	-	-	-

Total Cost	34,223	32,226	(2,420)	64,029
	31 December 2020	Charge for the Year	Disposals	31 December 2021
Accumulated Depreciation:				
Real Estate	-	-	-	-
Vehicles	-	-	-	-
Other	(26,602)	(6,861)	1,789	(31,674)
Total Accumulated				
Depreciation	(26,602)	(6,861)	1,789	(31,674)

32.226

25.365

(2.420)

(631)

64.029

32,355

34.223

7,621

İSTANBUL TAKAS VE SAKLAMA BANKASI A.S.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Notes Related to the Assets (Continued)

13. Information on tangible assets (Continued)

a) If impairment amount on individual asset booked or reversed in the current period is material for the overall financial statements:

i. Reason and conditions for booking or reversing impairment: The details for reason and conditions for booking or reversing impairment are given in note (13.b) of the report.

ii. Amount of impairment booked or reversed in the financial statements: The details for amount recorded or reversed impairment in the financial statements are given in part (13.b) of the Report.

b) The impairment provision set or cancelled in the current period according to the asset groups not individually significant but materially affecting the overall financial statements, and the reason and conditions for this: There is no material impairment provision set or cancelled in the current period:

None (31 December 2022: None).

There is no impairment accounted related to property and equipment in the current period (31 December 2022: None).

c) Pledges, mortgages and other restrictions on the tangible fixed assets, expenses arising from the construction for tangible fixed assets, commitments given for the purchases of tangible fixed assets: None (31 December 2022: None).

14. Information on intangible assets:

	Prior Year			Current Year
	31 December 2022	Additions	Disposals	31 December 2023
Cost:				
Leasehold improvements	-	-	-	-
Other intangible assets	204,583	103,230	-	307,813
Total Cost	204,583	103,230	-	307,813
	31 December 2022	Charge for the Year	Disposals	31 December 2023
Accumulated Amortization:				
Leasehold improvements	-	-	-	-
Other intangible assets	(79,066)	(25,889)	-	(104,955)
Total Accumulated				
Amortization	(79,066)	(25,889)	-	(104,955)
Net Book Value	125,517	77,341	-	202,858

Other

Net Book Value

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Notes Related to the Assets (Continued)

	Prior	Year	Curren	t Year
	31 December 2021	Additions	Disposals	31 December 2022
Cost:				
Leasehold improvements	-	-	-	-
Other intangible assets	176,930	27,653	-	204,583
Total Cost	176,930	27,653	-	204,583
	01 De servit en 0001	Observe for the Marrie	Diseasely	01 Da sandar 0000
	31 December 2021	Charge for the Year	Disposals	31 December 2022
Accumulated Amortization:				
Leasehold improvements	-	-	-	-
Other intangible assets	(60,716)	(18,350)		(79,066)
Total Accumulated				
Amortization	(60,716)	(18,350)	-	(79,066)
Net Book Value	116,214	9,303	-	125,517

- a) Disclosures for book value, description and remaining useful life for a specific intangible asset that is material to the financial statements: None (31 December 2022: None).
- b) Disclosure for intangible assets acquired through government grants and accounted for at fair value at initial recognition: None (31 December 2022: None).
- c) The method of subsequent measurement for intangible assets that are acquired through government incentives and recorded at fair value at the initial recognition: None (31 December 2022: None).
- d) The book value of intangible assets that are pledged or restricted for use: None (31 December 2022: None).
- e) Amount of purchase commitments for intangible assets: None (31 December 2022: None).
- f) Information on revalued intangible assets according to their types: None (31 December 2022: None).
- g) Amount of total research and development expenses recorded in income statement within the period if any: None (31 December 2022: None).
- h) Positive or negative consolidation goodwill on entity basis: None (31 December 2022: None).
- i) Information on goodwill: None (31 December 2022: None).
- j) Movements on goodwill in the current period: None (31 December 2022: None).

15. Information on assets held for sale and discontinued operations:

None (31 December 2022: None).

16. Explanations on deferred tax:

Deferred tax assets and liabilities are netted off as deferred tax liability in the balance sheet liabilities and explanations on deferred tax asset/liability for the current and previous period are given in Note 7 of Section Five.

İSTANBUL TAKAS VE SAKLAMA BANKASI A.S.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Notes Related to the Assets (Continued)

17. Information on other assets:

Other assets exceed 10% of the balance sheet total (excluding off balance sheet commitments). The details of other assets are presented below.

Allocation of other assets:

Invoices payables **VIOP** Guarantees Custody and fee accruals Prepaid expenses Cash guarantees given Stationary supplies Other

Total

II. Explanations and Notes Related to Liabilities

1. Explanations on deposits:

a) Information on maturity structure of deposits: The Bank is not authorized to accept deposits.

b) Information on saving deposits under the guarantee of saving deposit insurance: The Bank is not authorized to accept deposits.

c) Information on the saving deposits of the bank with head office abroad, if the saving deposits in the branches of the bank located in Turkey are under the guarantee of saving deposit insurance in that country abroad: The Bank's head office is in Turkev.

d) Saving deposits not guaranteed by insurance: The Bank is not authorized to accept deposits.

2. Information on derivative financial liabilities:

- a) i. Information on derivative financial liabilities at fair value through profit or loss: None (31 December 2022: None).
- a) ii. Derivative financial liabilities at fair value through other comprehensive income: None (31 December 2022: None).

Current Period	Prior Period
40,358	162,380
161,158	137,513
163,902	120,718
48,079	12,627
420	392
318	355
209	34
414,444	434,019

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and Notes Related to Liabilities (Continued)

3. Informations on funds borrowed:

a) Information on banks and other financial institutions:

	Current Period		Prior Period	
	TL	FC	TL	FC
Loans from Central Bank of Turkey	-	-	-	-
From domestic banks and institutions	129,836	5,521,256	-	6,821,660
From foreign banks, institutions and funds	-	-	-	-
Total	129,836	5,521,256	-	6,821,660
o) Information on money markets debts:				
	Current F	Period	Prior Pe	eriod
	TL	FC	TL	FC
ТСМВ	-	-	206,603	-
Total	-	-	206,603	-
c) Maturity analysis of Funds borrowed:				
	Current F	Period	Prior Pe	eriod
	TL	FC	TL	FC
Short-term	129,836	5,521,256	-	6,821,660
Medium and long-term	-	-	-	-
Total	129,836	5,521,256	-	6,821,660

d) Additional explanation related to the concentrations of the Bank's major liabilities:

Bank's liabilities include taxes payables and other payables and cash collaterals, guarantee funds which members give for different markets.

İSTANBUL TAKAS VE SAKLAMA BANKASI A.S.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and Notes Related to Liabilities (Continued)

4. Information on Funds:

a) Information on borrowers' funds: None (31 December 2022: None).

b) Information on other funds:

The breakdown of funds which is the main liabilities of the Bank is as below:

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash collaterals	70,601,301	18,023,778	56,607,745	12,318,209
Members' receivables	2,682,657	13,642,816	1,225,396	2,368,596
Capital Markets Board Share	-	-	-	-
Partners' Dividend Receivables	-	-	-	-
Expense accruals	43,433	-	15,616	-
Other ⁽¹⁾	2,275,778	-	1,264,887	-
	75,603,169	31,666,594	59,113,644	14,686,805

(1) Amounting of other consists of pool and guarantee fund accounts.

5. Explanations on financial lease liabilities (net):

a) Explanation on finance lease payables: None (31 December 2022: None).

b) Explanations regarding operational leases:

Less than 1 year Between 1-4 years More than 4 years

Total

6. Information on provisions:

a) Information on employee termination benefits and unused vacation accrual:

Under Turkish Labour Law, the Bank is required to pay employment termination benefits to each employee who has qualified. Also, employees are required to be paid their retirement pay provisions who retired by gaining right to receive retirement pay provisions according to current 506 numbered Social Insurance Law's 6 March 1981 dated, 2422 numbered, 25 August 1999 dated and 4447 numbered with 60th article that has been changed. Some transition provisions related to the pre-retirement service term was excluded from the law since the related law was changed as of 23 May 2002. The provision for employment termination benefits of the Bank is calculated over the TL 23,489,83 (31 December 2022: TL 15,371,40) (full TL) which is the maximum amount of employment termination benefits.

Current Perio	bd	Prior Perio	bd
Gross	Net	Gross	Net
-	-	-	-
980	80	9,663	4,675
-	-	-	-
980	80	9,663	4,675

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and Notes Related to Liabilities (Continued)

6. Information on provisions: (Continued)

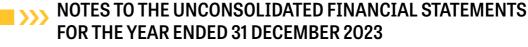
The liability is not funded, as there is no funding requirement. The provision has been calculated by estimating the present value of the future probable obligation of the Bank arising from the retirement of employees. TAS 19 requires actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans. Accordingly, the following actuarial assumptions were used in the calculation of the total liability:

The main assumption is that the maximum liability for each year of service will increase parallel with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying financial statements as of 31 December 2023, the provision has been calculated by estimating the present value of the future probable obligation of the Bank arising from the retirement of the employees. The provisions at the balance sheet date have been calculated assuming an annual inflation rate of 17.78% and interest rate 21% and a discount rate of 21% (31 December 2022: 17.78% inflation rate, 3.11% discount rate). The estimated rate of severance pay amount which is not paid and to be held in the bank as a result of optional leavings are also considered.

	Current Period	Prior Period
Total liabilities of employee terminations (Undiscounted)	58,472	34,537
Provision for employee termination (Presented in		
financial statements)	42,405	22,380
The ratio of provision to undiscounted total liabilities (%)	72.52	64.80

As of 31 December 2023, the Bank provided a reserve of TL50,831 (31 December 2022: TL 22,329) for the unused vacation which classified under Reserve for Employee Benefits in the financial statements.

İSTANBUL TAKAS VE SAKLAMA BANKASI A.S.



(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and Notes Related to Liabilities (Continued)

6. Information on provisions: (Continued)

a.1) Movement of employee termination benefits:

As of January 1 Paid during the year Actuarial (gain)/loss Charge for the year Service charge Interest charge

Total

a.2) The reserve for employee benefits:

Unused vacation provision

Total

b) Information on other provisions:

b.1) Liabilities for pension funds established in accordance with "Social Security Institution": None (31 December 2022: None).

b.2) Breakdown of the subsidiary accounts if other provisions exceed 10% of the grand total of provisions:

Expected Credit Loses⁽²⁾ Provisions for CMB's Share Fee (1) Provision for litigation Provision for employee benefits

Total

(1) According to the related article of the Bank's Capital Markets Law, the board share to be paid to the Capital Markets Board in 2023 consists of an expense accrual (CMB Board Share)

⁽²⁾ Consists of 12 months expected credit loss provisions for non-cash loans.

Current Period	Prior Period
22,380	10,647
(1,387)	(1,813)
13,295	9,447
8,117	4,099
3,771	1,440
4,346	2,659
42,405	22,380
Current Period	Prior Period
50,831	22,329
50,831	22,329

Current Period	Prior Period
4,474	63,618
241,150	54,854
83,659	54,150
2,580	4,062
331,863	176,684

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and Notes Related to Liabilities (Continued)

6. Information on provisions: (Continued)

4,062	3,660
23	1,215
-	(160)
(1,505)	(653)
	23

c) Liabilities Resulting from Retirement Benefits: None (31 December 2022: None).

c.1) Liabilities for pension funds established in accordance with "Social Security Institution": None (31 December 2022: None).

c.2) Liabilities resulting from all kinds of pension funds, foundations, which provide post-retirement benefits for the employees: None (31 December 2022: None).

7. Explanations on taxes payable:

a) Information on current tax liability:

a.1) Corporate tax:

	Current Period	Prior Period
Provision for corporate taxes	1,510,430	559,886
Prepaid taxes (-)	912,067	367,366
Corporate Income Tax Payable	598,363	192,520

a.2) Information on taxes payable:

	Current Period	Prior Period
Corporate taxes payable	598,363	192,520
Banking insurance transaction tax (BITT)	54,443	19,945
Other	17,455	6,286
Taxation on securities	15,612	4,189
Value added tax payable	3,891	336
Total	689.764	223.276

İSTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.



(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and Notes Related to Liabilities (Continued)

7. Explanations on taxes payable: (Continued)

a.3) Information on premiums: (3 months)

Social security premiums-employer Social security premiums-employee Unemployment insurance-employer Unemployment insurance-employee

Total

b) Explanations on deferred tax liabilities:

Distribution of deferred tax assets/(liabilities):

	Current Period		Prior Per	riod
-	Accumulated	Deferred	Accumulated	Deferred
	Temporary	tax asset/	Temporary	tax asset/
	Differences	(liability)	Differences	(liability
Provisions for severance pay	42,405	12,722	22,380	5,595
Vacation pay liability	296.412	88.923	77.183	19,296
CMB Board share provision - other provision	83.659	25,098	54,150	13,538
Internal yield and market value differences of	,		- ,	- ,
financial assets and government securities				
measured at amortized cost	31,006	9,302	-	-
TFRS 9 provision for expected losses	130,103	39,031	161,441	40,360
Lawsuits and bonus	2,580	774	4,062	1,015
Interest accruals	121	36	647	162
TFRS 16 Leases	67	20	445	111
Deferred tax asset	586,353	175,906	320,308	80,077
Differences between the book value of fixed assests				
and tax value	(63,062)	(18,919)	(144,351)	(36,088)
Internal yield and market value differences of financial assets and government securities	<u> </u>	x - / /	x 1 1	(
measured at amortized cost	-	-	(2,888)	(722)
Financial instruments value difference - from swap			(_//	(*==)
transactions	20,594	6,178	-	-
Deferred tax liability	(42,468)	(12,741)	(147,239)	(36,810)
Deferred tax liability		163,165		43,267

Current Period	Prior Period
11,520	4,493
10,647	4,187
1,527	599
760	299
24,454	9,578

299

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NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and Notes Related to Liabilities (Continued)

7. Explanations on taxes payable: (Continued)

Deferred tax asset transaction table:

	Current Period	Prior Period
Previous period balance	43,267	9,066
Deferred tax income/(expense)	115,910	31,839
Deferred tax recognized under equity	3,988	2,362
Deferred tax asset	163,165	43,267

8. Information on Shareholders' Equity:

a) Presentation of Paid-in capital:

	Current Period	Prior Period
Common stock (1)	600,000	600,000

⁽¹⁾ As of 31 December 2023, the Bank has totally 6.000.000 issued share certificates

b) Paid-in capital amount, explanation as to whether the registered share capital system is applicable at the Bank if so, and amount of registered share capital ceiling:

Registered share capital system is not applied as of the balance sheet date (31 December 2022: Not applied).

c) Other information on the share of capital increased through capital contributions performed during the current period and capital funds:

None (31 December 2022: None).

d) Information on share capital increases from capital reserves during the current period:

None (31 December 2022: None).

e) Capital commitments in the last fiscal year and at the end of the following interim period, the general purpose of these commitments and projected resources required to meet these commitments:

None (31 December 2022: None).

f) Indicators of the Bank's income, profitability and liquidity for the previous periods and possible effects of these future assumptions on the Bank's equity due to the uncertainty of these indicators:

Due to the Bank's liquid position and good relations with other banks, the Bank has the means to provide low cost financing and place it in domestic market which leads to profits. In parallel with this, if similar circumstances will occur in the future, it can be predicted that profitability will increase and this will improve the equity of the Bank with retained profits.



NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and Notes Related to Liabilities (Continued)

8. Information on Shareholders' Equity: (Continued)

q) Information on preferred shares:

As of 31 December 2023, the Bank has no preferred shares (31 December 2022: None).

h) Information on marketable securities valuation reserve:

None (31 December 2022: None).

i) Information on extraordinary reserves:

Reserves appropriated by the General Assembly **Retained Earnings** Accumulated Losses Foreign Capital Exchange Difference

Total

j) Information on past year profit distribution:

On August 3, 2023, at the General Assembly meeting, it was decided to make a dividend payment of TL 866,000 to the shareholders. It was decided to pay the dividends in four equal installments and the first installment was paid on August 15, 2023, the second installment on September 15, 2023, the third installment on October 13, 2023 and the last installment on November 15, 2023.

k) Information on minority shares:

None (31 December 2022: None).

III. Explanations and Notes Related to the Off-Balance Sheet Accounts

1. Information on off-balance sheet liabilities:

a) Nature and amount of irrevocable loan commitments: None (31 December 2022: None).

b) Possible losses and commitments related to off-balance sheet items including items listed below:

b.1) Non-cash loans including guarantees, bank acceptances, collaterals and other letters of credit: As of the balance sheet date, the details of the Bank's other non-cash loans consisting of guarantees given for Takasbank Money Market, Securities Lending Market, BİAŞ Equity Market, Over-the-counter derivative instruments market, BİAŞ Debt Securities Market, BİAŞ Swap Market, BİAŞ Money Market and BİAŞ Futures and Options Market transactions are shown below.

Non-cash loans given against achieving cash loans With Original Maturity of One Year or Less With Original Maturity of More than One Year Other non-cash loans (1)

Total Non-Cash Loans

¹⁰ Guarantees given to Takasbank Money Market, Securities Lending Market, Debt Securities Market, BİAŞ Money Market, Share Market and Futures and Options Market, Swap Market and over the counter derivative market (OTC)

Prior Period	Current Period
1,889,914	2,451,602
-	-
-	-
-	-
1,889,914	2,451,602

Prior Period	Current Period
-	-
-	-
-	-
90,147,147	34,383,116
90,147,147	34,383,116

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

III. Explanations and Notes Related to the Off-Balance Sheet Accounts (Continued)

Information on sectorial risk breakdown of non-cash loans:

	Cu	urrent Per	riod		Prior Period			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agricultural								
Farming and Livestock	-	-	-	-	-	-	-	-
Forestry	-	-	-	-	-	-	-	-
Fishery	-	-	-	-	-	-	-	-
Industry	-	-	-	-	-	-	-	-
Mining and Quarry	-	-	-	-	-	-	-	-
Manufacturing Industry	-	-	-	-	-	-	-	-
Electric, Gas and Water	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Services	34,383,116	100	-	-	90,147,147	100	-	-
Wholesale and Retail Trade	-	-	-	-	-	-	-	-
Hotel, Food and Beverage Services	-	-	-	-	-	-	-	-
Transportation and								
Telecommunication	-	-	-	-	-	-	-	-
Financial Institutions	34,383,116	100	-	-	90,147,147	100	-	-
Real Estate and Renting Services	-	-	-	-	-	-	-	-
Self-employment Services	-	-	-	-	-	-	-	-
Education Services	-	-	-	-	-	-	-	-
Health and Social Services	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total	34,383,116	100	_	-	90,147,147	100	-	-

İSTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.



(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

III. Explanations and Notes Related to the Off-Balance Sheet Accounts (Continued)

Information on Group I and II non-cash loans:

	Group I		Group II	
-	TL	FC	TL	F
Non-cash loans	34,383,116	-	-	
Letters of Guarantee	-	-	-	
Bank Acceptances	-		-	
Letters of Credit	-		-	
Endorsements	-		-	
Purchase Guarantees for Securities Issuance	-		-	
Factoring Commitments	-		-	
Other Commitments and Contingencies	34,383,116	-	-	
b.3) Explanation of irrevocable commitments: Other Irrevocable Commitments:	Current Per	iod	Prior Perio	od
	TL	FC	TL	F
Capital commitment for VIOP (Bank is central counterparty services) Capital commitment for ÖPP Market (Bank is central counterparty services)	110,933 2,778	-	69,597 4,342	
Capital commitment for Money Market (Bank is central counterparty services (CCP))	237		783	
Capital commitment for PAY (Bank is central counterparty services)	6,568	_	15,913	
Capital commitment for Debt Instruments Market (Bank is central counterparty services)	26,649	-	138,032	
Capital commitment for Swap Market (Bank is central counterparty services)	56,971	-	225,788	
Capital commitment for the OTC Market (Bank is central				
	1,597	-	4,944	
counterparty services)	0.15.0			
Capital commitment for the TPP Market	3,158	-	8,035	



NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

III. Explanations and Notes Related to the Off-Balance Sheet Accounts (Continued)

c) Disclosure of Allocations:

	Current Peri	od	Prior Perio	d
	TL	FC	TL	FC
Capital commitment for VIOP (Bank is central counterparty				
services)	354,341	-	52,126	-
Capital commitment for ÖPP Market (Bank is central				
counterparty services)	8,875	-	3,252	-
Capital commitment for Money Market (Bank is central				
counterparty services (CCP))	757	-	587	-
Capital commitment for PAY Market (Bank is central				
counterparty services)	20,978	-	11,919	-
Capital commitment for Debt Instruments Market (Bank is				
central counterparty services)	85,119	-	103,383	-
Capital commitment for Swap Market (Bank is central				
counterparty services)	181,972	-	169,110	-
Capital commitment for the OTC Market (Bank is central				
counterparty services)	5,100	-	3,703	-
Capital commitment for the TPP Market	10,089	-	6,018	-
Total	667,231	-	350,098	-

İSTANBUL TAKAS VE SAKLAMA BANKASI A.S.



(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

III. Explanations and Notes Related to the Off-Balance Sheet Accounts (Continued)

d) Explanation related to Guarantees

The total valuation of the market collateral in the markets where the Bank is the Central Counterparty is TL 89,055,168 Thousand (31 December 2022: TL 78,047,632), the total of the valuated guarantee fund is TL 6,252,008 Thousand (31 December 2022: TL 3.958.338 Thousand).

e) Information related to Non-Cash Loans:

The Bank acts as a bridge between buyers and sellers in the Takasbank money market, where it plays the role of market founder and operator, and monitors the risks arising from non-cash loans in this market, as it provides guarantees in the event of debt default through contributions to the Guarantee Fund and capital provided and committed to this market. Takasbank, as the central counterparty of the stock market, the futures and options market, the BİAŞ Money Market, The Over-The-Counter Derivatives Market, The BİAŞ Swap Market, The Stock Market, and The Debt Securities Markets, has hedged transactions in these markets through the Bank.

Limits are set for members in the Takasbank money market, the stock lending market, The BIAS Money Market, The Stock Market, The BIAS Swap Market, The Over-The-Counter Derivatives Market, The Debt Securities Market, and The Futures and Options Market, and there is a permanent guarantee obligation for these limits. These collaterals are kept in the Bank as multiples of the credit limits, which are set according to their convertibility into cash.

f) Information related to investment securities held in custody: the investment securities held in custody, TL 7,029,357,526 (31 December 2022: TL 5,750,425,634) of the TL 7,029,132,092 (31 December 2022: TL 5,750,200,191) balance of investment securities held in custody are investment funds as the other TL 225,434 (31 December 2022: TL 225,442) balance consists of share certificate held in custody.

IV. Explanations and Notes Related to the Statement of Profit or Loss

1. Information on interest on loans:

a) Information on interest on loans:

Short-term loans Medium/long-term loans Interest on loans under follow-up

Premiums received from resource utilisation support fund

Total

Total

b) Information on interest received from banks:

Central Bank of Turkey Domestic banks Foreign banks Branches and head office abroad

	Prior Period	1
FC	TL	FC
-	230,737	-
-	-	-
-	-	-
-	-	-
	-	- 230,737

966,702

230,737

Current Pe	eriod	Prior Period		
TL	FC	TL	FC	
84,816	1,915	1,544	243	
2,596,028	932,201	788,812	466,581	
-	3,521	-	335	
-	-	-	-	
2,680,844	937,637	790,356	467,159	

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations and Notes Related to the Statement of Profit or Loss (Continued)

c) Interest received from marketable securities portfolio:

	Current Period		Prior Period	
	TL	FC	TL	FC
From financial assets at fair value through profit or loss	-	-	-	-
From financial assets at fair value through other comprehensive income	13,750	-	8,372	-
From financial assets measured at amortised cost	92,659	271,758	52,770	132,485
Total	106.409	271.758	61.142	132.485

d) Information on interest income received from associates and subsidiaries:

None (31 December 2022: None).

e) Other information:

None (31 December 2022: None).

2. Information on interest expense

a) Information on interest on funds borrowed:

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	101,287	171,116	63,261	57,951
The Central Bank of Turkey	-	-	868	-
Domestic banks	101,287	171,116	62,393	57,951
Foreign banks	-	-	-	-
Branches and head office abroad	-	-	-	-
Other financial institutions	223	-	253	-
Total	101,510	171,116	63,514	57,951

b) Information on interest expense to associates and subsidiaries:

None (31 December 2022: None).

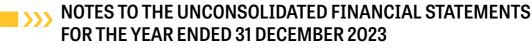
c) Information on interest expense to marketable securities issued:

None (31 December 2022: None).

d) Distribution of interest expense on deposits based on maturity of deposits:

None (31 December 2022: None).

İSTANBUL TAKAS VE SAKLAMA BANKASI A.S.



(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations and Notes Related to the Statement of Profit or Loss (Continued)

3. Information on dividend income:

Financial assets at fair value through profit or loss Financial assets at fair value through other comprehensive income Other (MKK)

Total

4. Information on net trading income:

Income

Gains on capital market operations Foreign exchange gains Gains on derivative financial instruments

Losses (-)

Losses on capital market operations Foreign exchange losses Losses on derivative financial instruments

Total (Net)

5. Information on other operating income:

Investment Properties
Project Income
Provisions no longer required
Collection of prior year expenses
Other income
Income from sales of the assets

Total

In the fifth section and fourth part Note 11, details of sub-accounts of balances that are grouped under "Others" section that constitute at minimum 20% of the balances under "Other" section are included if the accounted under "Other" section excludes 10% of the total balance of the Income Statement.

Information about the factors that affect the Bank's profit materially and including new developments and the amount and quality of extraordinary accounts: None (31 December 2022: None).

Current Period	Prior Period
-	-
1,346	2,278
41,000	27,168
42,346	29,446
Current Period	Prior Period
2,527,820	39,236
1,220	10,191
513,668	29,045
2,012,932	-
(2,757,773)	(15,326)
(22,724)	-
(2,680,009)	(15,326)
(55,040)	-
(229,953)	23,910
Current Period	Prior Period
100.010	05.000
102,840	95,380
20,761 67,163	12,634 718
500	311
7,531	246
-	5
198,795	109,294

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations and Notes Related to the Statement of Profit or Loss (Continued)

6. Explanations on Banks' expected credit loss:

	Current Period	Prior Period
Expected credit loss	27,807	72,963
12 month expected credit loss (Stage 1)	27,807	72,963
Significant increase in credit risk (Stage 2)	-	-
Non-performing loans (Stage 3)	-	-
Marketable securities impairment expense	-	-
Financial assets at fair value through profit/loss	-	-
Financial assets at fair value through other comprehensive income	-	-
Impairment provision for associates, subsidiaries and joint ventures	-	-
Associates	-	-
Subsidiaries	-	-
Joint ventures	-	-
Other	-	-
Expected credit loss	-	-
Total	27,807	72,963

İSTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.



(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations and Notes Related to the Statement of Profit or Loss (Continued)

7. Information on other operating expenses:

	Current Period	Prior Period
Personnel expenses ⁽¹⁾	685,977	232,311
Severance Pay Provision	8,117	4,099
Bank Social Assistance Fund Asset Deficit Provision	-	-
Tangible Asset Impairment Expenses	-	-
Tangible Fixed Asset Depreciation Expenses	26,698	6,861
Intangible Assets Impairment Expenses	-	-
Goodwill Impairment Expense	-	-
Intangible Assets Depreciation Expenses	25,889	18,350
Depreciation Expense of Shares of Shares with Equity Management Applied	-	-
Assets to be disposed of Impairment expenses	-	-
Depreciation Value Expenses to be Disposal	-	-
Impairment Expenses on Fixed Assets Held for Sale and Discontinued		
Operations	-	-
Other Operating Expenses	244,976	183,914
Lease expenses related to TFRS 16 exceptions (2)	10,149	6,151
Maintenance and Repair Expenses	2,934	836
Advertising and Advertisement Expenses	26,194	9,210
Other expenses	205,699	167,717
Losses from the Sale of Assets	68	41
Other ⁽³⁾	1,308,486	143,982
Total	2,300,211	589,558

Total

(1) "Personnel Expenses", which is a separate item in the profit or loss statement, is also included table above. ${}^{\scriptscriptstyle (2)}$ 31 December 2023 amounts include all operating lease expenses.

8. Information on continued and discontinued operations from tax provisions:

a) The Bank presents deferred tax asset and the resulting deferred tax benefit in its financial statements.

Current income tax charge Deferred tax charge

Total

⁽³⁾ Other operating expenses consists of provisions for capital market board's share fee, legal claims and unused vacation.

Current Period	Prior Period
(1,510,431)	(559,886)
115,910	31,839
(1,401,655)	(528,047)

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations and Notes Related to the Statement of Profit or Loss (Continued)

8. Information on continued and discontinued operations from tax provisions: (Continued)

b) Deferred tax on temporary differences:

	Current Period	Prior Period
CMB Provision	11,560	6,657
Provision for Severance Pay	7,127	3,466
Permit Provision	69,627	17,050
Litigation and Premium Provision	(241)	283
TFRS 9 Expected Loss Provisions	(1,329)	22,665
Internal Yield and Market Value Differences of Financial Assets Measured at		
Amortized Cost	10,024	349
Derivative Financial Asset	6,178	-
Differences Between Carrying Value of Fixed Assets and Tax Value	17,169	(16,473)
Interest Discounts	(126)	139
Deferred tax expense recognized under equity	(3,988)	(2,362)
Financial Leasing TFRS16	(91)	65
Total	115,910	31,839

Tax reconciliation:

	Current Period	Prior Period
Profit before tax	5,033,650	2,260,168
Corporate tax rate	30%	25%
Calculated tax	(1,510,095)	(565,042)
Additions	1,456,039	331,646
Deductions	(1,340,465)	(294,651)
Tax expense	(1,394,521)	(528,047)

9. Information on net profit/loss from continued and discontinued operations:

As of 31 December 2023, net profit after tax of the Bank is TL 3,639,129 (31 December 2022: TL 1,732,121).

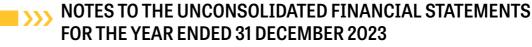
10. The explanations on net income/loss for the period:

a) The nature and amount of certain income and expense items from ordinary operations is disclosed if the disclosure for nature, amount and repetition rate of such items is required for the complete understanding Bank's performance for the period: None (31 December 2022: None).

b) Effect of changes in accounting estimates on income statement for the current and, if any, for subsequent periods: There is no effect of changes in accounting estimates on income statement for the current period (31 December 2022: None).

c) Profit/loss attributable to minority shares: There is no profit or loss attributable to minority shares as of the balance sheet date (31 December 2022: None).

İSTANBUL TAKAS VE SAKLAMA BANKASI A.S.



(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations and Notes Related to the Statement of Profit or Loss (Continued)

11. If the other items in the income statement exceed 10% of the income statement total, accounts amounting to at least 20% of these items are shown below:

Other fees and commissions

Commissions on options exchange
Service commisions
Custody commissions
Customer account maintenance commissions
Other
Transfer commissions
Swift comissions
Bank transfer transactions
Funds transactions
Code Allocation/Transactions

Total

12. Information on Group I and II non-cash loans:

Bank commissions	
Central Securities depository commissions	
BIST commissions	
Electronic fund transfer commissions	
Other commissions	

Fees and commissions expense

a) Nature and amount of changes in accounting estimates, which have a material effect on current period or expected to have a material effect on subsequent periods:

None. (31 December 2022: None)

Prior Period	Current Period
340,284	707,543
359,647	614,938
243,960	489,460
57,365	151,928
50,436	805,190
25,905	46,722
20,760	53,873
18,765	44,098
7,371	20,012
3,480	7,718
1,127,973	2,941,482

Current Period	Prior Period
113,910	58,802
90,303	33,150
77,936	28,732
8,241	5,425
904	1,219
291,294	127,328

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

V. Explanations and Notes Related To Statement of Cash Flows

1. The effects of the other items stated in the cash flow statement and the changes in foreign currency Exchange rates on cash and cash equivalents:

"Other items" amounting to TL 84,195 (31 December 2022: TL 933,483) in "Operating profit before changes in operating assets and liabilities" consist of personnel expenses, dividend income, trading gain or losses and other operating expenses.

"Net increase/decrease in other liabilities" amounting to TL 31,318,176 (31 December 2022: TL 35,790,095) in "Changes in operating assets and liabilities" consists of changes in sundry creditors and other liabilities. "Net increase/decrease in other assets" with a total amount of TL (38,871) (31 December 2022: TL (150,757) consists of changes in sundry debtors and other assets.

The effect of changes in foreign currencies on cash and cash equivalents is TL (107,194) (31 December 2022: TL 455,325)

2. Cash and cash equivalents in the beginning and at the end of the period:

The reconciliation of the components of cash and cash equivalents, accounting policies used to determine these components, the effect of any change made in accounting principle in the current period, the recorded amounts of the cash and cash equivalent assets at the balance sheet and the recorded amounts in the cash flows statement:

Beginning of the Period	31 December 2023	31 December 2022
Cash	1,029,858	67
Cash in TL/Foreign Currency	20	61
Central Bank - Unrestricted amount	1,029,838	6
Other	-	-
Cash equivalents	78,433,306	38,888,198
Banks	78,433,306	38,852,237
Money market placements	-	35,961
Total Cash and Cash Equivalents	79,463,164	38,888,265
Accruals (-)	(150,209)	(40,112)

Total cash and cash equivalents in cash flow statement	79,312,955	38,848,153	
Closing of the Period	31 December 2023	31 December 2022	
Cash	4,888,043	1,029,858	
Cash in TL/Foreign Currency	87	20	
Central Bank - Unrestricted amount	4,887,956	1,029,838	
Other	-	-	
Cash equivalents	109,556,498	78,433,306	
Banks	109,556,498	78,433,306	

114.444.541

113,937,415

(507,126)

79.463.164

(150, 209)

79,312,955

İSTANBUL TAKAS VE SAKLAMA BANKASI A.S.



(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

VI. Explanations and notes related to risk group of the Bank

1. Volume of related party transactions, income and expense amounts involved and outstanding loan and deposit balances:

a) Current Period:

	Subsidiaries, and entities und control (Joint	ler common	Direct and shareholders		Other en included in the	
Bank's Risk Group	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and other receivables						
Balance at beginning of the						
period	-	-	2,107,175	34,398,499	-	-
Balance at end of the period	-	-	840,953	17,831,604	-	-
Interest and commission income	171,684	-	497,657	30,568	23,850	-

b) Prior Period:

	Subsidiaries, and entities und control (Joint	der common	Direct and shareholders		Other en included in the	
Bank's Risk Group	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and other receivables						
Balance at beginning of the						
period ⁽¹⁾	-	-	530,928	15,284,700	-	-
Balance at end of the period ⁽¹⁾	-	-	2,107,175	34,398,499	-	-
Interest and commission income	33,212		766,265	57,880	-	-

⁽¹⁾ 31 December 2022 amounts are expressed.

c) Information on deposits belonging to the Bank's risk group: The Bank is not authorized to accept deposits and there are no deposits belonging to the Bank's risk group as of the balance sheet date (31 December 2022: None).

d) Information on forward and option agreements and other similar agreements made with related parties: None (31 December 2022: None).

2. Disclosures for the risk group of the bank:

- a) The relations of the bank with the entities controlled by the Bank and its related parties, regardless of whether there are any transactions or not: None (31 December 2022: None).
- major items and ratio to all items, pricing policies and other factors: None (31 December 2022: None).
- financial statements: None (31 December 2022: None).
- d) Transactions accounted for under the equity method: None (31 December 2022: None).
- e) Disclosures related to purchase and sale of real estate and other assets, services given/received, agency contracts, leasing contracts, transferring information as a result of research and development, license contracts, financing (including supports in the form of loans, capital in cash and capital in kind), guarantees and management contracts: None (31 December 2022: None)

Money market placements

Accruals (-)

Total Cash and Cash Equivalents

Total cash and cash equivalents in cash flow statement

b) Besides the structure of relationship, nature of the transaction, amount and ratio to the volume of transactions, amount of

c) In cases whereby separate disclosure is not necessary, the total of similar items in order to present the total impact on the

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

VII. Explanations and Notes on the Bank's Domestic Branches, Agencies and Branches Abroad and Off-Shore Branches

1. Explanations on the Bank's domestic branches, agencies and branches abroad and off-shore branches:

	Number	Employees			
Domestic branches	1	403			
			Country		
Rep-offices abroad	-	-	-		
				Total Asset	Capital
Branches abroad	-	-	-	-	-
Off-shore branches	-	-	-	-	-

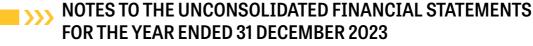
2. Explanations on branch and agency openings or closings and on substantial change in the organization of the Bank:

None.

VIII. Explanations and Notes Related To Subsequent Events

With the Communiqué Amending the General Communiqué on Tax Procedure Law (order no. 537) published in the Official Gazette dated 14 January 2023 and numbered 32073, the procedures and principles of the law articles that allow the revaluation of real estate and depreciable economic assets have been rearranged. Accordingly, the Bank will be able to revaluate the immovables in its balance sheet and its depreciable economic assets, provided that the conditions in the Tax Procedure Law Provisional Article 32 and Reiterated Article 298/c are met. Thus, corporate tax can be paid by calculating the values of real estate and depreciable economic assets after revaluation.

İSTANBUL TAKAS VE SAKLAMA BANKASI A.S.



(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION SIX

I. Other Explanations

None.

SECTION SEVEN

INDEPENDENT AUDITORS' REPORT

I. Explanations on the Independent Auditors' Report

The unconsolidated financial statements for the twelve month period ended 31 December 2023 were reviewed by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. and Independent Auditors' Report dated March 7, 2024 is presented in the introduction of this report.

II. Other Footnotes and Explanations Prepared by Independent Auditor

None.

III. Fees for Services Obtained from Independent Auditors or Independent Audit Firms (1)

In accordance with the decision of the Public Oversight Authority (POA) dated March 26, 2021, the fee information for the reporting period regarding the services received from the independent auditor or independent audit firm is given in the table below over VAT excluded amounts. The fees for services rendered to the Bank's foreign and domestic subsidiaries are included in these fees.

Independent audit fee for the reporting period

Fee for other assurance services

⁽¹⁾ Amounts excluding VAT.

31 December 2023	31 December 2022
1,552	407
1,391	232







In the context of the Content Index - Essentials Service, GRI Services reviewed that the GRI content index is consistent with reporting requirements in accordance with the GRI Standards and that the information in the index is presented to stakeholders in a clear and accessible manner in the report.

STATEMENT OF USE	İstanbul Takas ve Saklama Bankası A.Ş. has reported in accordance with the GRI Standards for the period 01.01.2023-31.12.2023.
GRI1USED	GRI 1: Foundation 2021
APPLICABLE GRI SECTOR STANDARD(S)	n/a

GRI STANDARD	DISCLOSURE	LOCATION
GENERAL DISCLOSURES	3	
		Introduction, Page: 3
	2-1 Organizational details	About Takasbank, Page: 8-9
		Organization Chart of the Bank, Page: 72-73
	2-2 Entities included in the organization's sustainability reporting	About the Report, Page: 2
	2-3 Reporting period, frequency and contact point	About the Report, Page: 2
	2-3 Reporting period, frequency and contact point	Yearly.
	2-4 Restatements of information	There are no restatements of information rearranged according to the previous report.
	2-5 External assurance	No external assurance was received for the report.
		About Takasbank, Page: 8-9
	2-6 Activities, value chain and other business	Explanations about the Bank's Service Types and Fields of Operation, Page: 32-33
	relationships	Developments in 2023, Page: 34-63
GRI 2: GENERAL		Stakeholder Relations, Page: 104-119
DISCLOSURES 2021	2-7 Employees	Employees, Page: 112-119
		Social Performance Data, Page: 136-139
	2-8 Workers who are not employees	Social Performance Data, Page: 136-139
		There are no workers who are not employees of the company
		Board of Directors, Page: 74-80
		Executive Management, Page: 81
		Directors, Page: 82
		Departments under Internal Systems, Page: 83
	2-9 Governance structure and composition	Structure and Formation of the Board of Directors, Page: 85
		Committee Structures, Page: 86-89
		Corporate Governance Principles Compliance Statement, Page: 150-152
		Corporate Governance Principles Compliance Report, Page: 150-152, 156-157, 161-163

GRI STANDARD	DISCLOSURE	LOCATION
		Structure and Formation of the Board of Director Page: 85
	2-10 Nomination and selection of the highest governance body	Corporate Governance Principles Compliance Statement, Page: 150-152
		Corporate Governance Principles Compliance Report, Page: 150-152, 156-157, 161-163
		Board of Directors, Page: 74-80
	2-11 Chair of the highest governance body	Corporate Governance Principles Compliance Statement, Page: 150-152
		Corporate Governance Principles Compliance Report, Page: 156-157, 161-163
		Assessment of the Chairman of the Board of Directors and the CEO regarding the Reporting Period and Future Expectations, Page: 14-17
		Takasbank Policy Documents, Page: 84
	2-12 Role of the highest governance body in	Structure and Formation of the Board of Director Page: 85
	overseeing the management of impacts	Committee Structures, Page: 86-89
		Stakeholder Relations, Page: 104-119
		Sustainability Approach, Page: 126-127
		Sustainability Efforts, Page: 128-133
		Responsibility of the Board of Directors Regardin the Integrated Annual Report, Page: 169
GRI 2: GENERAL	2-13 Delegation of responsibility for managing	Sustainability Approach, Page: 126-127
DISCLOSURES 2021	impacts	Sustainability Efforts, Page: 128-133
		Material Issues, Page: 94-99
	2-14 Role of the highest governance body in	Sustainability Approach, Page: 126-127
	sustainability reporting	Sustainability Efforts, Page: 128-133
	Sustainability reporting	Responsibility of the Board of Directors Regardin the Integrated Annual Report, Page: 169
		Committee Structures, Page: 87
		Social Principles, Page: 131-132
		Corporate Governance Principles Compliance Report, Page: 149
	2-15 Conflicts of interest	Corporate Governance Principles Compliance Report, Page: 154
		Corporate Governance Information Form, Page: 160
		Takasbank Directive on Conflict of Interest Policy can be accessed at <u>https://www.takasbank.com.</u> en/about-us/corporate/legal-framework
	2-16 Communication of critical concerns	Operational Risk Management, Page: 121-122
	2-17 Collective knowledge of the highest governance body	Board of Directors, Page: 74-80
		Sustainability Approach, Page: 126-127
	2-18 Evaluation of the performance of the highest governance body	Corporate Governance Principles Compliance Report, Page: 161

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>>>> GRI CONTENT INDEX

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GRI STANDARD	DISCLOSURE	LOCATION
		Structure and Formation of the Board of Directors, Page: 85
		Remuneration Committee, Page: 87
	2-19 Remuneration policies	Remuneration and Fringe Benefits provided to Employees, Page: 115
		Corporate Governance Principles Compliance Report, Page: 152
		Remuneration Committee, Page: 87
	2-20 Process to determine remuneration	Remuneration and Fringe Benefits provided to Employees, Page: 115
	2-21 Annual total compensation ratio	Financial Statements, Page: 203-204, 296-297
		Assessments of the Chairman of the Board of Directors and the CEO regarding the Activity Period and Future Expectations, Page: 14-17
	2-22 Statement on sustainable development	Responsibility of the Board of Directors Regarding the Integrated Annual Report, Page: 169
	strategy	Takasbank Sustainability Policy is available at https://www.takasbank.com.tr/documents/ Document/takasbank-surdurulebilirlik- politikasi 29062022(1).pdf
	2-23 Policy commitments	Takasbank Policy Documents, Page: 84
		Takasbank-About Us-Policies,
		https://www.takasbank.com.tr/en/about-us/
GRI 2: GENERAL DISCLOSURES 2021		corporate/legal-framework
		Information On the Risk Management Policies Applied by Risk Types, Page: 120-123
		Takasbank Policy Documents, Page: 84
	2-24 Embedding policy commitments	Information On the Risk Management Policies Applied by Risk Types, Page: 120-123
		Members, Page: 107
		Employees, Page: 113
	2-25 Processes to remediate negative impacts	Information On the Risk Management Policies Applied by Risk Types, Page: 120-123
		Corporate Governance Principles Compliance Report, Page: 149
		Members, Page: 107
	2-26 Mechanisms for seeking advice and raising	Employees, Page: 113
	concerns	Social Principles, Page: 131-132
		Corporate Governance Principles Compliance Report, Page: 160
	2-27 Compliance with laws and regulations	Audit Committee Report, Page: 164-166
	2-28 Membership associations	International Memberships, Page: 22-23
		Material Issues, Page: 94-99
	2-29 Approach to stakeholder engagement	Stakeholder Relations, Page: 104-119
		Sustainability Approach, Page: 126-127
	2-30 Collective bargaining agreements	Corporate Governance Principles Compliance Report, Page: 155

GRI STANDARD	DISCLOSURE	LOCATION
MATERIAL TOPICS		
	3-1 Process to determine material topics	Material Issues, Page: 94-99
		Material Issues, Page: 94
		Uninterrupted Secure Service
		Customer Satisfaction
		Strong Financial Structure
GRI 3: MATERIAL		Efficient Risk Management
TOPICS 2021	3-2 List of material topics	Development and Deepening of Markets
		Technology and Innovation
		Competent Human Resources and Employee Satisfaction
		R&D Center Activities
		Stakeholder Relations and Corporate Governance
UNINTERRUPTED SEC	CURE SERVICE/STRONG FINANCIAL STRUCTURE/ DEVELOPM	
INNOVATION/ R&D C		
		Message from the Chairman of the Board, Page: 14-15
GRI 3: MATERIAL		Message from the CEO, Page: 16-17
TOPICS 2021	3-3 Management of material topics	Strategy, Page: 92-93
		Material Issues, Page: 94-99
		Sustainability Approach, Page: 126-127
	201-1 Direct economic value generated and distributed	Value Creation, Page: 102-103
		Economic Performance Data, Page: 134
	201-2 Financial implications and other risks and	Information On the Risk Management Policies
GRI 201: ECONOMIC	opportunities due to climate change	Applied by Risk Types, Page: 123
PERFORMANCE 2016	201-3 Defined benefit plan obligations and other retirement plans	Financial Statements, Page: 203-204, 296-297
	201-4 Financial assistance received from	Financial Statements, Page: 207
	government	The Bank does not receive and financial assistance from the government.
		Message from the Chairman of the Board, Page: 14-15
		Message from the CEO, Page: 16-17
GRI 203: INDIRECT Economic impacts 2016	203-1 Infrastructure investments and services supported	Information on the Aids and Donations and the Expenditures Made under Social Responsibility Projects, Page: 31
		Takasbank Business Model, Page: 100-101
		Value Creation, Page: 102-103
		Takasbank Business Model, Page: 100-101
	203-2 Significant indirect economic impacts	Value Creation, Page: 103

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GRI STANDARD	DISCLOSURE	LOCATION			
STAKEHOLDER RELATIO	ONS AND CORPORATE GOVERNANCE / EFFICIENT RISK MANA	GEMENT			
GRI 3: MATERIAL		Message from the Chairman of the Board, Page: 14-15			
TOPICS 2021	3-3 Management of material topics	Message from the CEO, Page: 16-17			
		Material Issues, Page: 94-99			
	20E 1 Operations account for risks related to	Corporate Governance Principles, Page: 132-133			
	205-1 Operations assessed for risks related to corruption	Corporate Governance Principles Compliance Report, Page: 161			
		Social Principles, Page: 131-132			
GRI 205: ANTI-	205-2 Communication and training about anti- corruption policies and procedures	Corporate Governance Principles, Page: 132-133			
CORRUPTION 2016	corruption policies and procedures	Social Performance Data, Page: 139			
		Suppliers, Page: 111			
	205-3 Confirmed incidents of corruption and	Corporate Governance Principles, Page: 133			
	actions taken	There were no confirmed incidents of corruption during the reporting period.			
GRI 206: ANTI- COMPETITIVE BEHAVIOR 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Information on the Legal Actions filed against the Company and likely to affect the Company's Financial Situation and Operations, the Legal Actions filed against the Company due to Anti- Competitive Behaviours, Trustification and Monopolism, and Their Possible Outcomes, Page: 31			
	207-1 Approach to tax	Corporate Governance Principles, Page: 133 Financial Statements, Page: 204-206			
ODI 007. TAV 0010	207-2 Tax governance, control, and risk management	Corporate Governance Principles, Page: 133 Financial Statements, Page: 204-206			
GRI 207: TAX 2019	207-3 Stakeholder engagement and management of concerns related to tax	Corporate Governance Principles, Page: 133 Financial Statements, Page: 204-206			
	207-4 Country-by-country reporting	Corporate Governance Principles, Page: 133 Financial Statements, Page: 204-206			
GRI 415: PUBLIC Policy 2016	415-1 Political contributions	Takasbank Donation Policy can be accessed at https://www.takasbank.com.tr/en/about-us/ corporate/takasbank-donation-policy			
COMPETENT HUMAN RESOURCES AND EMPLOYEE SATISFACTION					
GRI 3: MATERIAL Topics 2021		Message from the Chairman of the Board, Page: 14-15			
	3-3 Management of material topics	Message from the CEO, Page: 16-17			
		Material Issues, Page: 94-99			
GRI 202: MARKET	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Social Performance Data, Page: 136-139			
PRESENCE 2016	202-2 Proportion of senior management hired from the local community	Structure and Formation of the Board of Directors, Page: 85			

GRI STANDARD	DISCLOSURE	LOCATION
	401-1 New employee hires and employee turnover	Employees, Page: 112-118 Social Performance Data, Page: 136-139
GRI 401: EMPLOYMENT 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employees, Page: 114
	401-3 Parental leave	Employees, Page: 115 Social Performance Data, Page: 136-139
GRI 402: LABOR/ Management	402-1 Minimum notice periods regarding	Corporate Governance Principles Compliance Report, Page: 155
RELATIONS 2016	operational changes	Financial Statements, Page: 203
	403-1 Occupational health and safety management system	Occupational Health and Safety, Page: 119
	403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety, Page: 119
	403-3 Occupational health services	Occupational Health and Safety, Page: 119
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety, Page: 119
	403-5 Worker training on occupational health and	Occupational Health and Safety, Page: 119
GRI 403:	safety	Occupational Health and Safety Data, Page: 138
OCCUPATIONAL	403-6 Promotion of worker health	Employees, Page: 115
HEALTH AND SAFETY 2018		Occupational Health and Safety, Page: 119
2018	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety, Page: 119
	403-8 Workers covered by an occupational health and safety management system	Occupational Health and Safety, Page: 119 Occupational Health and Safety Data, Page: 138
	403-9 Work-related injuries	Occupational Health and Safety Data, Page: 138
		Occupational Health and Safety, Page: 119
	403-10 Work-related ill health	Occupational Health and Safety Data, Page: 138
	404-1 Average hours of training per year per	Employees, Page: 112-118
	employee	Social Performance Data, Page: 136-139
GRI 404: TRAINING	404-2 Programs for upgrading employee skills	Employees, Page: 112-118
AND EDUCATION 2016	and transition assistance programs	Social Performance Data, Page: 136-139
	404-3 Percentage of employees receiving regular	Employees, Page: 112-118
	performance and career development reviews	Social Performance Data, Page: 136-139
GRI 405: DIVERSITY	405-1 Diversity of governance bodies and employees	Social Performance Data, Page: 136-139
AND EQUAL Opportunity 2016	405-2 Ratio of basic salary and remuneration of women to men	Employees, Page: 115
GRI 406: NON- DISCRIMINATION 2016	406-1 Incidents of discrimination and corrective actions taken	Employees, Page: 114

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GRI STANDARD	DISCLOSURE	LOCATION
GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Corporate Governance Principles Compliance Report, Page: 155
GRI 408: CHILD LABOR	408-1 Operations and suppliers at significant risk	Employees, Page: 114
2016	for incidents of child labor	There is no child labor at Takasbank.
GRI 409: FORCED OR Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Employees, Page: 114 There are no activities determined to pose a significant risk in terms of forced or compulsory labor at Takasbank.
GRI 414: SUPPLIER Social Assessment	414-1 New suppliers that were screened using social criteria	Suppliers, Page: 111
2016	414-2 Negative social impacts in the supply chain and actions taken	Suppliers, Page: 111
CUSTOMER SATISFACT	ION	
GRI 3: MATERIAL Topics 2021	3-3 Management of material topics	Message from the Chairman of the Board, Page: 14-15 Message from the CEO, Page: 16-17 Material Issues, Page: 94-99
GRI 418: CUSTOMER Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Members, Page: 107
TOPICS IN THE APPLIC	ABLE GRI SECTOR STANDARDS DETERMINED AS NOT MATERI	AL
ENERGY		
GRI 3: MATERIAL		Message from the Chairman of the Board, Page 14-15
TOPICS 2021	3-3 Management of material topics	Message from the CEO, Page: 16-17
		Material Issues, Page: 94-99
	302-1 Energy consumption within the organization	Environmental Principles, Page: 129-130
GRI 302: ENERGY 2016		Environmental Performance Data, Page: 135
	302-4 Reduction of energy consumption	Environmental Principles, Page: 129-130
	3,	Environmental Performance Data, Page: 135

GRI STANDARD	DISCLOSURE	LOCATION			
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GRI 3: MATERIAL		Message from the Chairman of the Board, Page: 14-15			
TOPICS 2021	3-3 Management of material topics	Message from the CEO, Page: 16-17			
		Material Issues, Page: 94-99			
	305-1 Direct (Scope 1) GHG emissions	Environmental Principles, Page: 129-130			
		Environmental Performance Data, Page: 135			
GRI 305: EMISSIONS	305-2 Energy indirect (Scope 2) GHG emissions	Environmental Principles, Page: 129-130 Environmental Performance Data, Page: 135			
2016	305-3 Other indirect (Scope 3) GHG emissions	Environmental Principles, Page: 129-130 Environmental Performance Data, Page: 135			
	305-4 GHG emissions intensity	Environmental Principles, Page: 129-130 Environmental Performance Data, Page: 135			
WASTES		Environmental Feriormance Data, Fage. 155			
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GRI 3: MATERIAL	3-3 Management of material topics	14-15			
TOPICS 2021		Message from the CEO, Page: 16-17			
		Material Issues, Page: 94-99			
GRI 306: WASTE 2020	306-2 Management of significant waste-related impacts	Environmental Principles, Page: 129-130			
ENVIRONMENTAL ASSE	SSMENT OF SUPPLIERS				
GRI 3: MATERIAL	3-3 Management of material topics	Message from the Chairman of the Board, Page: 14-15			
TOPICS 2021		Message from the CEO, Page: 16-17			
		Material Issues, Page: 94-99			
GRI 308: SUPPLIER Environmental	308-1 New suppliers that were screened using environmental criteria	Suppliers, Page: 111			
ASSESSMENT 2016	308-2 Negative environmental impacts in the supply chain and actions taken	Suppliers, Page: 111			
PROCUREMENT PRACTICES					
		Material Issues, Page: 94-99			
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Message from the Chairman of the Board, Page: 14-15			
		Message from the CEO, Page: 16-17			
GRI 204: PROCUREMENT PRACTICES 2016	204-1 Proportion of spending on local suppliers	Suppliers, Page: 111			

FINANCIAL REPORTS AND ANNEXES	>>	>	

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