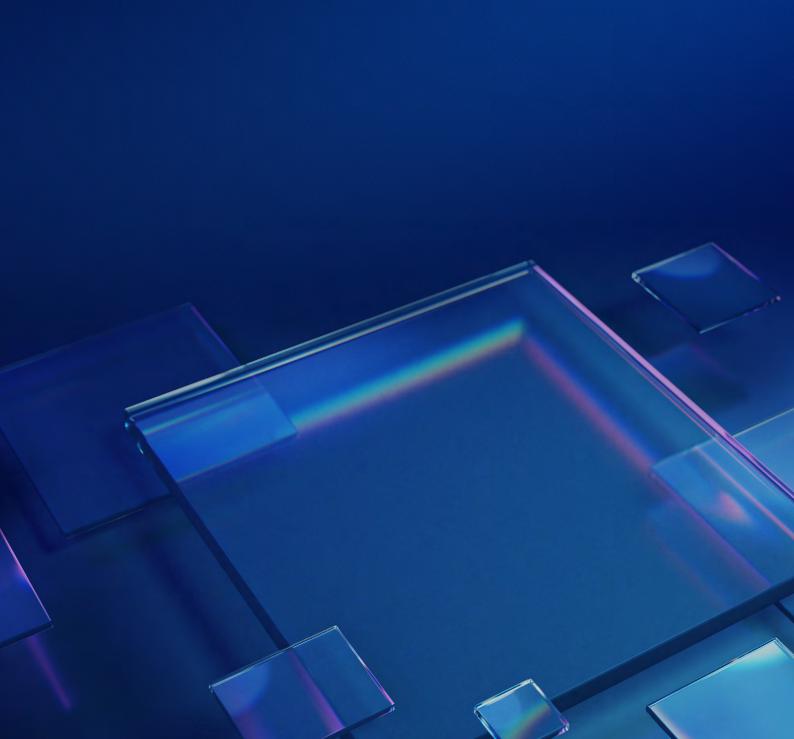


2024 ANNUAL INTEGRATED REPORT



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NAVIGATION OF THE REPORT



accessible by means of the "=" symbol on

right and left navigation panes of every



Links between sections in the Report are "" symbol forwards to information both represented with "" symbol.

on Takasbank website and in external links.

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

ABOUT THE REPORT

istanbul 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 fourth Integrated Annual Report to its stakeholders with the "Takasbank 2024 Integrated Annual Report".

With "Takasbank Annual Integrated Report for 2024", Takasbank aims to inform its stakeholders about the activities that it has carried out and the financial and non-financial resources that it has used during such activities between 01/01/2024 - 31/12/2024 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 2024 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 2024 Annual Integrated Report include Takasbank's financial and non-financial performance outcomes for 2024, its strategy, integrated business model, 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 and climate 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

istanbul 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 2024 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.

The report was drafted in consideration of Türkiye Sustainability Reporting Standards (TSRS) issued by Republic of Türkiye Public Oversight, Accounting and Auditing Standards Authority (POA) and took effect as of 2024.

Takasbank's independently-audited financial statements dated 31 December 2024 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 2024" are provided on pages 192 - 320 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 2024 Annual Integrated Report" was drafted in consideration of the GRI Standards 2021 published by the Global Reporting Initiative.

AUDIT

The financial data provided in "Takasbank 2024 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 190 - 191 of the Report.

EXECUTIVE MANAGEMENT STATEMENT

The "2024 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 189 of the Report.

MATERIALITY APPROACH

The Report contains matters, which are considered to be "material information" in accordance with the "materiality" principle given in paragraphs 17 to 19 of TSRS-1 standard, about value generation process and financial and non-financial results of the Bank, aimed at informing all existing and potential stakeholders of Takasbank.

FORM OF REPORT PUBLICATION

"Takasbank Annual Integrated Report for 2024" 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.

INTRODUCTION

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 2024		
Trade-Name of the Bank:	İstanbul Takas ve Saklama Bankası Anonim Şirketi		
Business Name of the Bank:	"TAKASBANK" or "TAKAS İSTANBUL".		
Headquarters Address:	Reşitpaşa Mahallesi, Borsa İstanbul Caddesi, No: 4 Sarıyer 34467 İstanbul		
Telephone:	0 212 315 25 25 (pbx)		
Fax:	0 212 315 25 26 (pbx)		
Trade Registry No.:	276870		
Central Registration System No.:	0481002693100015		
Branch Details:	None.		
	For General Information: bilgi@takasbank.com.tr		
Electronic Mail Addresses:	For Member Details: uye@takasbank.com.tr		
Electronic Mail Addresses:	KEP (Registered E-Mail) Address: takasbank.haberlesme@hs03.kep.tr		
	KEP Address 2: takasbank@hs01.kep.tr		

Takasbank Communication Channels:



https://www.takasbank.com.tr/en



https://www.facebook.com/Takasbank



https://x.com/Takasbank



https://www.instagram.com/Takasbank



https://www.linkedin.com/company/Takasbank



https://www.youtube.com/user/Takasbank



Please scan the QR code to access the website.



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ABBREVIATIONS

ABC	Asset-Backed Security
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 the Republic of Türkiye
ССР	Central Counterparty
CFI	Classification of Financial Instruments
СМВ	Capital Markets Board
DCS	Domestic Clearing and Settlement
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. (Energy Exchange Istanbul)
ESG	Environmental, Social and Governance
ESMA	European Securities and Markets Authority
ESTS	Electronic Securities Transfer System
EU	European Union
EWR	Electronic Warehouse Receipts
FC	Foreign Currency
FCIB	Financial Crimes Investigation Board of the Ministry of Treasury and Finance of the Republic of Türkiye
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	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
KPI	Key Performance Indicator
LEI	Legal Entity Identifier
LTT	Leveraged Trading Transactions
MKK	Merkezi Kayıt Kuruluşu A.Ş. (Central Registration Agency)
OH&S	Occupational Health and Safety
ОТС	Over-The-Counter (Transactions)
PDP	Public Disclosure Platform
PMTS	Precious Metals Transfer System
POA	Republic of Türkiye Public Oversight, Accounting, and Auditing Standards Authority
PPS	Private Pension System
PSDI	Private Sector Debt Instruments
R&D	Research and Development
REM (KEP)	Registered E-Mail
SASE	Sarajevo Stock Exchange
SDG	Sustainable Development Goals
SDIF	Savings Deposit Insurance Fund
SLM	Securities Lending Market
SPL	Sermaye Piyasası Lisanslama Sicil ve Eğitim Kuruluşu A.Ş.
SWIFT	Society for Worldwide Interbank Financial Telecommunications
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
TMM	Takasbank Money Market
TSRS	Türkiye Sustainability Reporting Standards
TWF	Türkiye Wealth Fund
USA	United States of America
VİOP	Futures and Options Market
YEK-G	Renewable Energy Guarantees of Origin

SUSTAINABILITY AND CLIMATE EFFORTS

FINANCIAL REPORTS AND ANNEXES

STRATEGY, VALUE CREATION AND

STAKEHOLDER RELATIONS

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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, CENTRAL COUNTERPARTY, AND BANKING TO ITS MEMBERS IN THE TURKISH CAPITAL MARKETS.

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TAKASBANK OVERVIEW PERFORMANCE IN 2024 CORPORATE GOVERNANCE STRATEGY, VALUE CREATION AND SUSTAINABILITY AND CLIMATE EFFORTS FINANCIAL REPORTS AND ANNEXES STAKEHOLDER RELATIONS

ABOUT TAKASBANK

Conducting its operations as an investment bank, central clearing and counterparty institution, payment system operator and R&D center, Takasbank provides important services such as clearing, central counterparty, and banking to its members in the 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 equity, securities/instruments, foreign capital market instruments, derivatives, and 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 fullyautomated 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 System and Organized Renewable Energy Guarantees of Origin Market, Organized Wholesale Natural Gas Market and Natural Gas Futures Market under the structure of Enerji Piyasaları 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.Ş. Money Market as of 14 October 2016, in Borsa İstanbul A.Ş. Equity Market as of 19 June 2017, in Borsa İstanbul A.Ş. Debt Securities Market as of 2 July 2018, in Borsa Istanbul A.Ş. 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 or global custodians.

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 personto-person transfer of gold to the systemmember 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 "TaşıtTakas 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 were made available 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" As of 22/01/2024, processes concerning electronic performance bonds/surety bonds issued under the Public Procurement Contracts Law no. 4735 were included in the scope of the service, and it was started to submit performance bonds belonging to authorities within the scope of Central Administration to the General Directorate of Accounting through the integration established with the General Directorate of Accounting of the Ministry of Treasury and Finance of the Republic of Türkiye.

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 2024 are provided under the headings of "Explanations about the Bank's Service Types and Fields of Operation "" and "Developments in 2024 "" as included in the section "Performance in 2024 "" of the Report.

1990s

- IMKB Takas ve Saklama A.Ş. was established in 1991.
- 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 Money 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.Ş." 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.



- Portfolio custody services were launched in 2014
- The Fund Information Platform became operational in 2015.
- Takasbank commissioned TapuTakas (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 fundbased 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



2020s

- Launched collateral custody services for the Domestic Clearing and Settlement System operated by the Interbank Card Center in 2020.
- Launched Takasbank TaşıtTakas (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 EPİAŞ 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.



- 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 TapuTakas (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

 255055
- As of January 22, 2024, it was started to accept electronic performance bonds and surety bonds through Takasbank Public Collateral Management Portal.

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^{*} For further information on the history of the Bank, please visit https://www.takasbank.com.tr/en/about-us/introduction/milestones

TAKASBANK OVERVIEW PERFORMANCE IN 2024 CORPORATE GOVERNANCE STRATEGY, VALUE CREATION AND SUSTAINABILITY AND CLIMATE EFFORTS FINANCIAL REPORTS AND ANNEXES

SUMMARY OF THE OPERATIONS IN 2024

BİAŞ EQUITY MARKET CLEARING & SETTLEMENT SERVICE 31,11% - 24,51% GROWTH

Compared to the previous year, the Equity Market securities settlement volume has grown by 31,11% to 5.477,06 billion TL, and the cash settlement volume has grown by 24,51% to 1.292,85 billion TL.

BİAŞ DEBT SECURITIES MARKET CLEARING & SETTLEMENT SERVICE 346,77% - 217,34% GROWTH

Compared to the previous year, the Debt Securities Market securities settlement volume has grown by 346,77% to 84.755,54 billion TL and the cash settlement volume has grown by 217,34% to 32.601,15 billion TL.

BİAŞ SWAP MARKET CLEARING & SETTLEMENT SERVICE 379,78% GROWTH

Compared to the previous year, the cash settlement volume in the SWAP Market has grown by 379,78% to 4.910,72 billion TL.

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

1% - 70% GROWTH

The ViOP (Futures and Options Market) profit/loss settlement amount has increased by 1% reaching 280 billion TL; and the market value of collaterals has increased by 70% to 103,6 billion TL.

The number of open accounts in VİOP has increased by 13,8% reaching 1.137.388; and the number of accounts with collateral balance has increased by 1,25% reaching 111.618.

LEVERAGED TRADING TRANSACTIONS COLLATERAL MANAGEMENT

36% - 53% GROWTH

By the end of 2024, the balance of collaterals kept in custody has increased by 36% reaching 5,98 billion TL; and the annual total transaction volume has increased by 53% to 19 trillion TL.

OVER-THE-COUNTER DERIVATIVE TRANSACTIONS

The market has 25 members, 27.745 million TL of open positions, 2,1 million TL of total collateral, and 50,5 million TL of total guarantee fund contribution by the end of 2024.

EPİAŞ ELECTRICITY MARKET

The Electricity Market trading volume has been recorded as 1.986 million TL.

EPİAŞ NATURAL GAS MARKET

The trading volume in the Natural Gas Market has been recorded as 98 million TI

BİAŞ PRECIOUS METALS MARKET

The trading volume in the BİAŞ Precious Metals Market has been recorded as 785,62 billion TL.

ELECTRONIC WAREHOUSE

The clearing & settlement trading volume in Electronic Warehouse Receipts has been recorded as 66,64 billion TL.

COLLATERAL CUSTODY AND MANAGEMENT SERVICE

In 2024, letters of guarantee in the amount of 683 billion TL and surety bonds in the amount of 17,08 billion TL were accepted over Takasbank Public Collateral Management Platform.

TAKASBANK MONEY MARKET

In 2024, the TMM witnessed total trading volume of 10.315 billion TL, a daily average trading volume of 41 billion TL, and a total of 400.053 transactions. The highest daily trading volume of the year was achieved on 27 December 2024 with 60 billion TL.

TÜRKİYE ELECTRONIC FUND TRADING PLATFORM 211% GROWTH

In 2024, the total trading volume in TEFAS has grown by 211%, reaching 5.773 billion TL. The highest daily trading volume record was achieved on 31 December 2024 with 53,2 million TL.

PRIVATE PENSION FUND TRADING PLATFORM

175% GROWTH

In 2024, the total trading volume in BEFAS has grown by 175%, reaching 50,4 billion TL. The highest daily trading volume record was achieved on 24 July 2024 with 359,2 million TL.

PRIVATE PENSION SYSTEM 64% GROWTH

The total fund size in the private pension system has grown by 64%, reaching 1.227 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 1.227 billion TL over nearly 23,2 million accounts.

INVESTOR COMPENSATION CENTER LAPSE OF TIME TRANSACTIONS

51.290 NEW ACCOUNTS OPENED

In 2024, 51.290 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 2024, the total number of accounts has reached 169.490; and there are financial assets with a total amount of 277 million TL held in these accounts.

GLOBAL CUSTODY SERVICE 69% GROWTH

With the 69% growth in the average custody balance within the scope of global custody service, the market value for securities under custody has exceeded 42 billion EUR. The number of members has increased by 9%, reaching 1.299.

NUMBERING SERVICE 51.647 UNITS OF ISIN, 895 UNITS OF LEI

51.647 ISINs have been allocated for capital market instruments; and LEI codes have been allocated for 895 legal entities.

PORTFOLIO CUSTODY SERVICE 75% GROWTH

The total fund size of collective investment schemes served within the scope of portfolio custody service has grown by 75%, reaching 212 billion TL.

FUND VALUATION AND REPORTING TO THE CMB SERVICE 149% GROWTH

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 149%, reaching 6.380 billion TL.

ACCOUNT CONTRACTS

706 units of account contracts have been signed, and services have been provided for 2.525 institutions and 8.412 active users.

PRECIOUS METALS TRANSFER

There have been 55.233 transactions and 11.938.618 grams of transfer volume recorded in 2024.

LOCAL CURRENCY PAYMENT AND TRANSFER SYSTEM

In 2024, 1.250.668 units of outgoing TL transfers in the amount of 77,86 trillion TL and 1.778.858 units of incoming TL transfers in the amount of 77,87 trillion TL were intermediated for the members.

FOREIGN CURRENCY PAYMENT AND TRANSFER SYSTEM

In 2024, Takasbank intermediated in the members' foreign currency transfers with 40.354 units of transactions in USD totaling 267,7 billion USD and 10.750 units of transactions in EUR totaling 41,5 billion EUR.

TAKASBANK CHEQUE CLEARING SYSTEM

A total of 12.813.261 cheques were submitted to Takasbank Cheque Clearing System within 2024; and 12.324.346 cheques were settled after the cheques returned following the pre-authorization inspections of the banks.

CROWDFUNDING ESCROW AGENT

Out of 60 published campaigns, 34 campaigns were closed successfully in 2024; and from the total amount of 250.980.161 TL collected including additional fundings, a total of 238.227.106 TL was transferred to 26 entrepreneur companies that have completed their processes.

TAPUTAKAS (TITLE DEED TRANSFER) SYSTEM

In 2024, Takasbank intermediated in 225 real estate purchase and sale transactions with a total amount of TL of 1.351.602.899.

TAŞITTAKAS (VEHICLE TRANSFER AND SETTLEMENT) SYSTEM

In 2024, Takasbank intermediated in 303.249 vehicle purchase and sale transactions with a total amount of 125 billion TL.

PERFORMANCE IN 2024

MESSAGE FROM THE CHAIRMAN OF THE BOARD



THE GOALS OF OUR BANK FOR 2025 WERE FORMED IN LINE WITH STRONG FINANCIAL STRUCTURE, EFFICIENCY AND DEEPENING OF MARKETS, DIGITAL TRANSFORMATION AND OPERATIONAL COMPETENCY, AND CREATION OF HIGH AND PERMANENT VALUE FOR STAKEHOLDERS; WHILE STRATEGIC PRIORITIES WERE IDENTIFIED TO ACHIEVE SUCH GOALS.

Dear Stakeholders,

2024 was a period when the impacts of decline in inflation rates, geopolitical tensions, elections in the USA, and climate change on global economy were monitored. During that period, the impacts of tight monetary policies, practiced by global central banks since 2022, were observed, while inflation rates declined. On the other hand, due to concerns of sharp decline in economy, global central banks started to take steps toward easing. In 2024, FED and ECB made three interest rate cuts. In the upcoming period, the impacts of monetary policy decisions, as well as election results in the USA, on global trade and economic activity will be observed.

Turkish economy grew by 5,7% in the first quarter of 2024 due to the effect of consumption. In second and third quarters of the years, the impacts of tightening in monetary policy were observed on growth. Annual growth realized as 2,5% in the second quarter and 2,1% in the third quarter. During this period, inflation was on a downward trend and country risk premium continued to decline thanks to implemented policies. In this scope, international rating agencies, which closely monitor the steps taken by economy management, made multiple rating increases.

significant with its contributions to sustainable development and economic growth targets of our country, also managed to maintain its past achievements in 2024 as well. Our Bank reinforced its position in Turkish money and capital markets, displayed top financial performance in line with its strategic goals, and completed the year in a robust manner. By the conclusion of 2024, Takasbank exhibited a remarkable financial performance, witnessing a surge in pre-tax profit by 131%, soaring from 5 billion TL to 11,6 billion TL compared to the previous year. Notably, total assets experienced a robust growth of 59%, escalating from 121,3 billion TL to 192,7 billion TL, while shareholders' equity witnessed a substantial increase of 89%, climbing from 7,3 billion TL to 13,7 billion TL

The goals of our Bank for 2025 were formed in line with strong financial structure, efficiency and deepening of markets, digital transformation and operational competency, and creation of high and permanent value for stakeholders; while strategic priorities were identified to achieve such goals.

In an environment where competition in global capital markets increasingly continued as of 2024, functioning as an on-site Research and Development (R&D) center, Takasbank has consistently met stakeholder expectations by aligning with its vision of providing uninterrupted service

and fostering continuous development through a robust technological infrastructure and innovative practices. In order to reinforce the financial stability of Türkiye, the Bank successfully concluded five R&D projects in 2024, with an ongoing commitment to an additional thirteen projects. Takasbank, having reinforced its effectiveness in the sector particularly thanks to digitalization and its innovative service approach, strengthened its integration with global markets.

Takasbank is planning to continue its digitalization journey more rapidly in 2025. Our R&D operations will be accelerated, while technologies such as artificial intelligence, blockchain, and big data analytics will be used more effectively in order to offer innovative financial technologies in the quickest and most secure manner to our stakeholders in the sector. In addition, it is planned to diversify offered services and develop new solutions under our current services in line with the requests of our stakeholders.

Achievements of Takasbank are built on contributions of employees, each of whom is a specialist, innovative, and highly motivated. We aim to invest more in training and improvement of our employees, and improve their leadership and management skills in 2025, as with 2024. Besides, our projects aimed at increasing employee satisfaction will continue in order to create a better work

environment. Accordingly, we will continue to develop our human resources strategies in line with the sustainable achievement goals of our Bank.

We are pleased to introduce the "Takasbank 2024 Integrated Annual Report" for the fourth consecutive year, providing our esteemed stakeholders with insights into the economic, social, and environmental performance of Takasbank. This report sheds light on the value Takasbank creates for all stakeholders through its comprehensive range of services and activities. In consideration of sustainability principles in our business processes, we place great importance on adding value to all of our stakeholders and contributing to sustainable development. In the future, we will also increase our activities in this field and continue to take stronger steps to create long-term value.

I would like to extend my sincere gratitude on behalf of our Board of Directors and myself to all of our esteemed stakeholders, particularly our shareholders, members, and employees that always had confidence in us and made valuable contributions to our achievements and developments in this successful journey. We will resolutely continue to work for a strong Türkiye and a sustainable future in the Century of

Mahmut KAYACIK, Ph.D.

Chairman of the Board of Directors

MESSAGE FROM THE CEO



CONTINUING ITS INCREASING CONTRIBUTION
TO THE SUSTAINABLE DEVELOPMENT OF OUR
COUNTRY AND CAPITAL MARKETS, OUR BANK
ONCE AGAIN DEMONSTRATED ITS SUCCESSFUL
FINANCIAL PERFORMANCE IN 2024 WITH ITS
ROBUST BALANCE SHEET STRUCTURE.

Esteemed Stakeholders,

2024 was a period when macroeconomic changes, having significant impacts on global economy, were experienced. While central banks started to take easing steps during the year upon decline of inflation rates in developed countries, inflation continued to be on the primary agenda of Turkish economy. A decline was observed in inflation towards the year-end thanks to the disinflationary policies implemented by the economy management. In this period, although the impact of the slowdown in Europe, which is the biggest export market of Türkiye, had negative implications on foreign trade, an improvement was observed in current account balance thanks to the effect of implemented policies. While recovery was ongoing in reserves, dollarization declined thanks to the policies of the economy management. Despite the slowdown in global activity, Turkish economy grew by 2,1% in the third quarter of 2024.

Continuing its increasing contribution to the sustainable development of our country and capital markets, our Bank once again demonstrated its successful financial performance in 2024 with its robust balance sheet structure. As our asset size surged by 59% from 121,3 billion TL to 192,7 billion TL, shareholders' equity increased by 89% from 7,3 billion TL to 13,7 billion TL, operating profit before tax rose by 131% from 5 billion TL to 11,6 billion TL, and banking service revenues expanded by 106% from 2,9 billion TL to 6,1 billion TL, our Bank robustly left behind 2024 in terms of growth and profitability.

Being an important financial infrastructure institution in terms of development of our capital markets, our Bank maintained its support to the stable growth of National economy, offered by means of its efficient and innovative services, in 2024 as well. Record levels of transaction volumes were achieved, and a series of improvement and development studies were conducted to enhance and diversify offered services and activities throughout the year.

In 2024, a total of 166.307 billion TL transactions were made in Borsa İstanbul Debt Securities Market Outright Purchases and Repo-Reverse Repo Markets, 202,5 billion TL of which comprised Outright Purchases and Sales Market private sector bond transactions. Additionally, transactions in the International Bond Market amounted to 16 billion TL, and in the Committed Transactions Market, they reached 2.678 billion TL. Within these transactions, 32.601 billion TL worth of cash settlements were made and securities settlements with a market value of 84.756 billion TL were realized through multilateral netting in the Takasbank system. In the Borsa Istanbul Swap Market, a unilateral transaction volume of 4.697 billion TL was achieved, with cash settlements totaling 4.911 billion TL resulting from multiple

In the Borsa Istanbul Equity Market, a total trading volume of 34.308 billion TL was realized. Following the netting process, cash settlements amounted to 1.293 billion TL, and securities clearing transactions with a market value of 5.477 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 positions reaching an impressive 15,4 million. Concurrently, Takasbank successfully managed a market value of 103,6 billion TL as the collateral for ViOP transactions. Furthermore, by 31 December 2024, the open position in OTC Derivatives amounted to 27,7 billion TL.

Daily average 2,3 billion TL of cash loan was extended within the scope of the cash loan service offered by our Bank to intermediary institutions.

Transactions, amounting to a daily average of 41 billion TL, were performed by 182 institutions and 1.119 investment funds and partnerships in Takasbank Money Market (TMM), which is the organized money market with the broadest financial institution diversity in terms of member types, established and operated by our Bank.

In 2024, significant milestones were reached as new records were shattered in the total trading volumes of Turkish Electronic Fund Trading Platform (TEFAS) and Private Pension Fund Trading Platform (BEFAS). Year-on-year total transaction volumes increased by 211% in TEFAS and 175% in BEFAS.

The increment of private pension fund accounts within the voluntary system, under Takasbank's custodianship, has manifested a notable surge of approximately 1 million 145 thousand in comparison to the preceding year, culminating in a substantial 11,7 million accounts. Simultaneously, the aggregate fund size held by participants has experienced a commendable escalation, mounting by approximately 443 billion TL to attain a formidable 1 trillion 140 billion TL, inclusive of state contributions. Within the Automatic Enrollment System, the total fund size has reached a commendable 86,8

billion TL, with a concurrent augmentation in the number of accounts to 11,5 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 number of transactions, executed within the scope of global custody service of our Bank, reached 183 thousand, while transaction volume exceeded 164 billion EUR. 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 51.647 ISIN codes for various capital market instruments and allocating LEI codes to 895 legal entities.

The scope of our portfolio custody service expanded significantly, accommodating an increase of 73 funds to reach a total of 284. Notably, the total size of these funds achieved a surge of 75% year-on-year, reaching 212 billion TL. Total value of real estate and venture capital investment funds, to which portfolio custody services were provided, reached 133.427 million TL by 124% increase. 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 record growth of 149%, reaching 6.380 billion TL.

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

MESSAGE FROM THE CEO

Our Bank, serving as the "escrow officer" in the Crowdfunding System, offered services to a total of 27 crowdfunding platforms, 18 of which are listed by the CMB, and the amount of investment collected in this scope reached 394,9 million TL as of 2024.

Following imposition of the secure payment requirement for cash payments in vehicle buying and selling transactions by the Ministry of Trade of the Republic of Türkiye as of 27 September 2024, "Takasbank TaşıtTakas (Vehicle Transfer) Application", which was fully integrated into E-Government by our Bank in 2023, started to be heavily utilized by users and up to 9.500 transactions were made per day in the period between October and December 2024.

In 2024, in line with its strategic objective of enhancing market effectiveness and depth, Takasbank successfully executed several innovative projects and developments through its robust technological infrastructure, efficient management strategies, and customer-centric service approach.

A new milestone was reached in BiGA project, which had been developed by our Bank for a long time and first phase of which was implemented in 2019. Within the scope of BiGA project, it was started in 22 January 2024 to use the blockchain infrastructure in the existing financial ecosystem with "Takaschain" infrastructure developed by our Bank. Our Bank will remain dedicated to maintaining activities aimed at further improving "Takaschain" infrastructure.

Within the scope of the second phase of the Public Collateral Management Service of our Bank, developments for electronic performance bonds and surety bonds to be submitted to public tenders on Takasbank Public Collateral Management Platform, were completed and launched as of 22 January 2024. It became possible to recognize and document online acceptance, maturity extension, refund, forfeiture transactions for performance guarantees, submitted to administrations within the scope of Central Administration, simultaneously as the performance of such transactions, thanks to the integration made between the General Directorate of Accounting of the Ministry of Treasury and Finance of the Republic of Türkiye, Public Procurement Authority, and our Bank.

As a consequence of the joint study conducted by our Bank, TÜRİB, and CRA, within the scope of TÜRİB Technological Transformation Project, launched to restructure the Market and make contract structure more flexible upon the start of operation of product market intermediary institutions in the Electronic Warehouse Receipt Market under TÜRİB, Takasbank shall provide clearing, risk, collateral, and default management services for EWR trading transactions in the Market. The project shall be launched in January 2025.

In 2024, ensuring sustainable customer satisfaction remained as one of the priority matters for our Bank. Besides the emphasis on receiving active feedback from its stakeholders in respect of its service offerings and activities, our Bank took necessary actions in line with received feedbacks and uninterruptedly continued its improvement and development operations throughout the year. The results of the annual Takasbank Service Satisfaction Survey reflect an impressive

satisfaction level of 94% among our members, affirming the success of our customer-centric approach and ongoing efforts to deliver innovative solutions.

We are pleased to present "Takasbank 2024 Integrated Annual Report", transparently exhibiting sustainability and value creation processes of our Bank, to our esteemed stakeholders. Our report, presenting the activities of our Bank in environmental, social, and governance areas, in addition to its financial performance, from a comprehensive perspective, aims to shed light on the long-term value creation process of our Bank for all of its stakeholders. In the upcoming periods, we will carry our sustainability operations further and we will continue to maintain our operations aimed at mitigation of adverse environmental impacts arising from our activities.

In line with its objective to maintain its contribution to sustainable growth of our country and development of capital markets, Takasbank will continue to maintain its activities aimed at increasing market effectiveness and creating value for all of its stakeholders with its robust financial infrastructure and approach focused on innovation. I would like to extend my sincere gratitude to our employees, particularly our Board of Directors, that created value with their devoted efforts, for their valuable contributions to achievements and developments of our Bank, and our shareholders, members, and all other esteemed stakeholders for their support.

Yunus ARINCI, Ph.D.

CEO and Member of the Board of Directors



AS WITH EVERY YEAR, TAKASBANK HAS CONTINUED TO MAKE ITS CONTRIBUTIONS IN THE STRONG AND STABLE GROWTH OF OUR COUNTRY IN 2024.

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ASSESSMENT OF THE BANK'S POSITION IN THE SECTOR

Macroeconomic Outlook

Global markets started 2024 with concerns of slowdown regarding economic activity and central bank decisions discussing the timing of interest rate cuts. Ongoing geopolitical and economic uncertainties also made it difficult for central banks to decide.

It was observed that sharp decline expectations regarding global economy following interest rate hikes in 2023 did not realize. IMF emphasized that global economy maintained its resilience and recession scenario did not realize despite tight monetary conditions, and projected that global growth would be 3,2% for 2024. OECD indicated in its report, published in December, that global economy continued to be resilient thanks to moderate course of inflation and revival in commerce, despite many uncertainties.

FED made three interest rate cuts in 2024, when inflation and labor data were closely monitored in the USA. In November, when presidential elections were held, Donald Trump won the elections. While USD index rose after presidential elections, it is supported for conservative policies of Trump and his potential tax cuts in public finance to support the national economy.

In Eurozone, which displayed poor growth last year, weakness in consumer confidence and political tensions became prominent in 2024. Particularly the political uncertainties experienced in France and Germany in the second half of the year increased the pressure on regional economy. While European economy is not projected to grow rapidly in the near future. European Central Bank reduced its growth projection to 1,1%

Chinese economy grew by 4,8% in the first nine months of the year due to the negative outlook in real estate sector and poor progress in internal demand. This growth rate remained below the 5% growth target of the government for this year. In China, where economic activity remains weaker than expectations, the Central Bank announced the most comprehensive incentive package since the pandemic in the last week of September with a view to mitigate deflationary pressures, achieve growth target, and stimulate the real estate sector.

The economy of Japan, which terminated its ultra loose monetary policy in March, grew above expectations in the second quarter, while it displayed a slower growth performance in the third quarter. Annual growth realized as 0,9% in this period.

As it was continued to implement disinflationary policies in Turkish economy in 2024, an improvement was observed in current account balance in this period. Current account surplus was 1,88 billion USD in October Thus 12-month cumulative current account deficit declined to its lowest level since December 2021 with 7,68 billion USD. Due to the effect of implemented policies, the course of decline in exchange rate protected deposits and recovery in reserves continued in 2024. Central Bank reserves increased to 155 billion USD at the end of the year.

Following the positive impacts witnessed as a result of decisions made by economy management, rating increases of credit rating agencies such as Standard & Poor's, Fitch Ratings, and Moody's were observed throughout the year. While inflation declined in 2024, CPI decreased to 44,38% on an annual basis as of the year-end. CBRT determined its inflation projection as 21% for 2025 in the last Inflation Report of the vear.

Takasbank in International Markets

International Memberships

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. As the world's largest ISIN and CFI database, the ASB database constitutes a valuable resource for international financial markets.

(https://anna-web.org/ ?)

Organization of Islamic Cooperation Exchanges Forum (OICEF)

The Organization of Islamic Cooperation (OIC) Exchanges Forum (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 18th Meeting of the OIC Exchanges Forum hosted by Borsa İstanbul A.Ş. was held online on 1 October 2024. Representatives from 14 exchanges, a total of 6 clearing and custody institutions together with Takasbank and 8 sectoral institutions attended the meeting.





Takasbank in International Markets

International Memberships

Society for Worldwide Interbank Financial Telecommunications (SWIFT) Membership

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/ §)



CCP Global - The Global Association of Central Counterparties

PERFORMANCE IN 2024

Having assumed the function as the Global Association of Central Counterparties, CCP Global is an association comprising 44 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 CCP Global regularly publishes articles and reports on CCP practices.

Takasbank was accepted as a member of the group and became one of the 44 CCP institutions that are members of the CCP Global in the Annual General Assembly of CCP Global held in London on 06 June 2019.

(https://ccp-global.org/§)



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

ADFIMI which stands for Association of Nationa 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 Istanhul

(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 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.

Takasbank also continued its efforts to gain its deserved place among the international capital market institutions in 2024. 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.

In 2024, 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.

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,

- operational reliability, operational efficiency MIC code (ISO 10383) used for and transparency, clearing & settlement identification of 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,
 - 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

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.

REPRESENTATION AND PROMOTION

Takasbank continued to support activities aimed at its services maintained with effective risk management, in line with its vision of contributing to the development of capital markets, within the scope of participation and sponsorship; and it sensitively addressed increasing awareness of its operations, increasingly diversified in years. 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 2024.

Within the scope of TEKNOFEST Mediterranean events held at Adana Şakirpaşa Airport between 2 and 6 October 2024, Takasbank CEO and Board Member Yunus ARINCI, Ph.D. attended the award ceremony, and came together with "Reality2You" team that came first in the field of Financial Technologies



Takasbank participated in Chicago FIA Expo Derivatives Market Takasbank Information Technologies Deputy General Manager Mr. central counter party services offered by the Bank were introduced the Central Registry Agency (CRA) on 4 October 2024. to participants in the booth prepared by Takasbank with Borsa Istanbul, and mutual consultations were held with regional institutions.





Conference between 18 and 20 November 2024 and Singapore FIA Taşkın ÖKER made a presentation for Takasbank within the scope Asia Derivatives Market Conference between 3 and 5 December of Borsa İstanbul Group introduction at the Association of Eurasian 2024 to follow developments in the sector, strengthen international Central Securities Depositories (AECSD) & Africa and Middle East cooperations, and exchange information with market participants, Depositories Association (AMEDA) İstanbul Summit, organized by



Development of electronic performance bonds and surety bonds, to be submitted to public tenders through Takasbank Public Collateral Management Platform, conducted jointly with the General Directorate of Accounting of the Ministry of Treasury and Finance of the Republic of Türkiye, Public Procurement Authority, Credit Bureau, and Insurance Information and Surveillance Center, was completed as of 22 January 2024. It became possible to recognize and document online acceptance, maturity extension, refund, forfeiture transactions for performance guarantees, submitted to administrations within the scope of Central Administration, simultaneously as the performance of such transactions, thanks to the integration made between the General Directorate of Accounting of the Ministry of Treasury and Finance of the Republic of Türkiye, Public Procurement Authority, and Takasbank. Public Collateral Management Platform launch ceremony was held at Borsa İstanbul foyer area on 8 February 2024 to announce the developments in question to the public.

(PMI) Program on 30 April 2024.

Takasbank participated in conferences

titled "Introduction to Sustainability in

Turkish Banking Sector" held on 7 March

2024, "Climate Strategy" held on 4 April

2024, and "Climate Risk Identification and

Management" held on 8 May 2024 within

the scope of "Climate Transformation

Planning" conference series, organized by

European Bank for Reconstruction and

Development in cooperation with Banking Regulation and Supervision Agency and the Banks Association of Türkiye with the participation of national and international

expert speakers.



In 2024, Takasbank acted in the capacity of a stakeholder in TEKNOFEST, the first and only aerospace and technology festival of Türkiye, aiming to increase the social interest in technology and to create awareness in terms of transformation of Türkiye into a society that creates and develops technology, and Takasbank supported the competitions held in Antalya Anfaş Exhibition and Congress Center between 5 and 8 September 2024 as a jury

Takasbank provided information about services offered by the Bank, such as "TapuTakas (Title Deed Transfer) System" and "TaşıtTakas (Vehicle Transfer) System", in visual media within the scope of media planning.

Takasbank participated in the "International Sustainable Finance and Responsible Investment Conference" themed "Strengthening Investment Environment with Sustainable Strategies: Regulations, Standards, and Implementation" held on 6 November 2024 with collaboration of Republic of Türkiye Public Oversight, Accounting, and Auditing Standards Authority, Integrated Reporting Network Türkiye (ERTA), and Borsa İstanbul







REPRESENTATION AND PROMOTION

Takasbank participated as speaker in the panel themed "Crowdfunding System with Sector Leaders" in the Fonangels Summit held on 7 November 2024, which brought entrepreneurs and investors together.

GLEIS Forum and LOU meetings, held on 7 and 8 November 2024, were participated. LEI code developments in international markets were followed and ideas were exchanged with other LEI provider institutions during the meetings.

Takasbank attended ANNA General Assembly meeting, held on 3 and 4 December 2024, and also assumed the role of panelist in the meeting. Takasbank's experiences in ISIN-LEI matching project were shared with representatives of other countries in the panel.

Borsa İstanbul Group provided sponsorship support to "Türkiye Capital Markets Congress", which was organized for the eighth time on 10 December 2024, exploring all kinds of matters regarding the sectors with expert speakers and including panels and trainings on digital, green, and social transformation. Takasbank participated in the panel titled "Investment in the Digital World" under the hybrid congress themed "Intersection Point of Triplet (Digital, Green, and Social) Transformation: Capital Markets" at the level of speaker.



Takasbank participated as speaker in "Trends and Career in Capital Markets" and "Digitalization and New Job Opportunities in Financial Markets" events of Türkiye Capital Markets Association, held at Manisa Celal Bayar University on 18 December 2024 and İzmir Ekonomi University on 19 December 2024.

The fourth edition of the "My Golden Egg University Student Fund Basket" virtual fund competition, where investment funds traded in TEFAS could be bought and sold, organized with the cooperation of Takasbank, the Capital Markets Association of Türkiye and the Association of Institutional Investment Managers of Türkiye with a view to encouraging university students to get more involved in capital markets, directing the youth to long-term savings and investment, and increasing awareness of investment funds and widespread use of TEFAS platform, started on 23 October 2023 and ended on 21 May 2024 upon announcement of ranking contestants. Differently from previous years, it was required to invest in "sustainability" funds at least at the rate of fifteen per cent to increase awareness of sustainability among university students. This initiative aimed to stimulate university students' interest in capital markets, promote long-term savings and investments among young individuals, and enhance awareness of mutual funds and the widespread use of the TEFAS platform.



The article titled "TEFAS: Türkiye's Fund Supermarket" was drafted for publication in the "Institutional Investor" magazine, a quarterly publication by the Association of Institutional Investment Managers of Türkiye, and featured in the 67th issue covering the October-December 2024 period. Furthermore, regular quarterly data updates for TEFAS and BEFAS were provided for inclusion in the magazine.

(http://www.tkyd.org.tr/assets/kurumsal_yatirimci_67-e44611e2b19dfc711517dc218b7611ed.pdf)



Takasbank won the second prize with "Takaschain Project" under the "Best in Future of Trust Project of the Year" category in the "IDC Future Enterprise Awards" event organized by International Data Corporation (IDC) in 2024.



The CCP General Evaluation meetings, initiated in 2021, persisted at regular intervals throughout 2024, providing ongoing opportunities for comprehensive assessments and discussions with the Bank's members.

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 2024, delivered by its dedicated employees and encompassing a range of topics within the scope of its activities and services. In this context, members received portfolio custody and fund valuation transaction trainings for global custody service and investment funds during the year.

Takasbank, performing clearing and custody transactions at home and abroad, pays attention to adding value to capital

markets by offering all of its services at international standards. Pursuant to the emphasis placed on its mission and stakeholder relationships, 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.

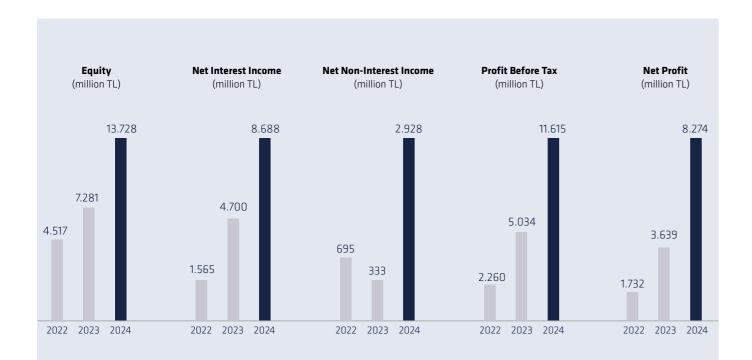
Takasbank continues to rank among international clearing & settlement and custody institutions by strengthening its position in domestic and international markets with abovementioned projects and comprehensive efforts conducted. It is planned to increase the number of representation and promotion activities held in 2024 and continue these more effectively and efficiently in 2025.

(Thousand TL)	2024	2023	2022	2021	2020
Total Assets	192.684.735	121.341.014	85.804.572	45.024.011	25.388.236
Equity	13.727.837	7.280.762	4.516.939	3.236.902	2.562.447
Paid-in Capital	600.000	600.000	600.000	600.000	600.000
Net Interest Income	8.687.559	4.700.292	1.565.475	790.353	454.590
Net Non-Interest Income	2.927.884	333.357	694.693	387.673	231.856
Profit Before Tax	11.615.443	5.033.650	2.260.168	1.178.025	686.446
Net Profit	8.273.951	3.639.129	1.732.121	890.757	539.374

(Thousand USD)*	2024	2023	2022	2021	2020
Total Assets	5.470.377	4.121.890	4.588.897	3.469.390	3.458.652
Equity	389.737	247.324	241.570	249.424	349.083
Paid-in Capital	17.034	20.382	32.088	46.234	81.738
Net Interest Income	264.928	197.959	94.391	60.902	61.929
Net Non-Interest Income	89.286	14.040	41.887	29.873	31.586
Profit Before Tax	354.215	211.998	136.278	90.774	93.515
Net Profit	252.315	153.267	104.439	68.639	73.479

^{*} In calculations for 2024, FX Buying Rate of CBRT on 31/12/2024 (35,2233) was used for balance sheet items, while annual average exchange rate (32,7921) was used for income statement items.

Financial Ratios (%)	2024	2023	2022	2021	2020
Net Profit/Return On Assets (ROA)	5,27	3,51	2,65	2,53	2,56
Net Profit/Return On Equity (ROE)	78,77	61,69	44,68	30,72	22,15
Shareholders' Equity/Total Assets	7,12	6,00	5,26	7,19	10,09
Growth in Assets	58,80	41,42	90,58	77,34	51,71



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 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/aboutus/corporate/dividend-distribution-policy). 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.

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 2024, shareholders received a total dividend distribution of 1.819.564.724 TL from the profits of the fiscal year 2023.

Information on the Own Shares acquired by the Bank

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

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 Behaviors, 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 anticompetitive behaviors, trustification and monopolism.

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

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

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

In 2024, Takasbank provided a total of 204.059.563,43 TL in aids and donations to associations and foundations dedicated to public benefit, as educational donations, and other aids and donations.

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 &
- BİAŞ Futures and Options Market Settlement & Clearing
- **BİAS Precious Metals Market** Settlement & Clearing
- BİAŞ Debt Securities Market Settlement & Clearing
- BİAŞ Money Market Settlement &
- Takasbank Cheque Settlement & Clearing System
- EPİAŞ Electricity Market Settlement & Clearing
- EPİAŞ Natural Gas Market Settlement & Clearing
- EPİAŞ Electricity Futures Market Settlement & Clearing
- EPİAŞ Renewable Energy Guarantees of Origin Market Settlement & Clearing
- EPİAŞ Natural Gas Futures Market Settlement & Clearing
- Turkish Mercantile Exchange (TMEX) EWR Transactions Settlement &
- BİAŞ SWAP Market Settlement & Clearing
- Over-the-Counter Derivative Transactions Settlement & Clearing

CUSTODY

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

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BANKING SERVICES

- Treasury Transactions
- Cash Loan

CENTRAL COUNTERPARTY

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

PAYMENT SYSTEM OPERATION

- · Equity Market Clearing and Settlement System
- Debt Securities Market Clearing and Settlement System
- Cheque Clearing System

NUMBERING

- International Securities Identification Numbering (ISIN)
- Legal Entity Identification Numbering

ASSET TRANSFER SERVICES

- Debt Securities Transfer
- Equity and Derivatives Transfer
- Local Currency Payment and Transfer
- Foreign Currency Payment and Transfer
- Exchange-Traded Fund
- Precious Metals Transfer System
- BiGA Platform

DATA VENDORING

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

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OTHER SERVICES

- TapuTakas (Title Deed Transfer)
- TaşıtTakas (Vehicle Transfer)
- Crowdfunding Escrow Agent
- CRATL/FX Cash Correspondence
- Fund Valuation and Reporting to the
- 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

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
- EPİAŞ Electricity Market Collateral Management
- EPİAŞ Electricity Futures Market Collateral Management
- EPİAŞ Renewable Energy Guarantees of Origin Market Collateral Management
- EPİAŞ Natural Gas Market Collateral Management
- EPİAŞ 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

MARKET OPERATION

- Takasbank Money Market
- Securities Lending Market
- Türkiye Electronic Fund Trading
- Private Pension Fund Trading Platform

Number of Employees and **Branches:**

- The Bank has 442 employees.
- It does not have any branches.

DEVELOPMENTS IN 2024

Banking Services:

Market/Service

• Treasury Transactions

In 2024, 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 Loan

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.

· Settlement Credit

Settlement Credit is a type of loan extended by Takasbank to intermediary institutions only for their debts in BİAS Equity Market.

Major Developments in 2024

Records, Innovations and Developments:

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.

While tight monetary practices were ongoing within the scope of disinflationary process in 2024, Turkish economy grew by 5,7% in the first quarter, 2,5% in the second quarter, and 2,1% in the third quarter. As inflation was on a downward trend thanks to the policies implemented in this period, monetary policy was streamlined with macroprudential measures that were taken. In 2024, Takasbank sustained a robust financial performance, with interest income accounting for 59,82% of total revenues and experiencing a substantial 86,46% 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 2024, Takasbank completed the procedures for membership to Borsa İstanbul A.Ş. to perform transactions for transaction collaterals and its own portfolio.

Interest services provided for collaterals and guarantee funds deposited to the Bank were diversified with participation-based Islamic banking products and it was started to pay interest income of members as profit share upon request.

Middle Office Team was included in the Treasury and Credits Department.

In 2024, Ziraat Portföy Yönetimi A.Ş. Second Participation Venture Capital Investment Fund was added to the Bank's portfolio due to the regulatory mandate arising within the scope of the R&D legislation (Law No. 4691).

Years	Total Revenues (Thousand TL)	Gross Fund Management Revenues (Thousand TL)	Share of Fund Management Revenue (%)
2022	3.171.482	1.686.940	53
2023	7.925.588	4.972.918	63
2024	15.500.326	9.272.361	60



Within the scope of the service of allocation and notification of limits; the credit limits of a total of 266 organizations, including 67 brokerage houses, 55 banks, 82 financial institutions, 26 portfolio management companies, 13 asset management companies, and 23 insurance companies were updated with respect to nominal and value-at-risk based limits in 2024.

In 2024, interest income from loans was almost 1,2 billion TL, also due to the effect of the loans allocated to mutual funds. The maturity terms of the loans extended were mostly applied as O/N in line with the requests of the members.

Interest income from the Settlement Credit, which was implemented again in 2023, was almost 11,3 million TL in 2024.

	Total Gross Interest	Interest Revenues from	Ratio of Interest Revenues	Ratio of Interest Revenues
Years	Revenues (Thousand TL)	Loans (Thousand TL)	from Loans to Total Interest	from Loans to Total
	Revenues (Thousanu TL)	LOANS (INOUSANU IL)	Revenues	Revenues
2022	1.686.940	230.737	13,7%	7,3%
2023	4.972.918	966.702	19,4%	12,2%
2024	9.272.361	1.180.091	12,7%	7,6%

Many improvements have been made in the credits service in 2024. In this context;

Under Takasbank Cash Credit service, members were able to transfer share certificates of their customers by means of pledge to Takasbank as collateral to utilize loans until December 2024. As of 20/12/2024, the operation regarding transfer of loan collaterals to Takasbank was changed with a view to ensure uniformity in practices for assignment of collaterals to Takasbank. In this scope, customer collaterals, which used to be transferred to Takasbank under pledge with a mutual pledge agreement against the credit risk of the intermediary institution, were started to be transferred with an assignment agreement governing transfer of ownership to Takasbank.

Systemic updates were made in the Settlement Credit service to ensure that members can submit their credit requests to Credits Team by means of Takasbank screens.

Systemic developments were made for monthly and yearly monitoring of credit averages and volumes concerning the activities of the Credits Team in detail through the system.

DEVELOPMENTS IN 2024

Obiectives

- · 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
- · Launching efforts for the project aimed at improvement of existing Treasury application
- · Ongoing development and regulation activities to increase the effectiveness of the services provided
- Ensuring improvement of screens such as loan amount that can be utilized by funds, fund types that can utilize loans, etc. and minimizing operational errors in the process of allocating loans to investment funds
- Ensuring that all credit limits, which are currently defined in the system by different markets, can be defined in the system by the Credits Team, and revision of "Credit Customer Identification Screen" in this scope

Key Indicators Ratio of Interest Income in Total Number of Organizations whose Credit Percentage Increase in Interest Income Revenues Limits Were Updated from Loans Compared to the Previous Year 60% 22% (2023: 63%) (2023: 248) (2023: 319%) Interest Revenues from Loans Percentage Increase in Interest Income Compared to the Previous Year **Cash Credit Placement Average** 1.180.091 thousand TL 86% 2.3 billion TL (2023: 966.702 thousand TL) (2023: 195%) (2023: 4.3 billion TL) **Live Placement Amount** 184,4 billion TL (2023: 119,5 billion TL)

Market Operation:

Market/Service

Takasbank Money Market

STRATEGY, VALUE CREATION AND

STAKEHOLDER RELATIONS

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.

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.

• 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 2024

Records and Developments

In 2024, the TMM witnessed total trading volume of 10.315 billion TL, a daily average trading volume of 41 billion TL, and a total of 400.053 transactions. The highest daily trading volume of the year was achieved on 27 December 2024 with 60 billion TL.

In 2024, a total of 182 institutions including 57 brokerage houses, 22 deposit banks, 15 development and investment banks, 69 financial institutions, 12 asset management companies, and 7 insurance and pension companies, executed transactions on TMM.

In 2024, the TMM witnessed significant participation, with brokerage houses and banks dominating the sell-side trading volume at 97,4% (63% on behalf of funds and trusts, 31,7% on behalf of portfolios, and 5,3% on behalf of clients). On the buy side, 52% comprises transactions performed by brokerage houses and banks on behalf of their portfolios, 42% comprises portfolio transactions of financial institutions, and the remaining 6% comprises transactions performed by other institutions.

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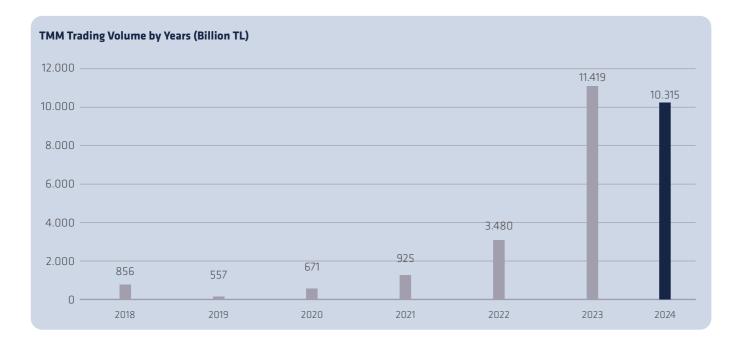
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SUSTAINABILITY AND CLIMATE EFFORTS

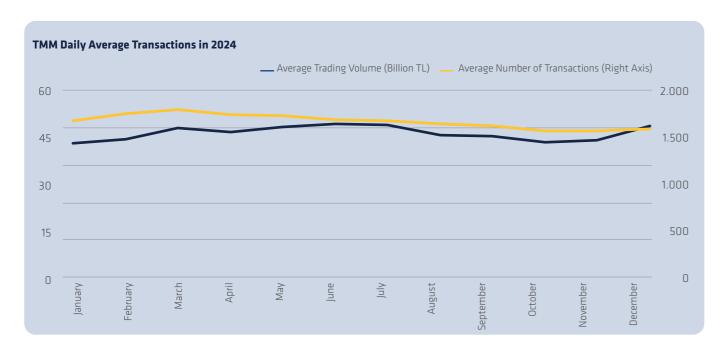
^{*} Statistical data on the services provided by Takasbank are available on the Bank's website (https://www.takasbank.com.tr/en 🗹 under the "Statistics" menu.

STRATEGY, VALUE CREATION AND SUSTAINABILITY AND CLIMATE EFFORTS STAKEHOLDER RELATIONS

DEVELOPMENTS IN 2024

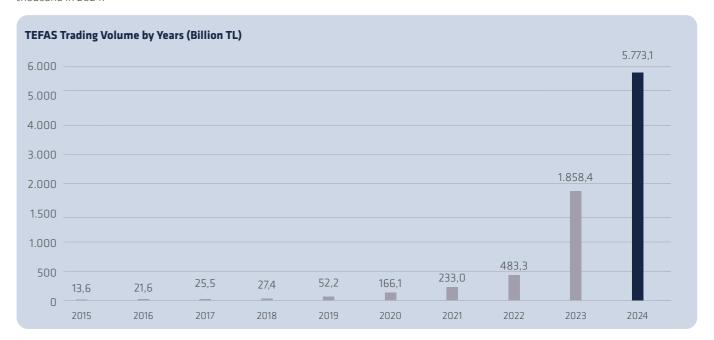


The number of investment funds and partnerships trading in TMM reached 1.119 with a year-on-year increase. On the other hand, average transaction volumes of trading private pension funds, investment funds, and partnerships realized as 25,5 billion TL, the share of which increased to 31% in total transaction volume.

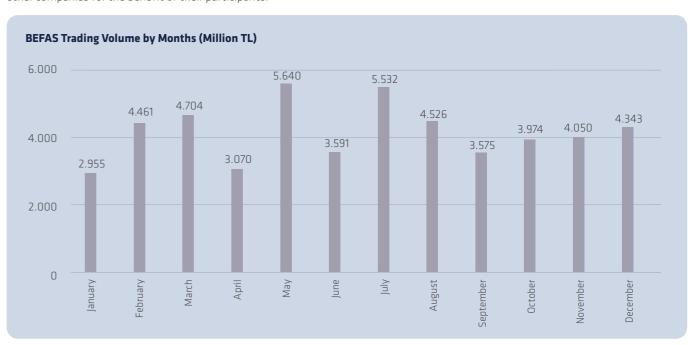


Following the Borsa Istanbul A.Ş. Equity Market Short Selling Decision outlined in the Capital Markets Board's bulletin dated February 6, 2023, and numbered 2023/6, lending transactions in Takasbank Securities Lending Market were temporarily halted until the short selling measure was lifted.

In 2024, TEFAS grew by 211% and recorded a total trading volume of 5.773 billion TL. In addition, 2024 has been a year of new records for TEFAS. As a result of the transactions that displayed a rapid acceleration in the second half of the year, the highest daily trading volume of all time has been reached with the amount of 53,2 billion TL in December. In addition, there has been a substantial surge in the daily clearance of instructions. The average daily clearance, which stood at 70 thousand instructions in 2023, has almost doubled to 130 thousand in 2024.



In 2024, the total trading volume was recorded as 50,4 billion TL and the daily average trading volume was recorded as 201,7 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 359,2 million TL on 24 July 2024. In 2024, 289 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.



CORPORATE GOVERNANCE

STRATEGY, VALUE CREATION AND STAKEHOLDER RELATIONS

DEVELOPMENTS IN 2024

Innovations

It was started to accept money market umbrella funds as SLM collateral in order to diversify collaterals.

It was enabled to define investment funds and partnerships, which will perform lending transactions, under multiple SLM members.

SLM transaction collateral and guarantee fund contribution interest accrual processes were accommodated to the principles of participation-based Islamic finance.

In line with the target of reducing physical paper circulation, written instructions were eliminated in SLM fund identifications transactions and transactions were moved to Takasbank SLM member menu screens.

In line with the target of digitalizing corporate business processes and reducing physical paper circulation, the option buying process, conducted between the Member, Takasbank Money Market Team and Financial Analysis Team, conducted by e-mail for letters of guarantee deposited as collateral for buying transactions on TMM, was automated as of June 2024 so that members will be able to create option orders, update or cancel orders, and follow order processes using Takasbank Member Application.

While members are able to perform trading on TMM by indicating fund codes for investment funds, investment partnerships, and pension mutual funds within the limits determined in the applicable legislation of the CMB, the Procedure was amended with a view to enabling asset and mortgage finance funds to trade on TMM.

In order to ensure collateral diversity, it was started to accept mutual fund participation certificates, umbrella fund type of which is money market, as TMM collateral as of June 2024.

Interest exemption screen was added to member screens with the new development in accrual of interest to TMM cash TL collateral and guarantee fund contributions, and collateral withdrawal was enabled for an amount of cash TL that is desired to be held exempt from interest, which was added to the collateral before interest accrual time.

Central Bank of the Republic of Türkiye (TCMB), which is a natural member of TMM, notified Takasbank in August that it shall start making nightly order inputs on TMM as required by market conditions within the scope of increasing the diversity of used sterilization instruments, and it started to trade on TMM for the first time since the establishment of TMM.

Development efforts have been undertaken to enhance the performance of TEFAS settlement processes, and the optimization of the process has been expedited accordingly.

Implementation Principles were changed within the scope of detailing provisions on half business days in TEFAS and ensuring uniformity of provisions on the interest accrual process with other markets.

System developments were made and made available to member testing within the scope of automated holiday definition for funds, which are traded also in foreign currency on TEFAS and for which holiday notification is not made for a given day, and imposition of a minimum amount control for trading order transmission processes of funds with forward value on TEFAS. It is planned to implement the development in the first quarter of 2025 following completion of member testing and regulatory approval.

Frontend renewal design efforts were launched within the scope of the development project for TEFAS Fund Information Platform (https://www.tefas.gov.tr/), while it is planned to complete the new frontend in 2025.

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 2024" section of the report.

Within the scope of facilitating credit utilization by participants by means of transferring their claims arising from the Private Pension System (PPS) to banks, it was enabled to trade Central Claim Transfer (Assignment) funds, where savings are routed and which is the new fund type, through BEFAS as of June 2024.

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 TEFAS Average Trading Volume **BEFAS Average Trading Volume** 10.315 billion TL 23,1 billion TL 201.6 million TL (2023: 11.420 billion TL) (2023: 7,3 billion TL) (2023: 72,4 million TL) TMM Daily Average Trading Volume Number of Institutions Trading in Number of Institutions Trading in **TEFAS BEFAS** 41,2 billion TL 118 (2023: 45,2 billion TL) (2023: 104) (2023: 15) **Number of Institutions Trading in TMM** Number of Funds Traded in TEFAS Number of Funds Traded in BEFAS 182 726 289 (2023: 171) (2023: 575) (2023: 283) **TEFAS Total Trading Volume BEFAS Total Trading Volume** 5.773 billion TL 50,4 billion TL (2023: 1.858 billion TL) (2023: 18.3 billion TL)

STRATEGY, VALUE CREATION AND SUSTAINABILITY AND CLIMATE EFFORTS STAKEHOLDER RELATIONS

DEVELOPMENTS IN 2024

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), BİAŞ 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 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. Credit ratings and assessments are also used in determination of membership types in markets where CCP services are provided.

Major Developments in 2024

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 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 2024, Takasbank has also continued its efforts towards increasing collateral management efficiency in the markets for which it provides CCP services. During the year, it became possible to restrict a registry to a position limit determined on a market basis using the developed screen within the scope of registry-based concentration risk. In addition, risk and collateral management was designed and implemented within the scope of BiGA Project. Besides, training presentations on CCP services were organized for Azerbaijan, Mongolia, and Indonesia Stock Exchanges throughout the year.

The implementation and consultancy support initiated in 2022 for Abu Dhabi Exchange was sustained throughout 2024.

In 2023, Takasbank entered into a protocol with the Turkish Commodity Exchange (TÜRİB) to deliver risk, collateral, and default management services. Necessary developments and testing were performed throughout 2024 pursuant to the signed protocol.

Financial Analysis

Creditworthiness of banks, intermediary institutions, and other financial institutions, assessed by Takasbank internal credit rating and assessment system, is stated from the highest to the lowest in ratings ranging between TBD-A and TBD-E, and the total cap of limits, which can be allocated by Takasbank in favor of each institution for various markets and transactions, are determined. Utilization principles for external credit ratings were also determined. General principles for the credit rating and assessment system, used by Takasbank, are explained on the corporate website of the Bank.

In 2024, credit ratings and assessment grades were assigned to banks, brokerage houses, insurance, factoring, leasing, financing, and asset management companies in Türkiye, utilizing these grades to identify maximum limits that can be allocated within the framework of banking, central counterparty, or other capital market activities.

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, necessary studies concerning the project, aiming to consolidate all market directives under a unified directive for CCP services, were finalized and the relevant legislation is projected to be published on Takasbank website in 2025 following approval by the CEO.
- Building upon the position limit studies conducted in 2024 to mitigate concentration risk in VİOP, the focus for 2025 is to make developments on the grouping of multiple registers and subjecting them to limits within registry-based limit controls, and ensuring that all accounts of a member in an underlying asset remain below the determined rate.
- As part of the protocol signed between Takasbank and the Turkish Commodity Exchange (TÜRİB), the first phase transition is estimated to be implemented in January 2025.

STRATEGY, VALUE CREATION AND SUSTAINABILITY AND CLIMATE EFFORTS STAKEHOLDER RELATIONS

FINANCIAL REPORTS AND ANNEXES

DEVELOPMENTS IN 2024

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 (T+2) 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 BİAŞ Futures and Options Market; and has also started to provide services as a CCP for the services executed on VİOP as of O3 March 2014.

The scope of the service covers opening of accounts for trading on VİOP, 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+0 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 BİAŞ Money Market within the framework of the provisions of applicable legislation and in line with international standards.

• BİAŞ SWAP Market Settlement Service

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 2024

Records, Innovations and Developments

In 2024, a total trading volume of 34.308,47 billion TL was realized by 62 brokerage houses and 1 investment bank in the Equity Market; and as a result of netting, cash settlements in the amount of 1.292,85 billion TL (3,77%) and securities settlement with a market value of 5.477,06 billion TL (15,96%) were exchanged.

As of the end of 2024, the market value of Equity Market trade margins managed by Takasbank was 4.990,70 million TL and the market value of guarantee fund contributions was 162,79 million TL.

The testing and consultancy services, initiated in 2022, continued throughout 2024, 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 3.10 version was launched on 08 July 2024, aiming to increase the number of settlement modules in general and adapt the settlement system architecture to the load distribution caused by increasing number of transactions, while all settlement processes were tested and necessary updates were made in respect of the mentioned version. The primary objectives of this version include increasing the number of main system settlement modules (partition) in general, and ensuring adaptation of settlement system architecture to the load distribution caused by the increasing number of transactions.

Within the scope of the project on shifting Equity Market clearing and settlement transactions to T+1, discussions were initiated for feasibility studies and creation of a project calendar with stakeholders.

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 2024, the market value of VIOP trading collaterals managed by Takasbank was 103.639 million TL; and of these collaterals, the portion in the amount of 89.665 million TL is comprised of collaterals in Turkish Lira.

As of the end of 2024, the total of guarantee fund contributions of VIOP settlement members is 3.562 million TL. Of this total fund size, the portion in the amount of 3.071 million TL is comprised of cash contributions in Turkish Lira (TL).

As of 31 December 2024, the size of open positions in OTC Derivatives Transactions is in the amount of 27.745 million TL; the total trading collateral value is 2 billion TL; and the total value of guarantee fund contribution shares is 50,5 million TL.

In 2024, a total of 166.307,26 billion TL transactions were traded in the BİAŞ Debt Securities Market Outright Purchases and Repo-Reverse Repo Markets, of which 202,47 billion TL was comprised of Outright Purchases and Sales Market private sector bond transactions. Additionally, transactions in the International Bond Market amounted to 15,99 billion TL, and in the Committed Transactions Market, they reached 2.677,67 billion TL.

Through multilateral netting, Takasbank conducted cash settlement transactions totaling 32.601,15 billion TL (18% of the total Exchange trading volume) and securities settlement transactions with a market value of 84.755,54 billion TL (49% of the total Exchange trading volume), excluding the SWAP Market.

The project for performing settlement of transactions, made in Debt Securities Market Equity Repo Market, with blockage was implemented on 08/07/2024.

The project for performing settlement of transactions, made in Debt Securities Market Securities Preferred Repo Market, with blockage was implemented on 23/12/2024.

In 2024, the SWAP Market witnessed the active participation of 48 banks (including the CBRT) and 5 intermediary institutions (including the CBRT), collectively engaging in transactions with a total volume of 4.697,11 billion TL (unilateral). Subsequently, cash settlement, totaling 4.910,72 billion TL (104,55% of the SWAP Market Exchange transaction volume), was achieved through the implementation of multiple netting.

DEVELOPMENTS IN 2024

Obiectives

- Ensuring uninterrupted session continuity
- Continuing, together with BİAŞ, 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

34.308.47 billion TL

Equity Market Total Trading Volume

(2023: 32.846,38 billion TL)

Equity Market Trade Margins Market Value (31/12/2024)

4.991 million TL (31/12/2023: 2.874 million TL)

VİOP Total Number of Members 82

(2023: 79)

ViOP Number of Open Positions (31/12/2024)

15.398.301 positions (29/12/2023: 10.445.206 positions)

ViOP Number of Open Accounts (31/12/2024)

1.137.388 accounts (29/12/2023: 998.373 accounts) Over-The-Counter Derivatives Total Number of Members (31/12/2024)

(31/12/2023: 22)

Number of Members Trading in the Debt Securities Market (31/12/2024)

105 (2023: 98)

Debt Securities Market Trade Margins Market Value (31/12/2024)

103.820,55 million TL (2023: 22.665,18 million TL)

Debt Securities Market Guarantee Fund Contributions Market Value (31/12/2024)

11.169,98 million TL (2023: 3.230,83 million TL) BİAŞ Money Market Trade Margins Market Value (31/12/2024)

169,45 million TL (2023: 113,36 million TL)

BİAŞ Money Market Guarantee Fund Contributions Market Value (31/12/2024)

17,20 million TL (2023: 13,25 million TL)

Number of Members Trading in BİAŞ SWAP Market

(2023: 49)

BİAŞ SWAP Market Trade Margins Market Value (31/12/2024)

42.031,72 million TL (2023: 10.968 million TL)

BİAŞ SWAP Market Guarantee Fund Contributions Market Value (31/12/2024)

2.291,76 million TL (2023: 2.224 million TL

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

Market/Service

STRATEGY, VALUE CREATION AND

STAKEHOLDER RELATIONS

• EPIAS 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 EPİAŞ.

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• EPİAŞ Futures Electricity Market Settlement and Collateral Management Service

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

• EPİAŞ 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 EPİAS.

• 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

Takasbank was authorized as a Clearing House to ensure fulfillment of obligations regarding the Market operated by Turkish Mercantile Exchange (TÜRİB). In 2025, upon transition to brokerage system, clearing, collateral, and risk management services shall be provided to TÜRİB EWR Market.

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 Settlement & 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 settlement transactions and collateral management in relation thereof.

• Public Collateral Management Service

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 Platform as of 1 December 2022. As of 08/04/2024, upon order of the Public Procurement Agency, it was made obligatory to accept all electronic performance bonds and surety bonds through Takasbank Public Collateral Management Platform and to report such bonds to the General Directorate of Accounting.

DEVELOPMENTS IN 2024

Major Developments in 2024

Records, Innovations and Developments

In 2024, the total traded volume in the Electricity Market operated under the roof of EPİAŞ has been recorded as 1.986 billion TL.

As of 31 December 2024, the total market value of collaterals held in the accounts at Takasbank in the Electricity Market is 27.399,3 million TL.

Revision studies were completed within the scope of application changes in line with implementation of decisions, made by EMRA for the Electricity Market with the announcement in Official Gazette no. 32491 of 16/03/2024, in 2025.

As of 31 December 2024, the total market value of the collaterals held in the accounts at Takasbank due to Electricity Futures Market transactions is 166.4 million TL.

As of 31 December 2024, the total market value of the collaterals held in the accounts at Takasbank due to YEK-G Market transactions is 16.7 million TI

As of 31 December 2024, the total market value of the collaterals held in the accounts at Takasbank due to Natural Gas Market transactions is 2.454,3 million TL.

As of 31 December 2024, the total market value of the collaterals held in the accounts at Takasbank due to Natural Gas Futures Market transactions is 13,1 million TL.

As a consequence of the joint study conducted by TÜRİB, Takasbank, and CRA, TÜRİB Technological Transformation Project was launched to restructure the Market and make contract structure more flexible upon the start of operation of product market intermediary institutions in the Electronic Warehouse Receipt Market under TÜRİB, and Takasbank shall provide clearing, risk, collateral, and default management services for EWR trading transactions in the Market. The project shall be implemented in January 2025.

As of 31 December 2024, the total market value of the collaterals held in the accounts at Takasbank due to BİAŞ Precious Metals Market transactions is 51.507.4 million TL.

BISTECH System improvement and development studies, aimed at improving operational processes, continued throughout the year to increase the effectiveness of the system.

By the year-end of 2024, there are 37 institutions authorized for LLT; and there are collaterals with a value of 5.908 million TL in 30.407 out of 224.107 accounts opened in the LLT.

Leveraged Trading Transactions Data					
	2023/12	2024/12			
Number of Members	38	37			
Number of Accounts - Last Business Day	229.218	224.107			
Number of Accounts with Collaterals - Last Business Day	32.263	30.407			
Collateral Amount - (million TL) - Last Business Day	4.378	5.908			
Open/Short Position Value (million TL) - Last Business Day	30.389	45.010			
Total Trading Volume (million TL)	12.411.355	18.959.938			
Daily Average Trading Volume (million TL)	49.057	72.692			

In 2024, four new members joined the Takasbank Check Clearing System, increasing the total number of members to 49.

A meeting was held with other banks through the agency of the Banks Association of Türkiye for performance of clearing and settlement of checks in foreign currency by Takasbank by integrating checks in foreign currency into the Cheque Clearing System. Upon receiving favorable opinions of the banks, the request in question was submitted to the CBRT to obtain the necessary approval.

Monthly Gross and Dishonored Cheques (with Return Codes 82, 83, and 99)						
Date	No. of Cheques	Number of Dishonored Cheques	Ratio (%)	Overall Increase in Cheques (%)	Increase in Dishonored Cheques (%)	
January	1.486.634	15.828	1,06	113,02	103,16	
February	1.006.047	11.242	1,12	-32,33	-28,97	
March	654.631	8.270	1,26	-34,93	-26,44	
April	1.429.514	20.098	1,41	118,37	143,02	
May	1.051.784	15.790	1,50	-26,42	-21,43	
June	614.764	10.546	1,72	-41,55	-33,21	
July	1.472.577	26.351	1,79	139,54	149,87	
August	613.636	12.030	1,96	-58,33	-54,35	
September	1.407.588	25.523	1,81	129,38	112,16	
October	1.028.978	18.619	1,81	-26,90	-27,05	
November	632.246	11.480	1,82	-38,56	-38,34	
December	1.414.862	24.729	1,75	123,78	115,41	

Within the scope of the 2nd phase of the Public Collateral Management Service, Development of electronic performance bonds and surety bonds, to be submitted to public tenders through Takasbank Public Collateral Management Platform, conducted jointly with the General Directorate of Accounting of the Ministry of Treasury and Finance of the Republic of Türkiye, Public Procurement Authority, Credit Bureau, and Insurance Information and Surveillance Center, was completed and implemented as of 22 January 2024. Upon successful implementation of the project, a Gong Ceremony was held at Borsa İstanbul with the participation of the General Directorate of Accounting of the Ministry of Treasury and Finance of the Republic of Türkiye, Public Procurement Authority, Credit Bureau, and Insurance Information and Surveillance Center on 08/02/2024. As of 08/04/2024, upon order of the Public Procurement Agency, it was made obligatory to accept all electronic performance bonds and surety bonds through Takasbank Public Collateral Management Platform and to report such bonds to the General Directorate of Accounting.

Studies concerning "Receipt of Surety Bonds on UBL Infrastructure", launched in 2024 with the Insurance Information and Surveillance Center, were completed and implemented on 27/07/2024.

Upon request of the Public Procurement Authority concerning the need for change in bid and performance bond and surety bond templates accepted within the scope of the Public Collateral Management Service, efforts were launched with Credit Bureau and Insurance Information and Surveillance Center in October, and it is planned to commission the project as of 01/08/2025. Within the scope of obtaining bank reference letters submitted as proof of financial standing, required in authorization certificates to be issued to contractors under phase 3 of the Public Collateral Management Service, from banks and electronic submission by means of Takasbank to administrations under the Ministry of Environment, Climate, and Urbanization of the Republic of Türkiye, efforts for "Takasbank Electronic Reference Letter Management Project" are actively ongoing on the side of banks and the relevant Ministry, while the project is planned to be commissioned as of 03/03/2025.

An agreement was reached with the General Directorate of Accounting of the Ministry of Treasury and Finance of the Republic of Türkiye with respect to provision of "Collateral Management Service" involving conduct of processes such as collateral acceptance, custody, compensation, return, and term extension for collaterals demanded by various ministries pursuant to their applicable legislation, and efforts for "Ministries Collateral Management Project" were launched. The project is planned to be completed and implemented in 2025.

DEVELOPMENTS IN 2024

Period 2024	Total Amount of LGs*	Total No. of LGs	Total Amount of SBs*	Total No. of SBs
January	21.737.794.202	18.132	795.752.850	295
February	35.752.716.606	21.538	1.563.549.030	346
March	59.637.483.044	27.899	2.135.823.480	476
April	38.514.847.720	23.519	2.136.377.530	363
May	42.286.357.534	28.348	1.709.467.994	364
June	49.150.301.003	28.567	719.054.528	389
July	46.397.299.588	31.061	925.652.242	425
August	63.033.905.017	38.267	1.061.175.528	629
September	57.893.762.460	30.759	1.226.694.646	497
October	76.686.178.052	32.106	1.514.322.177	522
November	71.185.385.269	33.069	1.279.477.453	631
December	120.731.526.939	41.368	2.011.044.149	723
Total	683.007.557.434	354.633	17.078.391.608	5.660

^{*} 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
- Ensuring performance of clearing and settlement of checks in foreign currency by Takasbank by integrating checks in foreign currency into the Cheque Clearing System

Key Indicators

Number of Electricity Market
Participants for which Cash Settlement
and Collateral Management Service is
provided
1754

(2023: 1.636)

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

88 (2023: 65)

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

203 (2023: 145) Number of Natural Gas Market
Participants for which Cash Settlement
and Collateral Management Service is
provided

76 (2023: 74)

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

17 (2023: 17)

BİAŞ Precious Metals Market Total Trading Volume

785,62 billion TL (2023: 961,96 billion TL) Number of Institutions Authorized in LTT

(2023: 38)

Number of Cheques subject to Clearing 12.813.261 (2023: 13.119.249)

Amount of Cheques sent for Clearing 5.466.607.441.634 TL (2023: 3.292.384.777.682 TL)

Number of Cheques subject to Settlement

12.324.346 (2023: 12.494.814)

Amount of Cheques subject to Settlement 5.071.752.399.589 TL (2023: 3.075.555.914.134 TL)

Custody Service:

Market/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.

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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

STRATEGY, VALUE CREATION AND

STAKEHOLDER RELATIONS

As the share certificates traded in BİST 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 BİST 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. Takasbank can provide services to all collective investment institutions (securities mutual funds/trusts, venture capital investment funds, real estate investment funds, and exchange traded funds) with its portfolio custody system infrastructure.

• Exercise of Share Certificates Corporate Action Rights

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 Debt Securities Corporate Action Rights

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.

DEVELOPMENTS IN 2024

Major Developments in 2024

Records, Innovations and Developments

GDDS Custody Balances by Years						
	Average Nominal	Average Market Value	Average Market Value			
Years	(Million TL)	(Million TL)	(Million USD)			
2023	136.878,75	266.167,27	9.053,31			
2024	678.344,02	1.132.836,63	32.164,58			
(Exchange rate=35,22)						

PSDS Custody Balances by Years			
	PSDS (Million TL)	Change	
Years	Daily Average Nominal	Ratio (%)	
2023	123.295,26	46,76	
2024	174.858,42	41,82	

Within the scope of physical securities transactions, as of 31 December 2024, 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 53%, exercise of rights transactions by 19%, and cash transactions related with settlements and exercise of rights by 27%. The trading volume is comprised of settlement transactions by 47%, exercise of corporate rights transactions by 12%, and cash transactions related with settlements and exercise of rights by 41%.

In 2024, the mobility in capital markets was reflected on the fund side as well. This mobility was also reflected in the size of assets owned by funds; and as of 31/12/2024, it has grown by 84% compared to 2023 and reached to shares with a market value of approximately 748 billion TL (2023: 406 billion TL).

As of 31/12/2024, Collective Investment Institutions have an approximately 27 tons of gold custody balance; and the market value of the said gold is approximately 80 billion TL.

In 2024, contracts were signed with 5 asset management companies and 1 real estate and venture capital asset management company within the scope of portfolio custody services. The total fund size realized as 212 billion TL by 75% increase in comparison with 2023 year-end. The number of funds increased by 73 to 284. In 2024, total fund size receiving services increased year-on-year by 189% in real estate investment funds and 81% in venture capital investment funds. As of year-end 2024, total value of real estate and venture capital investment funds, to which services were provided, experienced a record growth of by 124%, reaching 133.427 million TL. Real Estate Investment Funds Communiqué and Venture Capital Investment Funds Communiqué were amended so that it was enabled for relevant funds to be established under umbrella funds and project real investment funds to make project investments. 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 2024, 29 issuers (2023: 19) increased their capital through rights issues, bonus issues; 98 issuers (2023: 76) increased their capital through bonus shares; and 174 issuers (2023: 215) 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	25.554,58	345.818,16
Coupon	162.150,39	60.876,45

In 2024, the e-Türkiye Takasbank Integration platform, launched for private pension system participants in 2013, garnered significant interest with approximately 57 million views achieved through e-Government throughout the year. The number of new participants accessing the application, which was 332.000 in 2023, reached approximately 138.000 in 2024, with the total number of participants logging in recorded at 1.813.000. The statistics regarding the usage of Takasbank Information System by participants are provided on the next page.

Years		requesting Daily Activity	Number of Participants requesting Monthly Balance E-mails	Number of Participants requesting Monthly Activity E-mails
2023	15.706	11.376	13.397	11.869
2024	14.264	11.138	11.646	10.752
Total	74.446	76.104	88.521	78.234

By 31 December 2024, the number of accounts with private pension funds in private pension companies within the voluntary system surged by approximately 1 million and 145 thousand, reaching 11,7 million. The size of the funds held by participants experienced an increase of approximately 443 billion TL, totaling 1 trillion and 140 billion TL, inclusive of state contributions.

In 2024, the number of accounts included in the Auto-Enrolment System increased by approximately 680 thousand, reaching 11,5 million accounts (2023: 10,7 million accounts); and the total fund amount reached 86,8 billion TL (2023: 52,1 billion TL). The rate of exits from the Auto-Enrolment System was recorded as 75% (2023: 74%).

Private pension system left behind the year 2024 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 the receivables of PPS participants from private pension contracts to banks. In 2023, Takasbank carried out application development studies with Pension Monitoring Center, pension companies, and banks to enable assignment of contracts. Digital Platform Assignment Project, enabling credit utilization by transferring PPS-based receivables to banks, was implemented on 03/06/2024.

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 26 March 2024.

In 2021, a regulation was enacted to permit individuals under the age of 18 to participate in the PPS system. As of 31 December 2024, 1,4 million participants under the age of 18 hold a fund share of 27,7 billion TL in their PPS accounts.

In 2024, Takasbank received over five hundred petitions, more than two thousand emails, and nearly twenty thousand phone calls from PPS participants and capital market investors, along with over five thousand emails and nearly five 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

Number of Members for which Global Custody Service is Provided

1.299 (2023: 1.189)

Number of Transactions subject to Global Custody

183.059 (2023: 159.668)

Global Custody Trading Volume 164,05 billion EUR (2023: 82,18 billion EUR)

Global Custody Average Balance Distribution

42,02 billion EUR (2023: 24,8 billion EUR**)**

Number of Members for which Portfolio Custody Service is Provided

As of 31/12/2024, services are provided to 11 portfolio management companies, 5 real estate and venture capital portfolio management companies and 7 investment trusts for 284 CIIs (Collective Investment Institutions)

Number of Accounts containing Private Pension Funds through the Voluntary System (31/12/2024)

11,7 million accounts (31/12/2023: 10 million accounts)

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

1 trillion 227 billion TL (2023: 749 billion TL)

Total Market Value of DCS Participants'
Collateral (31/12/2024)
6.747.863.187 TL
(31/12/2023: 3.171.124.847 TL)

DEVELOPMENTS IN 2024

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 31/12/2024 is provided in the table below.

Million TL	BİAŞ Equi	ty Market	BİAŞ Debt Sec	urities Market	BİAŞ Futures and	l Options Market		nter Derivatives rket	Securities Le	nding Market	BİAŞ SW	AP Market	BİAŞ Mon	ey Market
Type of Collateral	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 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	3.368,66	156,94	3.684,92	494,74	89.665,25	3.071,69	1.506,92	21,58	0,88	50,31	7.003,18	281,76	4,05	4,04
FX COLLATERALS	169,53	2,93	52,81	12,11	5.444,29	170,71	-	0,92	-	0,32	183,42	109,29	-	0,83
GDDS COLLATERALS	803,48	2,92	76.952,12	10.659,86	6.770,14	302,204	1.287,54	76,83	-	-	23.009,084	1.647,43	165,40	12,33
EUROBOND COLLATERALS	14,279	-	2,00	-	691,68	210,83	-	-	-	-	71,50	-	-	-
SUKUK COLLATERALS	55,12	-	7.156,28	3,28	343,62	-	-	-	-	-	11.018,740	253,28	-	-
EQUITY COLLATERALS	384,00	-	-	-	7.964,13	-	-	-	-	-	-	-	-	-
EQUITY MUTUAL FUNDS	-	-	-	-	43,76	-	-	-	-	-	-	-	-	-
DEBT SECURITIES MUTUAL FUNDS	23,37	-	-	-	2,07	2,84	-	-	-	-	-	-	-	-
MONEY MARKET FUND MUTUAL FUNDS	154,59	-	-	-	760,67	124,92	-	-	-	-	-	-	-	-
GOLD COLLATERALS	-	-	-	-	22,38	-	-	-	-	-	745,80	-	-	-
ABS (Asset- Backed Securities) COLLATERALS	-	-	-	-	-	-	-	-	-	-	-	-	-	-
BİAS EQUITY COLLATERALS	17,68	-	-	-	13,59	1,36	-	-	-	-	-	-	-	-
G-7 COLLATERALS	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	4.990,70	162,79	87.848,12	11.169,98	111.721,58	3.884,56	2.794,46	99,33	0,88	50,64	42.031,72	2.291,76	169,45	17,20

STRATEGY, VALUE CREATION AND STAKEHOLDER RELATIONS

DEVELOPMENTS IN 2024

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 Fund

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.

The gold physically stored in the vaults of the Mint 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.

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

TapuTakas service has been provided by Takasbank since 17 April 2015 under the protocol signed with the General Directorate of Land Registry and Cadaster 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;
- $\cdot \ \text{elimination of the trust issues of the parties};$
- · elimination of the risks of carrying money in cash and counterfeit money risks;
- · fast transfer at low costs.

• TaşıtTakas (Vehicle Transfer)

TaşıtTakas (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.

TaşıtTakas 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.

STRATEGY, VALUE CREATION AND SUSTAINABILITY AND CLIMATE EFFORTS STAKEHOLDER RELATIONS

FINANCIAL REPORTS AND ANNEXES

DEVELOPMENTS IN 2024

Major Developments in 2024

Records, Innovations and Developments

In 2024, Takasbank provided to its members debt securities transfer service in the total amount of 56.082.381,62 million TL/Nominal, comprising the portions of 27.376,32 million TL/Nominal and 56.109.757,94 million TL/Nominal, which were transferred on free and conditional basis, respectively.

Debt Securities Transfers in 2024				
Туре	Units	Nominal (Million TL)		
Bilateral Transfer	476	27.376,32		
Free Transfer	432.562	56.082.381,62		
Total	433.038	56.109.757,94		

In 2024, fund share creation and redemptions totaling 86.479,37 million TL were executed in exchange-traded funds based on shares, precious metals, government domestic debt securities and foreign securities.

In 2024, within the scope of equity and equity instrument transfers, transactions with a total amount of 4.666,51 billion TL were executed in the Bilateral/Conditional Transfer System allowing for simultaneous securities and cash transfer. Nearly 87% of the transactions were executed "Partial Not Allowed" and 95% of the transactions were executed on an "On-Exchange" basis. In addition, collective investment institutions executed free transfers with a total market value of 8.078,87 billion TL.

Equity Transfers in 2024				
Туре	Units	Amount (Billion TL)		
Bilateral Transfer	957.591	4.666,51		
Free Transfer	361.697	8.078,87		
Total	1.319.288	12.745,38		

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 2024, 56,32% of the orders received in the Bilateral Transfer System came through the SWIFT system.

2 new Exchange-Traded Funds were established in 2024.

Within the scope of SWIFT ISO 20022 transition process, necessary studies were initiated for transmission and receipt of incoming and outgoing SWIFT messages in bank systems, completely in MX format. Accordingly, it is aimed to adapt the existing system infrastructure and transform all processes in line with ISO 20022 standard.

The data in the CPMI Redbook Statistics document, requested annually by the CBRT, was updated in 2024.

In 2024, 55.233 transfers (compared to 46.626 in 2023) involving a total of 11.938.618 grams (compared to 20.234.711 grams in 2023) 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.

In the process of offering BiGA project to bank customers, cooperation was made with member public banks and these studies were successfully completed. Within the scope of the project, transition was made to live environment with a limited number of customers for provision of BiGA to bank customers as a product. Necessary studies are ongoing to expand the product from the limited customer group to a wider audience.

Discussions were held with officials of the Ministry of Interior of the Republic of Türkiye and General Directorate of Land Registry and Cadaster about what can be done to popularize the use of TapuTakas (Title Deed Transfer) System.

It was made compulsory by the Ministry of Commerce of the Republic of Türkiye to perform sales, with cash as the payment method, with the Secure Payment method as of 27/09/2024. In this context, as of 03/11/2023, Takasbank, as the only institution that has secure access to TaşıtTakas (Vehicle Transfer) service through E-Government, reached an average daily transaction volume of 9.500 during the October-December period.

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

Key Indicators		
Total Amount transferred via Foreign Currency Payment Transfer (USD/EUR)	Number of Members registered in TETS 55	Number of Members of the BiGA Platform
267,7 billion USD, 41,5 billion EUR	(2023: 53)	8
(2023: 172,9 billion USD, 24,2 billion		(2023: 8)
EUR)	Total Number Realized with TETS	
	Members	Amount of Sales via TapuTakas Systen
Total Number of Transfers via Foreign	1.410.844	1.351.602.899 TL
Currency Payment Transfer	(2023: 1.743.513)	(2023: 765.621.733 TL)
40.354 (USD). 10.750 (EUR)		
(2023: 38.000 (USD). 7.261 (EUR))	Trading Volume via TETS Members	Number of Sales via TaşıtTakas Syster
	17.61 trillion TL	303.249
Total Amount transferred via Local Currency Payment Transfer	(2023: 10,06 trillion TL)	(2023: 2.243)
155,72 trillion TL (2023: 77,7 trillion TL)	Number of Members in the Precious Metals Transfer System	Amount of Sales via TaşıtTakas Syster 125 billion TL
	21	(2023: 1,4 billion TL)
Total Number of Transfers via Local Currency Payment Transfer	(2023: 19)	
3.029.526		
(2023: 2.796.784)		

DEVELOPMENTS IN 2024

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 2024, 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 2024.

• 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.

• Brokerage House Blockage

• 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 2024

Records, Innovations 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.

Throughout the operational year, Takasbank delivered services to 2.525 institutions and 8.412 active users. This included handling 22.403 phone calls, 68.247 e-mail notifications and routing, executing 1.354 representative identification transactions in accordance with institutions' signature circulars, and identifying 32.588 securities traded in various markets.

Member Type	No
Brokerage Houses	6:
Bank	49
Electricity Market	1.669
Other	36
Natural Gas Market	76
Pension Companies	15
Factoring Companies	47
Financial Leasing Companies	15
Financing Companies	15
Turkish Agricultural Credit Cooperatives	
Real Estate Investment Trust	35
Venture Capital Investment Trusts	26
Participation Banks	Ç
Precious Metals Brokerage Houses	78
Crowdfunding Platforms	19
Institutional Investors	13
Portfolio Management Companies	74
Insurance Companies	20
Licensed Warehouses	233
Product Market Intermediary Institution	7
Asset Management Companies	13
Investment Trust	10
Total	2.525

In 2024, 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.

DEVELOPMENTS IN 2024

The monthly breakdown of the securities deposited at Takasbank by brokerage houses and banks as provisions to be blocked for repo transactions in 2024 is provided below.

Months	Nominal (Million)
January	438.101,40
February	876.224,79
March	866.668,19
April	795.878,86
May	1.006.645,55
June	793.679,99
July	1.074.075,39
August	938.509,24
September	1.139.881,14
October	1.327.660,98
November	1.388.939,91
December	1.525.178,78

As of 31/12/2024, the total amount of collaterals held in custody at Takasbank on behalf of the CMB is 4,32 million TL; and their breakdown by collateral types is provided in the table below.

Type of Collateral	Market Value (TL)
TL	3.292.976,02
Government Bonds	10.144,80
Letter of Guarantee	1.017.200,00
Total	4.320.320,82

Within the purview of Fund Valuation and CMB reporting service, the total size of funds for collective investment schemes (including mutual funds, private pension mutual funds, and investment trusts) experienced a record growth of 149%, reaching 6.380 billion TL. The size of mutual funds increased by a record-breaking level of 171% reaching 4.118 billion TL while the size of private pension mutual funds increased by 62% reaching 1.226 billion TL. The size of venture capital investment funds increased by a record-breaking level of 94% reaching 246 million TL while the size of real estate investment funds increased by a record-breaking level of 100% reaching 151 million TL. The size of exchange traded funds increased by 67% in comparison with 2023. As of 31 December 2024, services were provided to 2.925 collective investment institutions by an increase of 20%. Real Estate Investment Funds Communiqué and Venture Capital Investment Funds Communiqué were amended so that it was enabled for relevant funds to be established under umbrella funds and project real investment funds to make project investments. Necessary regulatory changes were implemented in the system within the scope of Communiqué amendments and Investment Funds Guideline amendments. The request, submitted by Takasbank for daily reference/indicator price calculation, announcement, and notification for funds that announce prices in certain intervals, was received favorably by the Capital Markets Board and the request in question took effect as of 02/01/2025.

A study was conducted with Capital Markets Board Corporate Investors Department experts on various transactions pertaining to real estate / venture capital funds, notifications made by members within the scope of Fund Valuation and Reporting to the CMB Service, and legislative changes and their impacts.

Fund Type	Units	Fund Total Value (Million TL)
Pension Fund	383	1.225.943,80
Mutual Fund	1.835	4.118.340,22
Real Estate Mutual Fund	213	151.073,06
Real Estate Investment Trust	48	529.502,13
Exchange-Traded Fund	23	107.828,59
Venture Capital Mutual Fund	413	245.970,83
Investment Trust	10	1.702,76
Total	2 925	6 380 361 37

SUSTAINABILITY AND CLIMATE EFFORTS

FINANCIAL REPORTS AND ANNEXES

As of 31/12/2024, there are 169.490 accounts opened at the ICC by 79 investment institutions; and there are cash and capital market instruments in the amount of approximately 277 million TL held in such accounts.

In 2024, Takasbank served as the first and only custody authority for a total of 27 crowdfunding platforms, 18 of which were listed by the Capital Markets Board (CMB), solidifying its position in Türkiye's newest organized investment system.

The number of virtual POS service providers, used for credit card payments, was increased to two within the scope of Crowdfunding Escrow Agent Service and members were enabled to work with alternative payment institutions.

Objectives

• Continuing to provide uninterrupted service

STRATEGY, VALUE CREATION AND

STAKEHOLDER RELATIONS

- · Ongoing development and regulation activities to increase the effectiveness of the services provided
- Making developments and improvements in the systems in line with the requests to be received from members
- Adding new alternative payment institutions to the system for credit card payments
- Adding the Membership Collateral process to the system within the scope of Crowdfunding Escrow Agent Service

Key Indicators		
Number of LEI Codes allocated by Takasbank	Account Agreements Signed 706	Number of Successful Campaigns in the Crowdfunding Escrow Agent
895	(2023: 526)	Service
(2023: 941)		34
	Number of Institutions whose Account	(2023: 61)
Number of ISIN Codes allocated by	Relationships were terminated	
Takasbank	31	Raised Amount of Funds in the
51.647	(2023: 17)	Crowdfunding Escrow Agent Service
(2023: 36.886)		394.947.426 TL
	Number of Data Vendors Provided with Data	(2023: 767.191.379 TL)
	11 Receivers, 10 Sub-receivers	
	(2023: 12 Receivers, 6 Sub-receivers)	

Project Status Summary:

Project Portfolio	Number of Projects Completed in 2024	Number of Ongoing Projects at the End of 2024	Number of R&D Projects Completed in 2024	Number of Ongoing R&D Projects at the End of 2024
Business Development	16	15	2	10
Corporate Development	1	0	0	0
IT Infrastructure Development	19	17	3	3
Total	36	32	5	13

Major Business Development Projects

Project for Blocked Operation of the Equity Repo Market

While assets subject to equity repo transactions used to be kept in free accounts of members and funds from value date 1 to value date 2, within the scope of this project, as a result of joint efforts with Takasbank, Borsa İstanbul and CRA, it was ensured that assets arising from equity repo transactions were kept in blocked accounts instead of free accounts from value date 1 to value date 2. Besides, equity reverse repo transactions performed on behalf of the fund were kept in more secure accounts in order to prevent misuse of such assets by the members. Thus, it was aimed to increase the volume of equity-based reverse repo transactions of funds, and it is expected to have a positive impact on fund investments thanks to the increased confidence of investors in funds.

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

This project aims to integrate performance guarantees used in electronic tenders into Takasbank Public Collateral Management System, as both e-guarantee letters and surety bonds, transferred to the Accounting System. Scope, cost, and planning studies regarding the project were carried out and necessary developments were completed in 2023. Acceptance tests were completed successfully in the first month of 2024 and the project was implemented on live environment in line with the approval of Public Procurement Authority, General

Directorate of Accounting of the Ministry of Treasury and Finance of the Republic of Türkiye, Credit Bureau, Insurance Information and Surveillance Center, and TÜBİTAK.

BEFAS - Assignment Project (Assignment of PPS Savings in Favor of Banks)

"BEFAS – Assignment Project" enabled participants in the Private Pension System to utilize loans by assignment of all or a part of their claims, arising from private pension contracts (excluding state contributions), to banks under assignment of claim agreements. Analysis and development studies regarding the project were completed and implementation started in 2024.

CCP - VIOP Transactions

As part of central counterparty controls, 19 VIOP-specific reports are planned to be prepared. Scope and analysis studies were completed in 2023, while developments were completed and the project was implemented in 2024.

Public Collateral Management Project - Phase 3 (UBL Integration of Surety Bonds)

It was aimed to convert surety bonds, which are currently transferred in XML format to Takasbank Public Collateral Management System, into UBL format and to integrate these to Takasbank system; thus, to transfer surety bonds to Accounting System as well. Analysis and developments of the project were completed in 2024. Integrated tests with the Insurance Information and Surveillance Center and

the General Directorate of Accounting were carried out successfully and the project was implemented.

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. Project developments were made, acceptance tests were completed successfully, and the project was implemented in 2024.

E-Vedo T+1 Opening and Closing Method Change Project

The project will change existing E-Vedo opening and closing method as "Opening > Update > Collateralization > Valuation > Closing", and it will be ensured to have file updates finalized successfully. Joint efforts were made with CRA under the project, and the project was implemented in 2024 upon completion of development and testing.

Global Custody SWIFT Integration Project (Account, Tax, Collateral, and Treasury Transactions)

Within the scope of development of global custody service of the Bank, it was aimed to eliminate existing operational setbacks, improve processes, manual maintenance of which could pose serious operational risk, based on transaction type and total volume increase, fulfill the needs of increasing number of members due to transaction volume, add modules for opening/closing correspondent bank accounts, tax

certifications, and collateral actions. The project was completed and implemented in 2024.

Changing the Algorithm of RM Backtest Batch

The project aimed to change the algorithm and functioning of Backtest Batch pursuant to the international legislation (CPMI-IOSCO principles and EMIR regulations), and to update retrospective data according to the latest method. Analysis, development, and tests were completed in 2024 and the project was implemented.

VIOP Risk Limit Control Project with New Risk Hourly Batch - Phase 2

The project will enable performance of account-based limit calculation procedures to be carried out in VİOP in 60-minute periods and updates will be made according to the values calculated on PTRM side from 8:30 AM to 6:30 PM during the day thanks to the scheduled task to be developed in BISTECH risk management module. Thanks to calculation of limits on an account basis and guidance of PTRM, a decision mechanism will be established for whether PTRM module will take action if determined accounts are restricted by limits. Analysis and developments of the project were completed in 2024 and testing process is ongoing.

Trading BiGA in the Exchange Project

The project aimed to have BiGA asset used in transactions between member banks in Borsa İstanbul Precious Metals Market. Thus, member banks can meet their BiGA needs through Borsa İstanbul systems. Project analysis, development, and test studies were completed in 2024.

Project for Accommodation of Interest Accrual Process with the Principles of Participation-Based Islamic Finance

This project involves adding the option "I want profit shares" in line with the principles of participation-based Islamic finance to the current "I want interest" and "I do not want interest" in the accrual process of collaterals, and development

of this infrastructure. Project analysis, development, and testing stages were completed and the project was implemented in 2024.

Project for Blocked Storage of Securities Preferred Repo Market

Within the scope of the project, it was aimed to store securities under blockage in the account of the reverse repo holder in the Securities Preferred Repo Market. Project analysis, development, and testing stages were completed and the project was implemented in 2024.

Receiving Collaterals with Assignment Agreement Instead of Cash Loan Pledge Agreement

Collaterals, received for loans allocated under Cash Credit service, are currently received with pledge agreements. The project aimed to convert pledge messaging structure into assignment with a view to taking possession as Takasbank with an assignment agreement instead of pledge agreement. Analysis, development, and testing studies were completed and the project was implemented in 2024.

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

In 2023, a service protocol with TÜRİB was signed on 20 September 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. Studies were carried out with both CRA and TÜRİB business and technical teams throughout the project and developments and functional tests were completed in 2024. Several proof tests, including performance testing with project stakeholders, were carried out and the project was made available for transition. It is planned to implement the project in the first month of 2025.

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 Nasdag, 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. In 2024, last proof tests were carried out with ADX business units before transition to live environment, and it was scheduled to commission the project in the first month

Takaschain Retail Wallet Project

The project aimed to develop features to store and transfer assets, created on "Takaschain" infrastructure, in mobile wallets of retail users at their own discretion. Project analysis, development, and tests were completed in 2024 within the scope of the R&D studies.

Smart Software Solutions to Distortions in Yield Curve Project

The project was aimed at identification of anomalies in the yield curve, generated for the purpose of risk calculations, caused by price inputs forming the curve, suggestion of input prices that may solve the issue by the software, and optimal drawing of the yield curve using prices generated by the software upon approval by authorized units. Project analysis and development studies continued in 2024. The project is planned to be implemented in 2025.

INFORMATION TECHNOLOGIES, PROJECT DEVELOPMENT AND RELATED ACTIVITIES

KMTP BISTECH Clearing and Settlement **Processes Improvement Project - Phase 1**

The project was intended for making developments and improvements with a view to reduce operational risks, increase user satisfaction, and ensure cost reduction in clearing and settlement processes of Borsa İstanbul Precious Metals Market. In 2024, the project was divided into stages, and analysis and development efforts were launched for the first phase. The project is planned to be implemented in 2025.

Public Collateral Management Phase 4 Surety Bonds Template and PDF Change **Project**

It was planned to change template and PDF layout of electronic surety bonds upon request of the Public Procurement Agency. This request, monitored as a project, was launched in 2024, analyses and developments were completed, and testing stage was reached. Studies with the Insurance Information and Surveillance Center and the General Directorate of Accounting are ongoing, and the project is planned to be implemented in the third quarter of 2025.

Electronic Reference Letters Management Project (Ministry of Environment, **Urbanization and Climate Change of the** Republic of Türkiye)

It was aimed within the scope of the project to transfer and manage the reference letters, received by the Ministry of Environment, Urbanization and Climate Change of the Republic of Türkiye from building inspection firms, to Takasbank system. Scope, cost, and analysis studies for the project were completed in 2024 and the development process is ongoing. The project is planned to be implemented in the first quarter of 2025.

Ministries Collateral Management Project

The Project aimed to include non-tender electronic letters of guarantee, received by Ministries, in "Takasbank Public Collateral Management Platform". In the first stage, letters of guarantee, to be received by the Ministry of Agriculture and Forestry of the Republic of Türkiye for tobacco products, were included in the scope. Scope, cost, and analysis studies for the project were completed in 2024 and the development process is ongoing. The project is planned to be implemented in the second quarter of

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 2024, Takasbank underwent an external audit to validate the ISO 27001 Information Security Management System Certificate, ensuring the effectiveness of Information Security Management System (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 2024, 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, 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. In 2024, collaborative security efforts continued increasingly within Borsa İstanbul Group. The bank sustained its 24/7 monitoring of security incidents. consistently implementing refined integrations to take prompt and effective actions in response.

In 2024, 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.

Takasbank Furthermore. 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, additional licenses were procured for the "Attack Simulation and Security Verification Product", procurement. deployment, and commissioning processes of which were completed, continuing to fortify security products against dynamic and evolving threats.

Maturity of data security processes was increased and security monitoring and identification processes were improved with the "Database Activity Monitoring Product", procurement, deployment, and commissioning processes of which were completed in 2024.

The Information Security Committee held two meetings in February and December, reviewing information security activities and presenting relevant decisions for Committee 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

Regulation audits management, business continuity and accessibility management, ISO certifications compliance management, finding action follow-up, continuous improvement management, information systems quality management processes are operated within the scope of Takasbank information systems process and quality activities.

Takasbank continued to uphold business continuity and IT service management activities under ISO 22301 and ISO 20000 Standards, maintaining a cycle of planning, implementation, measurement, and improvement throughout 2024. 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.

As with every year, independent external audits were performed on Takasbank's information systems in 2024 pursuant to the statutory regulations applicable to the bank and the ISO certificates that it holds. These activities not only confirmed compliance of processes and operations, conducted within the scope of information systems, with good practices, legal regulations, and standards, but also provided substantial inputs this year, as in previous years.

IT Infrastructure Activities

Existing server inventory and capacity was increased and renewed in 2024. Data storage and data backup infrastructures were renewed. Physical DDoS installations and e-mail secure gateway device renewals were made to fortify measures against cyber attacks. Banking database servers were renewed and a higher performing data processing infrastructure was provided to the Bank.

R&D Center Management

Takasbank, operating as an "On-Site R&D Center" since 20 April 2017, concluded a total of 5 R&D projects in 2024, including the "TVSCHAIN Cryptological Structure Development Project", "TVSCHAIN Infrastructure Improvement Project". "BISTECH CL Multi Partiton Project", "Project for Blocked Operation of the Securities Preferred Repo Market and Equity Repo Market", and "Trading BiGA in the Exchange Project".

As listed below, there are 13 ongoing R&D projects that have been in progress by the end of the year:

- "Java 17 Upgrade Project",
- "Takaschain Retail Wallet Project",
- "Digital Asset Custody Project",
- "Firewall Rule Automation Project",
- "Bank Reference Letters Management
- "Shifting Equity Market Clearing and Settlement Transactions to T+1 Project",
- "TÜRİB Technological Transformation Clearing, Settlement, Risk and Collateral Management",
- "Single Collateral Pool Project (BISTECH Equity Market Historical Simulation Risk Calculation Project)",
- "Ministries Non-Tender Collateral Management Project"
- "Smart Software Solutions to Yield Curve Distortions",
- "Electricity Market Distribution System Clearing and Collateral Management Project",
- "Immovable Collateral Management System Project" and
- "VİOP Risk Limit Control Project with New Risk Hourly Batch - Phase 3"

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

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 eight employees have benefited from such grants within the year 2024.

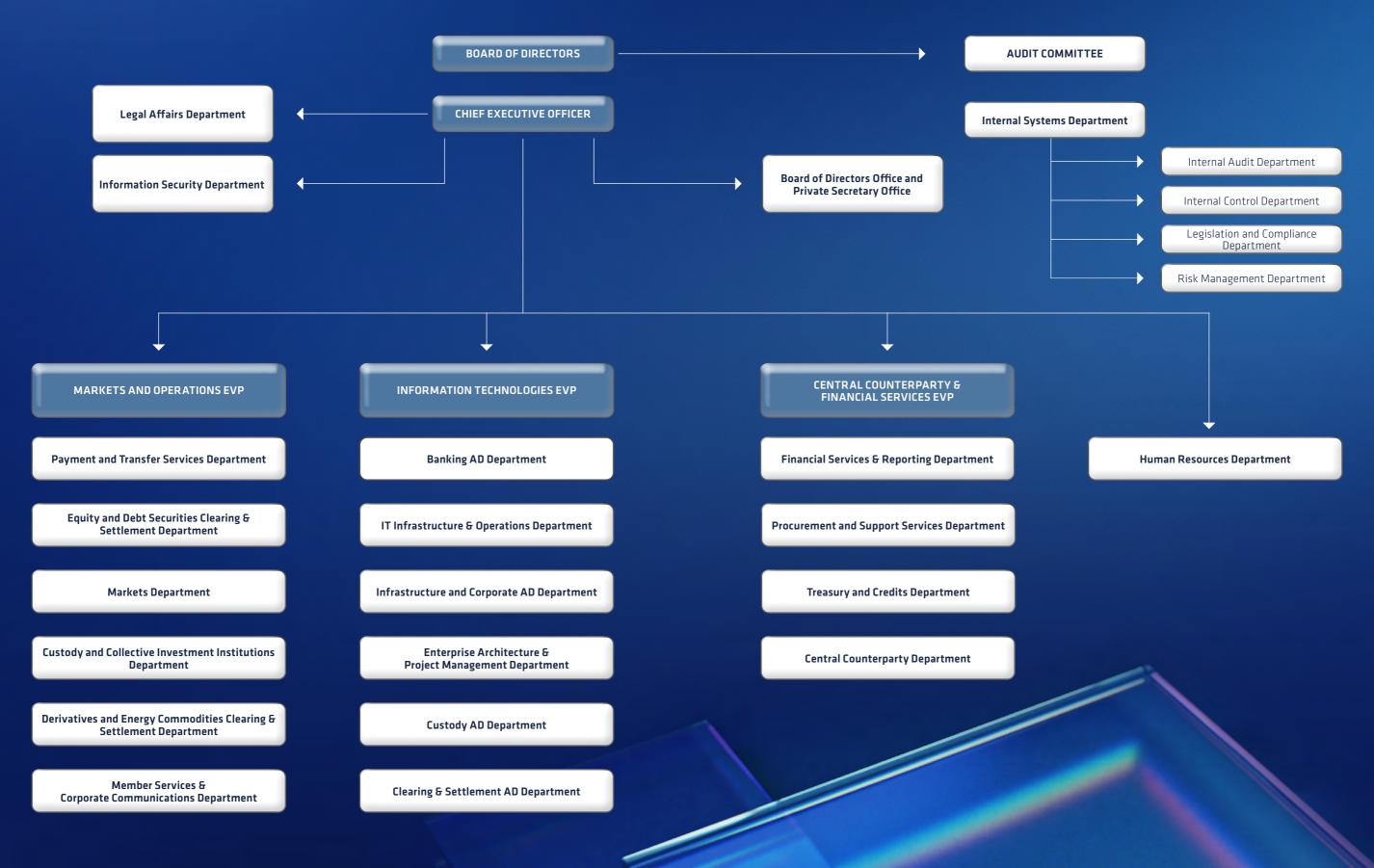
TAKASBANK, IN ALIGNMENT WITH ITS COMMITMENT TO SUSTAINABLE AND RESPONSIBLE SERVICE, EMBRACES A GOVERNANCE STRUCTURE THAT PRIORITIZES TRANSPARENCY AND ACCOUNTABILITY, ADHERING TO PRINCIPLES OF CORPORATE GOVERNANCE AND BANKING ETHICS.

CORPORATE GOVERNANCE

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ORGANIZATION CHART OF THE BANK

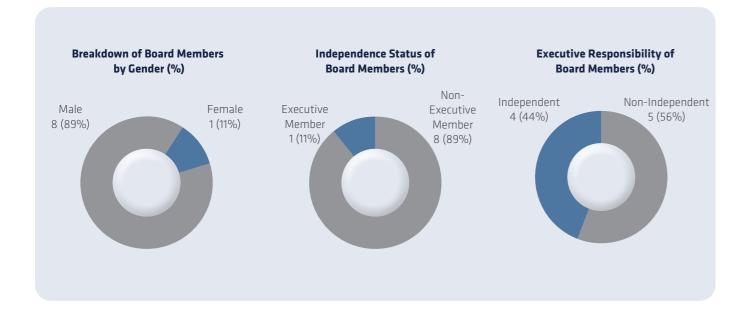


BOARD OF DIRECTORS

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.
- **Y** means that the person is a substitute member of the relevant committee.









Mahmut KAYACIK, Ph.D. 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 Kızılay 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, Mahmut KAYACIK, Ph.D. 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 Honor 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.



FINANCIAL REPORTS AND ANNEXES

Korkmaz ERGUN Vice Chairman of the Board of Directors

Korkmaz ERGUN received his bachelor's degree at Ankara University Faculty of Political Sciences, Department of Business Administration in 1997 and started his career at Borsa Istanbul in the same year. He completed his master's degree in the Department of Economics at Marmara University. Having 28 years of experience in the Stock Exchange business and Capital Markets, Mr. ERGUN administered the evaluation of the public offering of numerous companies and examination and market activities of the traded companies. Mr. ERGUN is also the Borsa İstanbul A.Ş. CEO and Board Member. Mr. ERGUN 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

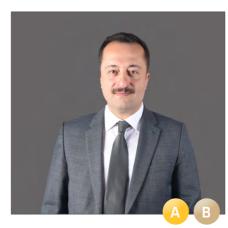
TAKASBANK OVERVIEW PERFORMANCE IN 2024 CORPORATE GOVERNANCE STRATEGY, VALUE CREATION AND SUSTAINABILITY AND CLIMATE EFFORTS FINANCIAL REPORTS AND ANNEXES STAKEHOLDER RELATIONS

BOARD OF DIRECTORS



Yunus ARINCI, Ph.D. CEO and Member of the Board of Directors

Yunus ARINCI, Ph.D. was born in Kumru district of Ordu province in 1975. He completed his primary, middle, and high school education in Ordu/Kumru. Having graduated from Ankara University Faculty of Political Sciences Department of Public Administration, he also studied Sociology in Anadolu University as his second academic program. He started his professional life in 1997 as an Assistant Inspector in the Prime Ministry. He was promoted to Inspector in 2000 and Chief Inspector in 2007. In 2007, he assumed the position of Department Head for one year in the Scientific and Technological Research Council of Türkiye. He was appointed as the Head of Inspection Board of the Prime Ministry on 14 October 2009. He served in the position of Presidential State Supervisory Board Chairman from his appointment on 13 July 2015 to 7 June 2024. He assumed the roles of Audit Committee Member in Vakıfbank. Board Member in Erdemir, and Corporate Management Committee Chairman in Erdemir. He was elected as Board Member and Deputy Chairman in the General Assembly meeting of Borsa İstanbul held on 31 October 2016. He represented Türkiye in numerous international meetings. He led several national and international projects and conducted significant researches. He served in IMF as a representative of our country. ARINCI, having completed his Master's degree in Indiana University Public Administration program in 2009, received his PhD from Ankara Hacı Bayram Veli University Politics and Public Management. He has been serving as Takasbank CEO and Board Member since 7 June 2024. Yunus ARINCI, Ph.D. speaks English. He is married and he has three children.



Bilal ŞENTÜRK

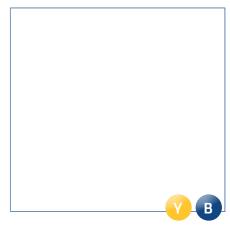
Member of the Board of Directors

Bilal ŞENTÜRK, born in 1972 in Çaykara/ Trabzon, graduated from Ankara University, Faculty of Political Sciences, Department of Public Administration in 1995. He completed his master's degree in Public Administration, Faculty of Political Sciences, Ankara University, in 1999. He began his public service in 1996 as a Samsun District Governor Candidate. He served as District Governor in Düzce-Yığılca, Sivas-Doğanşar, Afyonkarahisar-Şuhut, Bitlis-Ahlat and Yalova-Termal districts between 2000-2012; as Branch Manager at the Ministry of Interior General Directorate of Provincial Administration between 2012-2013; as Deputy Minister's Private Secretary between 2013-2014; as Head of Department at the General Directorate of Personnel between 2014-2015; as a Member of the Presidential State Supervisory Board between 2015-2016; as General Director of Personnel at the Ministry of Interior between 2017-2018 and as Governor of Bilecik between 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. He was elected as a member of the Takasbank Board of Directors on August 3, 2023.



Hasan YILDIRIM Member of the Board of Directors

Hasan YILDIRIM, born in 1977 in Sakarya, graduated from Akyazı High School in 1994 and received his bachelor's degree from Ankara University Faculty of Political Sciences Public Administration Department in 2000, followed by his master's degree in Public Policy at Indiana University in the United States of America from 2008 to 2010. He served in positions of Assistant Tax Inspector in the Ministry of Finance, Prime Ministry Assistant Specialist and Prime Ministry Specialist in the Prime Ministry Directorate General for Laws and Decrees, Decisions Department Head in the Secretariat General of the Presidency General Directorate of Law and Legislation. Hasan YILDIRIM, who was appointed to his current role as the Secretariat General of the Presidency Security Affairs General Director on 04/10/2024, was elected as a Takasbank Board Member on 15 November



Muhsin ATCI Member of the Board of Directors

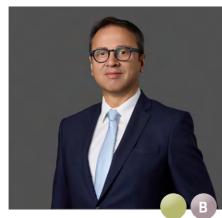
He was born in Ereğli in 1979. He graduated from Istanbul University, Faculty of Political Sciences, Department of Public Administration, and pursued his Master's degree in Development Policy at Duke University, USA, graduating in 2014. He is currently working on his PhD at Ankara Hacı Bayram Veli University in the Department of Finance. He started his professional career in 2003 as an Assistant Tax Inspector and was appointed as a Trainee Revenue Controller in 2005, a Revenue Controller in 2008. In 2010, he served as Deputy Head of Administrative and Financial Affairs Department, and with the establishment of the Tax Audit Board Presidency in 2011, he was appointed as a Tax Inspector. 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.

BOARD OF DIRECTORS





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 Türkiye Capital Markets Association (TCMA) on 4 September 2020, and re-elected as the Member of Takasbank Board of Directors on 28 April 2022.



Murat TACIR

Member of the Board of Directors

Murat TACİR, born in Istanbul in 1970, completed his 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 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. TACİR 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 June 2022.



STRATEGY, VALUE CREATION AND

STAKEHOLDER RELATIONS

Prof. Dr. Münevver ÇETİN

Member of the Board of Directors

Prof. Dr. Münevver 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 (2002-2022) 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 behavior courses and she also managed postgraduate theses on these topics at Beykent University Institute of Social Sciences, Doğuş University Faculty of Economics and Administrative Sciences, and Maltepe University Faculty of Economics and Administrative Sciences. She taught strategic planning, organizational behavior, 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 Marmara University (2005). She still teaches at the School of Banking and has been a Member of the Board of Directors for 20 years. She received the title of Professor in 2006. 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. ÇETİN was re-elected as a Member of Takasbank Board of Directors on 28 April 2022.

SENIOR MANAGEMENT

TAKASBANK OVERVIEW

	Name and	Daritian.	Area of	Education	Hadanada.	Es sulto:	Barratan		Professional Experience								
	Surname		Responsibility	Education	University	Faculty	Department —	Years	Institution	Position							
				Bachelor's (BSc/MA)	Ankara	Political Sciences	Public Administration	1997 2015	Prime Ministry of the Republic of Türkiye	Assistant Auditor Auditor Chief Auditor Head of Inspection Board of the Prime Ministry							
96)		CEO						2007	Scientific and Technological Research Council of Türkiye	Department Head							
	Yunus	Member of		Bachelor's (BSc/MA)	Anadolu	Sociology	Sociology	2010 2020	Vakıfbank	Audit Committee Member							
	ARINCI, Ph.D.	the Board of Directors		(B3C/NIA)				2016 2023	Borsa İstanbul	Member of the Board of Directors							
				Master's (MSc/MA)	Indiana	Public Administration	Public Administration	2015 2024	Republic of Türkiye Presidential State Supervisory Board	Chairman							
				Doctorate (PhD)	Ankara Hacı Bayram Veli	Politics and Public Man.	Public Administration	2024 Present	İstanbul Takas ve Saklama Bankası A.Ş.	CEO							
	Goknan Vice					Bachelor's (BSc/MA)	Ankara	Political Sciences	Finance	2006 2006	Ministry of Finance	Tax Inspector					
		Executive Vice President	Markets and e Operations	Operations Bac							Bachelor's				2006 2016	BRSA	Assistant Sworn-in Bank Auditor Sworn-in Bank Auditor
					(BSc/MA)	RAVIZANT	Law	Law —	2016 Present	İstanbul Takas ve Saklama Bankası A.Ş.	Executive Vice President						
		Executive Vice President	Lounter-Party and Financial	Bachelor's (BSc/MA)	METU	Economics & Administrative Sciences	International Relations	1997 1998	Sümerbank	Corporate Marketing Assistant Specialist							
2								1998 2001	Etibank	Inspection Board - Authorized Assist. Inspector							
	Murat GÖRGÜN					Danking C		2001 2009	İstanbul Takas ve Saklama Bankası A.Ş.	Inspection Board – Chief Inspector							
	GURGUN			Master's (MSc/MA)	Marmara	Banking & Insurance Institute	Banking	2009 2011	İstanbul Takas ve Saklama Bankası A.Ş.	Risk Management – Unit Manager							
AKE				, : / · · · · /		mstitute		2011 2021	İstanbul Takas ve Saklama Bankası A.Ş.	Financial Services & Reporting DeptDirector							
								2021 Present	İstanbul Takas ve Saklama Bankası A.Ş.	Executive Vice President -Central Counter-Party and Financial Services							
25								1998 2000	Siemens Business Services Siemens A.G	System Administrator							
		K //ICE	Information Technologies	Bachelor's ; .	İstanbul	Enginooring	Electrical Electronics Engineering	2001 2016	İstanbul Takas ve Saklama Bankası A.Ş.	Service Manager							
	TAŞKIII ÜNER			(BSc/MA)	ISLAIIUUI	Engineering		2016 2020	İstanbul Takas ve Saklama Bankası A.Ş.	Director							
1								2020 Present	İstanbul Takas ve Saklama Bankası A.Ş.	Executive Vice President							

TAKASBANK OVERVIEW PERFORMANCE IN 2024 CORPORATE GOVERNANCE

STRATEGY, VALUE CREATION AND SUSTAINABILITY AND CLIMATE EFFORTS STAKEHOLDER RELATIONS

DIRECTORS

Emre ERHAN

IT Infrastructure & Operations Department

Emre KOÇBEY

Custody & Collective Investment Institutions Department

Faruk Selman LEKESİZ

Infrastructure & Corporate AD Department

Hasan DEMİRCAN

Clearing & Settlement AD Department

Hasan Hilmi YAVUZ

Legal Affairs Department

İbrahim BEKTAŞ

Purchasing & Support Services Department

İlker KUŞCU

Custody AD Department

Metin KÜLÜNK

Member Services and Corporate Communication Department

Muhterem ÇELİK

Equity and Debt Securities Clearing & Settlement Department

Nesrin ÖZKURT

Derivatives & Energy Commodities Clearing & Settlement Department

Niyazi Burak AKAN

Central Counterparty Department

Okan BAYKAL

Internal Systems Department

Oya DEMİRDAĞ

Financial Services & Reporting Department

Semanur CERRAHOĞLU

Treasury and Credits Department

Zehra Zeynep ÖÇAL

Markets Department

DEPARTMENTS UNDER INTERNAL SYSTEMS

Name and	Docition	Area of	Education	Halverstee	Escultur	Donautonaut	Professional Experience		
Surname	Position	Responsibility	Education	University	Faculty	Department	Years	Institution	Position
							2011 2017	Albaraka Türk Katılım Bankası A.Ş.	Assistant Auditor, Auditor
Okan	Director	Internal Systems Department	Bachelor's	Gazi	Faculty of Economics and	Business	2017 2022	Albaraka Portföy Yönetimi A.Ş.	Internal Systems Department Manage
BAYKAL	Birector		(BSc/MA)	Guzi	Administrative Sciences	Administration	2022 Present	İstanbul Takas ve Saklama Bankası A.Ş. Internal Systems Department	Director
			Bachelor's (BSc/MA)	Hacettepe	Faculty of Science and Letters	Statistics	2008 2013	Republic of Türkiye 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	Master's (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
	Department Manager	Lontrol	Bachelor's (BSc/MA)	METU	Faculty of Economics and Administrative 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			Bachelor's (BSc/MA)	Bahçeşehir	Faculty of Law	Law	2019 2021	Türkiye Halk Bankası A.Ş. Treasury Management Department	Senior Specialist
ERDUĞAN							2021 2022	İstanbul Takas ve Saklama Bankası A.Ş. Internal Audit Unit	Chief Auditor
							2022 Present	İstanbul Takas ve Saklama Bankası A.Ş. Internal Control Unit	Service Manager
			Bachelor's (BSc/MA)		Faculty of Economics and Administrative Sciences	Business Administration	2004 2005	İnan Plastik Makineleri Ltd.	Foreign Trade Specialist
							2005 2006	Gülaylar Kuyumculuk A.Ş.	Finance Specialist
Kenan DEDE	Department Manager						2015 2018	KT Portföy Yönetimi A.Ş.	Internal Control, Legislation & Risk Manager
5252		nager Compliance Unit	Master's (MSc/ MA)	Bahçeşehir	Institute of Social Sciences	Capital Markets & Finance	2018 2022	İstanbul Takas ve Saklama Bankası A.Ş. Internal Control & Compliance Unit	Service Manager, Deputy Director
							2022 Present	İstanbul Takas ve Saklama Bankası A.Ş. Legislation and Compliance Unit	Service Manager
Mustafa Mert ÖZDİLER	Department	Risk	Bachelor's (BSc/MA)	Gazi	Faculty of Science and Letters	Statistics	2008 2014	Republic of Türkiye Ziraat Bankası A.Ş. Head of Internal Control & Risk Management Dept.	Assistant Specialist, Specialist
	Manager	Management	Master's (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

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



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STRUCTURE AND FORMATION OF THE BOARD OF DIRECTORS

Definitions

Senior Management: means the Board of Directors and Senior Management of the Bank

Top 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. Meetings may be held more frequently if 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 Takasbank's Articles of Association has held 18 meetings in 2024

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.

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.

No borrowing-lending or surety or security relationships have been created with any of the Board Members and Executive Managers in 2024.

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

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.

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

In the fiscal year of 2024, independent audits have been conducted at Takasbank by the PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.

TAKASBANK OVERVIEW PERFORMANCE IN 2024 CORPORATE GOVERNANCE

STRATEGY, VALUE CREATION AND STAKEHOLDER RELATIONS

COMMITTEE STRUCTURES

Details of eleven 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, are as follows. 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.

COMMITTEES FORMED UNDER THE **BOARD OF DIRECTORS**

Audit Committee

Members

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

Committee (Member of the Board of Directors)

Meeting Frequency

At least once a month

Information on Participation in Meetings

In 2024, 13 meetings were held with the participation of the Chairperson and Member of the Audit Committee.

Duties, Powers and Responsibilities

Audit Committee is authorized for and 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,
- Overseeing whether the internal audit system covers the Bank's existing and planned activities and risks associated with such activities,
- · Reviewing internal audit plans,
- Monitoring the independent and impartial performance of auditors,
- 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,
- · Evaluating the presence of methods, tools, and implementation procedures required to identify, measure, monitor, and control the risks carried by the Bank,
- Setting up the audit and control process to provide necessary assurance on the adequacy and accuracy of the ICAAP (Internal Capital Adequacy Assessment

Yunus ARINCI,

Hasan

Credit Committee

(CEO and Member of the

Members Chairman

Board of Directors)	FII.D.
Permanent Member	
(Member of the Board of	Murat ONUK
Directors)	
Permanent Member	
(Member of the Board of	Bilal ŞENTÜRK
Directors)	
Substitute Member	
(Member of the Board of	Muhsin ATCI

(Member of the Board of YILDIRIM Directors)

Meeting Frequency

Substitute Member

Occasional

Directors)

Duties, Powers and Responsibilities

• Credit Committee is responsible for allocation of credit limits pursuant to the Banking Law and related legislation and within the framework of the authorization granted by the Board of Directors. On the other hand, credit limits allocated by the Bank are decided by the Board of Directors

Corporate Governance Committee

Members

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

Meeting Frequency

Minimum once a year

Information on Participation in Meetings

In 2024, 2 meetings were held with the participation of the Chairperson and Member of the Corporate Governance Committee.

Duties, Powers and Responsibilities

Corporate Governance Committee is liable:

- 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 such 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 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.

Remuneration Committee

Members

Chairperson of the Remuneration Committee Muhsin ATCI (Member of the Board)

Member of the Remuneration Committee YILDIRIM (Member of the Board)

Meeting Frequency

Minimum once a year

Information on Participation in Meetings

In 2024, 3 meetings were held with the participation of the Chairperson and Member of the Remuneration Committee.

Duties, Powers and Responsibilities

Remuneration Committee is liable,

- · 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 objectives,
- · Reviewing the remuneration policy and presents the results in the form of a report to the Board of Directors at least once a year,
- · 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.

Risk Committee

Members

Chairperson of the Risk Committee Murat TACIR (Member of the Board of Directors)

Prof. Dr.

SUSTAINABILITY AND CLIMATE FFFORTS

Member of the Risk Committee (Member of the Board of

Münevver CETIN Directors)

Meeting Frequency

Biannually (twice a year)

Information on Participation in Meetings

In 2024, 2 meetings were held with the participation of the Chairperson and Member of the Risk Committee.

Duties, Powers and Responsibilities

Matters that might affect markets, where CCP services are offered, are discussed and matters, regarding which recommendations will be made to the Board of Directors, and the contents of such matters, such as;

- 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,
- Significant changes to collateral valuation methodologies or collateral composition,
- Significant changes to the assets accepted as collateral,
- · Stress testing results and measures to be taken in this scope,
- Significant changes to the CCP's default management policies and procedures

are resolved in the Risk Committee

COMMITTEES ESTABLISHED TO ASSIST THE BOARD OF DIRECTORS

FINANCIAL REPORTS AND ANNEXES

Information Security Committee

Members

CEODeputy General Managers Information Security Unit Service Manager Director of IT Infrastructure and Operations Department

Director of Legal Affairs Department Director of Internal Systems Department Human Resources Department Director Internal Audit Unit Service Manager Internal Control Unit Service Manager Career Planning and Performance Management Team Service Manager Legislation and Compliance Unit Service

Organization and Personnel Management Team Service Manager

Risk Management Unit Service Manager Information Systems Internal Control Officer

Meeting Frequency

At least twice a year

Information on Participation in Meetings

In 2024, the Information Security Committee held 2 meetings.

Duties, Powers and Responsibilities

Information Security Committee is responsible for the following;

- The review and approval of the information security policy, · The approval of the bank's information
- assets classification guidelines, • 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.

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STAKEHOLDER RELATIONS

COMMITTEE STRUCTURES

Information Systems Strategy and Steering Committee

Members

CFO

Deputy General Managers

IT Units Representatives

Financial Services & Reporting Dept.

Human Resources Department Director
Director of Legal Affairs Department
Director of Internal Systems Department
Internal Audit Unit Service Manager
Internal Control Unit Service Manager
Career Planning and Performance

Management Team Service Manager
Legislation and Compliance Unit Service

Organization and Personnel Management Team Service Manager

Risk Management Unit Service Manager Strategic Planning and Investor Relations Team Service Manager

Meeting Frequency

At least twice a year

Information on Participation in Meetings

The Information Systems Strategy and Steering Committee held 3 meetings in 2024.

Duties, Powers and Responsibilities

Information Systems Strategy and Steering Committee is responsible for the following;

 To monitor and oversee whether IS investments are used appropriately in accordance with Takasbank Information Systems (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.

Information Sharing Committee

Members

Director of Internal Systems Department
Director of Legal Affairs Department
Director of Member Services & Corporate
Communications Department
Information Security Unit Service Manager
Internal Audit Unit Service Manager
Internal Control Unit Service Manager
Legislation and Compliance Unit Service
Manager

Relevant Directors Regarding Information Sharing Request (Occasional)

Meeting Frequency

Occasiona

Information on Participation in Meetings

In 2024, the Information Sharing Committee held 4 meetings.

Duties, Powers and Responsibilities

Information Sharing 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 issuing an opinion on the sharing of the prepared documents.

Assets - Liabilities Committee

Members

CEO

Deputy General Managers

Director of Treasury and Credits

Department

Financial Services & Reporting Dept.

Director of Central Counterparty

Department
Director of Equity and Debt Securities

Clearing and Settlement 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
Risk Management Unit Service Manager

Meeting Frequency

The Assets – Liabilities Committee convenes every month.

Information on Participation in Meetings

In 2024, 12 meetings were held by the Assets – Liabilities Committee.

Duties, Powers and Responsibilities

Assets – Liabilities Committee is responsible for the following;

- 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.

Business Continuity Management Committee (Information Systems Continuity Committee)

Members

Business Continuity Manager

Information Systems and Critical Business Unit Representatives Determined by the Chief Executive Officer

Human Resources Department Director
Information Security Unit Service Manager
Process and Quality Team Service Manager
Internal Systems Department Managers
Director of Legal Affairs Department

Career Planning and Performance Management Team Service Manager

Organization and Personnel Management Team Service Manager

Meeting Frequency

At least once a year

Information on Participation in Meetings

In 2024, the Business Continuity Management Committee held 1 meeting.

Duties, Powers and Responsibilities

Business Continuity Management Committee (Information Systems Continuity 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.

Sustainability Committee

Members

Executive Vice President of Central Counter-Party and Financial Services

Financial Services & Reporting Dept. Director

Director of Internal Systems Department
Purchasing & Support Services Department
Director

Director of Member Services & Corporate Communications Department

Career Planning and Performance Management Team Service Manager

Legislation and Compliance Unit Service

Manager

Organization and Personnel Management

Team Service Manager Risk Management Unit Service Manager

Strategic Planning and Investor Relations

Team Service Manager

Meeting Frequency

At least twice a year

Information on Participation in Meetings

FINANCIAL REPORTS AND ANNEXES

Sustainability Committee was established in October 2024 and it held its first meeting in December.

Duties, Powers and Responsibilities

Principal tasks of the Sustainability Committee are as follows;

- Conducting efforts to determine the Bank's sustainability goals in line with the Bank's strategy and market conditions, and submitting these to approval of relevant management levels,
- Drafting action plans and submitting these to approval of relevant management levels in line with the determined sustainability goals of the Bank,
- Conducting efforts to ensure integration of sustainability into all units and processes of the bank,
- Identifying, prioritizing, and managing risks and opportunities associated with sustainability and 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.

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.

STRATEGY, VALUE CREATION AND STAKEHOLDER RELATIONS

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TAKASBANK OVERVIEW PERFORMANCE IN 2024 CORPORATE GOVERNANCE

MISSION, VISION, AND VALUES

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 posttransaction services

Values Stability Customer Orientation Effectiveness Robust Financial Structure Transparency Sustainability

STRATEGY, VALUE CREATION AND STAKEHOLDER RELATIONS

SUSTAINABILITY AND CLIMATE EFFORTS

FINANCIAL REPORTS AND ANNEXES

STRATEGY

Strong Financial Structure

Efficiency and Deepening of Markets

Strategic Goals

Digital Transformation and Operational Competency

Increasing Organizational
Efficiency and Group Synergy

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.

Strong Financial Structure

- 1- To ensure the continuity of the Bank's strong financial structure and to increase the shareholder value
- 2- To ensure the continuity of effective risk management mechanisms for the management of operational, strategic and financial risks

Efficiency and Deepening of Markets

- 3- 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
- 4- To position Takasbank as an infrastructure institution providing financial services in the fields of clearing, settlement, collateral and risk management at national and international levels

Digital Transformation and Operational Competency

- 5- To ensure sustainable customer satisfaction
- 6- To strengthen
 the technological
 infrastructure with
 local and national
 solutions and to
 lead innovations
 related with digital
 transformation as
 Takasbank and Borsa
 Istanbul Group
- 7- To provide
 innovative, efficient,
 uninterrupted,
 transparent and
 reliable services
 at international
 standards
- 8- To further
 increase expertise
 in blockchain
 technologies, and to
 expand the use of this
 technology in existing
 and new services

Increasing Organizational Efficiency and Group Synergy

- 9- To ensure the continuity of competent and trained human resources, and to keep employee satisfaction and loyalty at the highest level possible
- 10- To increase the efficiency in IT processes, and to strengthen intragroup cooperation and synchronization in business processes
- 11- To ensure adaptation to the new working models that have emerged after the pandemic

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.

STRATEGY, VALUE CREATION AND

STAKEHOLDER RELATIONS

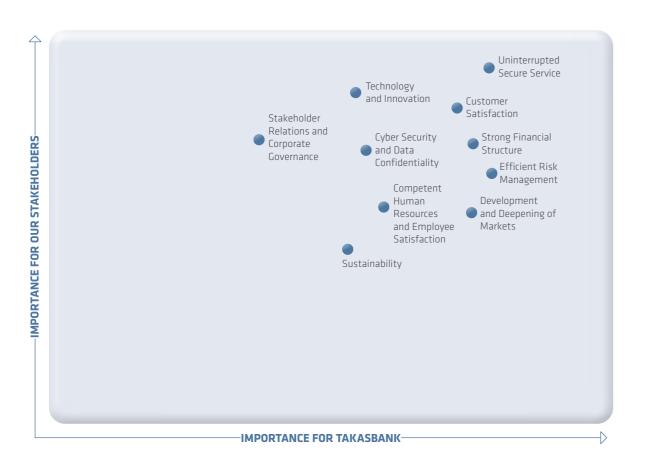
MATERIAL ISSUES

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 2024, 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 it was decided to follow the "R&D Center Activities" heading, which was available in the previous period, under the existing "Technology and Innovation" heading, and also add "Cyber Security and Data Confidentiality" and "Sustainability" headings.

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 "Cyber Security and Data Confidentiality" headings under the strategic goal of "Digital Transformation and Operational Competency", and the "Competent Human Resources and Employee Satisfaction", "Stakeholder Relations and Corporate Governance", and "Sustainability" headings under the strategic goal of "Increasing Organizational Efficiency and Group Synergy".



Stakeholder Relations and **Corporate Governance** Increasing Organizational **Efficiency and Group** Synergy Digital Efficiency and Transformation Deepening of Markets and Operational Competency Customer Satisfaction **Technology and Innovation Development and Deepening** Uninterrupted Secure of Markets Cyber Security and Data Confidentiality

STRATEGY, VALUE CREATION AND

STAKEHOLDER RELATIONS

DELATED CADITAL ELEMENT

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		
Uninterrupted Secure Service	8 HIGHT MORANGE CHAPTER SHEETER AND AND A SHEETER AND A SH		Financial Capital Social and Relational Capital Manufactured Capital		
TAKASBANK'S APPROACH	Continuing business processes in a safe and secure manner and without interruption; increasing the Bank's ability to quickly respond in case of a business interruption				

The Bank places significant emphasis on business continuity risks, recognizing that 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 2024, 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 decay work and Schooling Coloring South State Section Coloring South State Section S	Efficiency and Deepening of Markets Digital Transformation and Operational Competency	Financial Capital Social and Relational Capital
TAKASBANK'S APPROACH		mbers and relevant institutions in an environg member satisfaction by taking necessar	

requests received from members

RELATIONSHIP

MATERIAI ISSIIE

Takasbank considers the satisfaction of its members as one of the top priorities in all services it renders. 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 WITH THE STRATEGY	RELATED CAPITAL ELEMENT		
Strong Financial Structure	8 DECEMBER AND ECONOMIS	Strong Financial Structure	Financial Capital		
TAKASBANK'S APPROACH	Maintaining financial assets at the level necessary to cover the risks assumed and to fulfil the commitments given to markets and clearing & settlement members within the framework of efficient				

clearing & settlement, custody and central counterparty services provided in financial 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 2024. Takasbank maintained its successful financial performance in 2024, 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 Data Including the Report Period, "" "Takasbank Business Model, "" "Value Creation, "" "Sustainability Performance, "" and "Financial Reports and Annexes. ""

MATERIAE 1330E	WITH SDGs	RELATIONSHIP WITH THE STRATEGY	RELATED CATTIAL ELEMENT		
	8 DECENT WORK AND ECONOMIC GROWTH		Financial Capital		
Efficient Risk Management	a fi	Strong Financial Structure	Intellectual Capital		
	4111		Social and Relational Capital		
	Ensuring identific	cation, measurement, monitoring and report	ing of the risks the Bank is exposed		
TAKASBANK'S APPROACH	to, through the policies, implementing procedures and limits determined to monitor, control, and, if				
TAKASBANK S APPROACH	necessary, change the risk-return structure of the Bank's future cash flows, and accordingly, the nature				
	and level of its ac	tivities			

RELATIONSHIP WITH THE STRATEGY

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 meticulously manages its risks to stay within the minimum/maximum limits outlined in all regulations set by the BRSA, 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 the Risk Management Policies Applied by Risk Types %" in the "Strategy, Value Creation, and Stakeholder Relations %" section of the Report.

TAKASBANK OVERVIEW PERFORMANCE IN 2024 CORPORATE GOVERNANCE

STRATEGY, VALUE CREATION AND SUSTAINABILITY AND CLIMATE EFFORTS STAKEHOLDER RELATIONS

FINANCIAL REPORTS AND ANNEXES

MATERIAL ISSUES

MATERIAL ISSUE RELATIONSHIP WITH THE STRATEGY Development and Deepening of Markets RELATIONSHIP WITH THE STRATEGY RELATED CAPITAL ELEMENT Intellectual Capital Social and Relational Capital

TAKASBANK'S APPROACH development of practices; develo

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 2024, 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 "Developments in 2024 "" in the "Performance in 2024 "" section of the Report.

MATERIAL ISSUE	RELATIONSHIP WITH SDGs	RELATIONSHIP WITH THE STRATEGY	RELATED CAPITAL ELEMENT
Technology and Innovation	4 COLUMN 8 COCKING SOCIAL SOCI	Digital Transformation and Operational Competency Efficiency and Deepening of Markets	Financial Capital Intellectual Capital Manufactured Capital Social and Relational Capital Human Capital

TAKASBANK'S APPROACH

Maintaining infrastructure and R&D projects, offering innovative solutions to capital markets and national financial sector in line with Takasbank's strategy to fortify its technological infrastructure by experiencing new technologies and to monitor state-of-the-art technologies closely.

Leveraging its robust technological infrastructure, Takasbank experienced a productive 2024 marked by the successful 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. On the other hand, in 2024, within the scope of R&D center projects, "TVSCHAIN Cryptological Structure Development Project", "TVSCHAIN Infrastructure Improvement Project", "BISTECH CL Multi Partiton Project", "Project for Blocked Operation of the Securities Preferred Repo Market and Equity Repo Market", and "Trading BiGA in the Exchange Project" were completed. Additionally, ongoing efforts were directed towards thirteen other projects as of the year-end. A comprehensive overview of the major projects and activities undertaken by Takasbank in 2024 can be found in the "Information Technologies, Project Development and Related Activities" section of the Report.

MATERIAL ISSUE	WITH SDGs	RELATIONSHIP WITH THE STRATEGY	RELATED CAPITAL ELEMENT		
Competent Human Resources and Employee Satisfaction	4 00007	Increasing Organizational Efficiency and Group Synergy	Human Capital Intellectual Capital		
TAKASBANK'S APPROACH	Ensuring the development of the Bank employees and increasing employee satisfaction by developing human resources strategies in line with Takasbank's mission and objectives				

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 labor 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 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 and Climate Efforts" section of the Report.

MATERIAL ISSUE RELATIONSHIP WITH THE STRATEGY WITH SDGs Strong Financial Structure Efficiency and Deepening of Markets Increasing Organizational Efficiency and Corporate Governance RELATIONSHIP WITH THE STRATEGY Strong Financial Structure Efficiency and Deepening of Markets Increasing Organizational Efficiency and Group Synergy Social and Relational Capital Natural Capital

TAKASBANK'S APPROACH

Maintaining strong communications with stakeholders within the framework of transparency, trust and reputation and creating permanent value for all stakeholders

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 2024 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 of the Report."

MATERIAL ISSUE	RELATIONSHIP WITH SDGs	RELATIONSHIP WITH THE STRATEGY	RELATED CAPITAL ELEMENT
Cyber Security and Data Confidentiality	8 SECOND SOURCE	Digital Transformation and Operational Competency	Financial Capital Intellectual Capital Manufactured Capital Social and Relational Capital

TAKASBANK'S APPROACH

Ensuring information security against particularly cyber threats, taking proactive measures by developing effective cyber security strategies, and increasing infrastructure reliability within the complexity and variability brought along by opportunities offered by digitalization

Takasbank considers cyber security and data confidentiality to be among its material issues with a view to protect customer data and offer secure services. Accordingly, cyber security risks are monitored regularly, security vulnerability screenings are performed, and data security measures are continuously reviewed. Further details about the Bank's cyber security and data confidentiality practices can be found in the "Information Security Management Activities of section under "Information Technologies, Project Development and Related Activities of in the Report.

MATERIAL ISSUE	RELATIONSHIP WITH SDGs	RELATIONSHIP WITH THE STRATEGY	RELATED CAPITAL ELEMENT
Sustainability	4 CONTROL STATE ST	Strong Financial Structure Digital Transformation and Operational Competency Increasing Organizational Efficiency and Group Synergy	Financial Capital Intellectual Capital Manufactured Capital Natural Capital Human Capital Social and Relational Capital

TAKASBANK'S APPROACH

Maintaining the Bank's services and activities with a focus on creating high and permanent value for all stakeholders, observing long-term balance in environmental, social, and economic impact areas

Takasbank systematically evaluates the environmental, social, and economic ramifications of its activities, prioritizing the creation of sustainable value for all stakeholders. It addresses sustainable value creation not only in terms of financial performance, but also as a process that will contribute to the welfare of the society and the environment. The Bank informs its stakeholders about its activities, financial and non-financial resources used during such activities, the economic, social, and environmental outcomes of its activities, as well as its future-oriented goals and objectives by means of the integrated annual reports that it regularly publishes every year since 2022. Activities carried out by Takasbank within the scope of sustainability efforts are provided in "Sustainability and Climate Efforts "section of the Report.

TAKASBANK OVERVIEW PERFORMANCE IN 2024 CORPORATE GOVERNANCE STRATEGY, VALUE CREATION AND SUSTAINABILITY AND CLIMATE FEFORTS FINANCIAL REPORTS AND ANNEXES STAKEHOLDER RELATIONS

TAKASBANK BUSINESS MODEL

INPUTS

Financial Capital

- Asset size: 192,7 billion TL
- · Paid-in capital: 600 million TL
- · Amount of Shareholders' Equity: 13,7 billion TL
- Strong liquidity and sustainable operational profitability

Human Capital

- · Number of Employees: 442
- Transparent and performance-based career development
- · Healthy work and private life balance
- · Safe working environment
- Human resources policies that support professional and personal development
- A participative culture and effective internal communications

Intellectual Capital

- R&D activities
- Developed and owned software
- Digitalization-oriented business processes
- Strong infrastructure for information and data security
- R&D expenditures of **156,5 million TL**
- **215** R&D employees

Manufactured Capital

- Şişli building
- · 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
- Corporate social responsibility

Natural Capital

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

OPERATING ENVIRONMENT AND EXTERNAL FACTORS



OUTPUTS

Financial Capital

- Profit Before Tax: 11.615 million TL (2023: 5.034)
- Net Profit: 8.274 million TL (2023: 3.639)
- Average return on equity (ROE) 78,8% (2023: 61,7%)
- Average return on assets (ROA) 5,3% (2023: 3,5%)
- **105,9%** growth in banking service revenues (2023: 122,5% increase)

Human Capital

ERAL AND RISK MANAGEMENT SERVI

- High employee satisfaction score 82,43/100 (2023: 81,48/100)
- Training per Employee: 42 hours (2023: 41
- Female employee ratio 37,78% (2023: 40,94%)
- Rate of female employees returning to work after maternity leave: 100% (2023:
- **76** newly employed personnel (2023: 89)
- 11,18% female and 8,24% male employee turnover rate (2023: 8,48% female and 8,82% male)
- 59 short-term and 27 long-term internship opportunities for university students

Intellectual Capital

- **5** completed R&D projects (2023: 5)
- **36** completed business development, institutional development and IT infrastructure development projects (2023:
- ISO 27001, ISO 22301 and ISO 20000-1 Certificates

Social and Relational Capital

- Member overall satisfaction score 94% (2023: 92%)
- Services for 2.525 Institutions and 8.412 Active Users
- 22.403 phone calls and 68.267 e-mail notifications
- A total added value of 204,1 Million TL for social development and improvement

Natural Capital

- Desktop Computers Virtualization Project
- 2.185 saplings donated
- Zero Waste Certificate
- Reduction of the Bank's negative environmental impact through paperless banking practices

VALUE CREATED FOR STAKEHOLDERS

SHAREHOLDERS

• 1,8 billion TL dividend payments to shareholders

EMPLOYEES

- 1.435 million TL total wages and fringe benefits provided to Takasbank employees (2023: 686 million TL)
- Corporate culture pursuing equal opportunity
- Professional and personal development
- · Employee satisfaction and loyalty to the Institution
- · Opportunity to work full-time at the Bank following the "Longterm 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

- 3.679 million TL payments to tax and regulatory agencies (2023: 1.650 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

DOMESTIC AND INTERNATIONAL DEVELOPMENTS NON-BANK FACTORS STAKEHOLDER PRIORITIES

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.

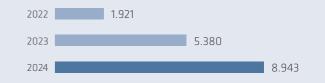
Takasbank will continue its activities with its approached focused on sustainable growth, and more importantly, adding value to the national economy, without compromising its service quality and financial performance.



ECONOMIC VALUE GENERATED BY TAKASBANK (Million TL)



ECONOMIC VALUE DISTRIBUTED BY TAKASBANK (Million TL)

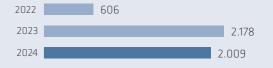








Business Administration





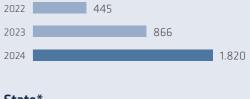


ECONOMIC VALUE RETAINED BY TAKASBANK (Million TL)

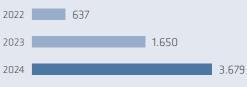


Shareholders

Employees







^{*} comprises the CMB Board Share Provisions, BRSA Participation Share, Corporate Tax, and other taxes.

TAKASBANK OVERVIEW PERFORMANCE IN 2024 CORPORATE GOVERNANCE

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.



SHAREHOLDERS

Shareholder	Ratio* (%)	Relationship with the Strategy	Material Issues	Affected Capital Element
Borsa İstanbul A.Ş.	64,18		Strong Financial Structure	
Tacirler Yatırım Menkul Değerler A.Ş.	5,00	Strong Financial Structure	Efficient Risk Management	
Phillip Capital Men. Değ. A.Ş.	5,00		Lincient Kisk Management	_ Financial Capital
Türkiye Garanti Bankası A.Ş.	4,95	Efficiency and Deepening of	Development and Deepening	
Yapı Kredi Yat. Men. Değ. A.Ş.	4,38	Markets	of Markets	Social and Relational — Capital
Türkiye İş Bankası A.Ş.	4,37		Stakeholder Relations and	— Сарітаі
Türkiye Vakıflar Bankası T.A.O.	4,37	Increasing Organizational	Corporate Governance	- Natural Capital
Other (24 Brokerage Houses)	4,40	Efficiency and Group Synergy	Sustainability	Natural Capital
Other (8 Banks)	3,35	3,11613,	Sastamasmey	

^{*} as of 31/12/2024

COMMUNICATION CHANNELS

E-mail addresses spy@takasbank.com.tr, rap@takasbank.com.tr, and muh@takasbank.com.tr, 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 2024

The 29th Ordinary General Assembly Meeting was held on Thursday, June 6, 2024. Our shareholders attended the Ordinary General Assembly Meeting both physically and via the e-General Assembly online system.

In 2024, the portion of 1.819.564.724 TL was distributed from the profit for 2023 as dividend to our shareholders.

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

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.

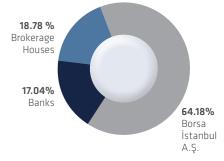
The primary operational purpose and business line of Borsa İstanbul A.Ş. are to ensure that capital market instruments, foreign currencies, precious metals and

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 Borsa İstanbul may not exceed 5%. The Bank did not have any privileged shares by 31 December 2024. (31 December 2023: None.)

Name & Share Amounts (Thousand TL) Borsa İstanbul A.Ş. Share Amounts (Thousand TL) Share Ratios (Thousand TL) Share Ratios (Thousand TL) Share Ratios (Thousand TL) A.Ş. Paid-in Shares (Thousand TL) A.Ş. Paid-in Shares (Thousand TL)

Takasbank Shareholding Structure



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 2024 as well as all measures taken or avoided in favor of these companies.

Regarding the fiscal year of 2024, 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 (Thousand TL)	Subsidiaries, associates and entities under common control (Joint Ventures)		Direct and indirect shareholders of the Bank		Other individuals and legal entities included in the risk group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and other receivables						
Balance at beginning of the period	-	-	840.953	17.831.604	-	-
Balance at end of the period	-	-	1.080.253	59.941.822	-	-
Interest and commission income	294.965	-	1.148.517	680.176	87.853	-

MEMBERS

Members	Relationship with the Strategy	Material Issues	Affected Capital Element
Brokerage HousesCommercial BanksParticipation Banks	Strong Financial	Strong Financial Structure	
Development and Investment BanksInsurance and Pension CompaniesPortfolio Management Companies	Structure	Efficient Risk Management	
 Financial Leasing Companies Factoring Companies Financing Companies Asset Management Companies Borsa İstanbul A.Ş. Merkezi Kayıt Kuruluşu A.Ş. (Central Registration Agency) Collective Investment Institutions 	Efficiency and Deepening of Markets	Development and Deepening of Markets	
		Uninterrupted Secure Service	Financial CapitalSocial and RelationalCapital
Crowdfunding PlatformsPayment and Electronic Money Services Institutions	Digital Transformation and Operational	Customer Satisfaction	
 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/ISIN Codes Data Vendor Companies 	Competency	Cyber Security and Data Confidentiality	
	Increasing Organizational	Stakeholder Relations and Corporate Governance	-
	Efficiency and Group	Sustainability	

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, systemrelated 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 • In the context of the training program 2024

- · Throughout the operational year, Takasbank delivered services to 2.525 institutions and 8.412 active users. This included handling 22.403 phone • On-site audits were conducted at 10 calls, 68.267 e-mail notifications and routing, executing 1.354 representative identification transactions in accordance with institutions' signature circulars, and identifying 32.588 securities traded in various markets.
- A total of 93 general letters covering various topics were published and made accessible to members through corporate platforms such as the website and communication channels like REM.

- initiated for members within the Borsa Istanbul Group in 2024, Takasbank offered training sessions to a total of 43 individuals.
- 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 2024.

REGULATORY AND SUPERVISORY AUTHORITIES

Regulatory and Supervisory Authorities	Relationship with the Strategy	Material Issues	Affected Capital Element
 BRSA CMB CBRT Digital Transformation Office of the Presidency of the Population of Türkiye 	5	Efficient Risk Management	
 of the Republic of Türkiye Ministry of Treasury and Finance of the Republic of Türkiye Ministry of Industry and Technology of the Republic of Türkiye 	Efficiency and Deepening of Markets	Development and Deepening of Markets	Social and Relational
Ministry of Environment, Urbanization and Climate Change of the Republic of Türkiye Ministry of Trade of the Republic of Türkiye SDIF	Digital Transformation and Operational Competency	Technology and Innovation Cyber Security and Data Confidentiality	Capital Financial Capital Intellectual Capital
• FCIB • EMRA	operational competency	Uninterrupted Secure Service	Natural Capital
EACHESMAPersonal Data Protection Authority	Increasing Organizational	Stakeholder Relations and Corporate Governance	
 Insurance and Private Pension Regulation and Supervision Agency Other Regulatory and Supervisory Public Authorities 	Efficiency and Group Synergy	Sustainability	

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, reports issued by the Internal Systems Department, 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 2024

 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.

 Self-Assessment requested by the Canswered.
 Oninions were
- 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, annual reports, internal legislative updates, audit results from the Presidency Digital Transformation Office, CCP, and IT audit reports, and member audit reports 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 semi-annual 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, 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 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.
- Necessary actions were taken in respect of transaction suspension and asset freeze decisions.
- 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.

SUBSIDIARIES

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

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

MAJOR ISSUES AND DEVELOPMENTS IN 2024

In 2024, Takasbank attended the General Assembly meetings of CRA, SPL, TÜRİB and ELİDAŞ on behalf of Takasbank.

CRA Donations Policy was updated in the CRA General Assembly held on 6 June 2024.

As part of the crowdfunding campaign, oneon-one and group meetings were held with CRA to resolve issues related to system integration and system improvements. Development efforts are conducted jointly with the CRA for process improvements regarding TMM collaterals held in custody at the CRA.

Meetings were held with the CRA within the scope of development efforts to enhance the performance of TEFAS settlement processes.

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).

Company Name	Share Ratio (%)
Merkezi Kayıt Kuruluşu A.Ş. (Central Registration Agency)	64,90
Sermaye Piyasası Lisanslama Sicil ve Eğitim Kuruluşu A.Ş.	10,50
Sarajevo Stock Exchange (EUR)	5,00
Turkish Mercantile Exchange	5,00
Ege Tarım Ürünleri Lisanslı Depoculuk A.Ş.	4,12
Borsa İstanbul A.Ş.	0,15
S.W.I.F.T. SCRL (EUR)	0,04

Takasbank Subsidiaries - Fields of Service and Activities



MERKEZÍ KAYIT Merkezi Kayıt Kuruluşu A.Ş. (Central Registration Agency)

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 >



Sarajevo Stock Exchange

Sarajevo Stock Exchange (SASE) was founded on 13 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

Ege Tarım Ürünleri Lisanslı Depoculuk A.Ş.



ELIDASEge Tarım Ürünleri Lisanslı Depoculuk A.Ş. 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 GE TARIM URUNIER! SANSUDEPOCULAR AS PARTINERS 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/ 🕅



Turkish Mercantile Exchange

TURIB 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 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 ?

SUPPLIERS

Suppliers	Relationship with the Strategy	Material Issues	Affected Capital Element
Suppliers	Strong Financial Structure	Efficient Risk Management	
	Digital Transfermation and	Uninterrupted Secure Service	Cosial and Delational Capital
	Digital Transformation and Operational Competency	Cyber Security and Data Confidentiality	Social and Relational Capital Financial Capital
	Increasing Organizational	Stakeholder Relations and	 Intellectual Capital Manufactured Capital
	Efficiency and Group Synergy	Corporate Governance	
	Erriciency and Group Synergy	Sustainability	

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

MAJOR ISSUES AND DEVELOPMENTS IN 2024

- Service Level Agreement Reports have been prepared.
- · Audits of external service providers, including support services, were carried
- 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 2024, all suppliers on the approved list as of year-end 2023 underwent a comprehensive sustainability assessment through surveys within 2024.

· 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.

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 quality, 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.

Various Information and Data About Takasbank Supply Chain

	2023	2024
Number of Contracts Signed	138	144
Percentage of Local Suppliers (operating within the boundaries of Türkiye) in the Procurement Budget used within the year	98%	98%
Percentage of Candidate Suppliers Screened using Environmental and Social Criteria	100%	100%
Percentage of Approved Suppliers Evaluated using Environmental and Social Criteria*	100%	100%
Number of Suppliers identified to have Existing and Potential Material Adverse Environmental and Social Impacts	material adverse	ers identified to have environmental and impacts.
Total Number of Confirmed Cases where Contracts with the Bank's Business Partners were	In 2023 and 2024	there have been no
Terminated or Not Renewed due to Corruption-Related Breaches	violations relate	ed with corruption.

^{*} All suppliers, included in the Approved Suppliers List as of the relevant year-end, are evaluated in lanuary of the following year, while the time of evaluation was considered as the year in the table above

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TAKASBANK OVERVIEW PERFORMANCE IN 2024 CORPORATE GOVERNANCE STRATEGY, VALUE CREATION AND SUSTAINABILITY AND CLIMATE EFFORTS FINANCIAL REPORTS AND ANNEXES STAKEHOLDER RELATIONS

STAKEHOLDER RELATIONS

EMPLOYEES

Employees	Relationship with the Strategy	Material Issues	Affected Capital Element
Qualified human resources respectful	Strong Financial Structure	Efficient Risk Management	
to ethical principles and giving importance to values	Digital Transformation and Operational Competency	Technology and Innovation	
	Increasing Organizational and Employee Satistication Stakeholder Relation	Competent Human Resources and Employee Satisfaction	Human Capital Intellectual Capital
		Stakeholder Relations and	
	Efficiency and Group Synergy	Corporate Governance	
		Sustainability	

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/ Fikrim Var" (I have a Suggestion/Idea) application on the Takasbank Portal, performance evaluation meetings, faceto-face meetings with the "İK ile Bi' Mola" (Short Break with HR) application, faceto-face meetings with interns within the scope of "Geleceğe Yatırım Staj Programı" (Investment in the Future Internship Program), orientation programs, trainings

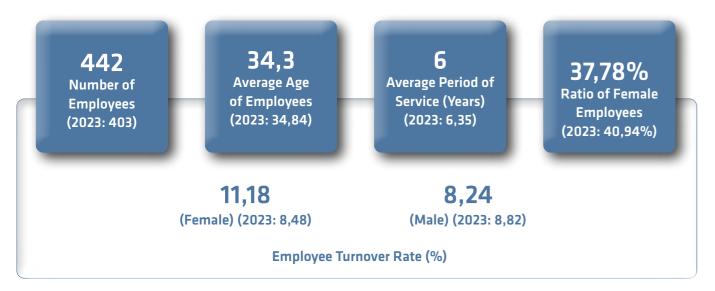
COMMUNICATION TOPICS

Performance assessments, talent management, training requests, 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.

MAJOR ISSUES AND DEVELOPMENTS IN 2024

In 2024, 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 442, including 275 male and 167 female employees by the end of 2024. Takasbank, with an average employee age of 34,3 and an average employment period of 6 years, not only creates a dynamic structure by recruiting young talents, but also provides an environment based on robust knowledge and experience transfer thanks to its senior employees. Senior employees mentor young talents and contribute to continuous development of workforce.



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, to increase their satisfaction, and to maximize corporate performance 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 long-term 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 2024.

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 **Experience Survey** is conducted every year 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 Employee Experience Survey, conducted in 2024 for 2023, attracted considerable attention from employees and it was completed with a high participation rate of 96%. The year-on-year increase, observed in employee satisfaction level according to the survey results, once again prove the positive impact of efforts made by the Bank for employee satisfaction. The main results standing out in the survey held are as follows:

Priorities of the Bank include increasing employee motivation and, accordingly, Human Resources Department carried out many activities aimed at increasing internal communication and employee motivation, such as sending informative emails on significant occasions like promotions, anniversaries, births, and condolences: donation of saplings in the name of employees and their relatives; 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. Throughout the year, various events were organized to reinforce relationships and increase cooperation between employees, such as organization of a bowling tournament, gifting movie tickets, etc. within the Bank. 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. Such activities will be continued, aiming to increase employee engagement and improve internal communication, in the upcoming periods.

Outstanding Results of Takasbank Employee Experience Survey

Takasbank's average employee satisfaction score maintained its **high level of satisfaction** (82,43/100) (2023: 81,48/100) as in previous years.

The highest scores in employee satisfaction were received under the titles "Takasbank as an Employer" at 86,57% and "Your Job, Contents of Your Job, and Work Environment" at 85,79%.

The highest year-on-year improvement was under the title "Your Job, Contents of Your Job, and Work Environment". In addition, a significant improvement was observed under the titles "Team Work", "Internal Communication", "Relationships with Management" and "Takasbank as an Employer", unlike previous years.

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**.

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 labor 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
- 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 endeavor 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.

As part of its commitment to internal communication and feedback, Takasbank has established the 'I Have a Suggestion/ **Idea'** platform, providing employees with an avenue to submit their ideas and suggestions. This platform allows employees to submit all kinds of individual ideas, valuable insights, and ideas creating added value, aimed at improving and developing the Bank's services, enhancing effectiveness and efficiency, reducing costs, mitigating/preventing risks, expanding the Bank's service portfolio with new

lines of business, and boosting customer and employee satisfaction further. The Human Resources management conducts sensitive and confidential evaluations of the submissions, determining appropriate actions to be taken. Owners of valueadded suggestions and ideas are rewarded in accordance with Takasbank Human Resources Directive. In 2024, a new field was added to "I Have a Suggestion/ Idea" platform, where sustainability suggestions can be submitted to increase the participation of employees in the

Bank's sustainability activities and also to increase the internal awareness level. The platform was restructured under three different titles, i.e. "suggestion", "idea", and "sustainability suggestion" with a view to establish a more effective feedback mechanism. Thanks to this new structure. it is aimed to receive more focused and purposeful feedbacks.

Inaugurated in 2023, the 'iK ile Bi' Mola -Short Break with HR' application facilitated one-on-one employee interviews conducted with the Bank's employees.

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. This practice was maintained also in 2024, one-on-one interviews were continued to support the development of employees and to receive their feedback. "Short Break with HR" interviews are featured as a practice that strengthens internal communication and aims to increase employee satisfaction.

Maternity Leave Practices

The Bank takes necessary measures in line with the Labor 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 unpaid leave, half-time, and part-time working opportunities after they return from paid maternity leave. Besides the Labor Legislation, as indicated in Takasbank Human Resources Directive, 10 days of paid leave opportunity is provided to male employees, whose wives give birth. The figures regarding the Bank's maternity leave practices are provided under the heading of "Sustainability Performance " in the "Sustainability and Climate **Efforts** "section of the Report.

Remuneration and Fringe Benefits Career and Performance Management 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 entrylevel 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 2024; and it has conducted efforts aiming to keep employees' motivation high, such as giving bonuses after successful implementation

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.

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 figures regarding the Bank's career and performance management practices are provided under the heading of "Sustainability Performance "" in the "Sustainability and Climate Efforts " section of the Report.

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 2024, 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 and Employee Backup" study and associated plans were initiated during the relevant year to assess the backup status of each business role and employees in such roles at the Bank. This initiative aims to identify and monitor aspects such as the criticality level of each business role, backup status of critical role, and the readiness of backup employees.

In 2024, 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 continues to offer internships within the scope of "Investment in the Future Summer Internship Program" 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. Young talents, who deliver outstanding performance during their internships, are provided with the opportunity to work full time in the Bank following their graduation, while students that are still pursuing their studies are provided with half-time employment opportunity to enable them jump-start their careers. Within the scope of the internship program, buddies/ mentors were assigned to interns and a comprehensive orientation program was implemented to ensure their adaptation to the institution and to convey corporate culture and operations of the Bank's units.

With a view to improve the "Investment in the Future Internship Program" constantly and to receive feedbacks of interns about the process, interns and "buddies" assigned to them in Bank teams, where they were placed, were interviewed twice during the year. Necessary steps were taken to improve the program continuously in line with the feedbacks received thanks to these interviews. 59 students served as interns under "2024 Investment in the Future Summer Internship Program"; 27 of those, who completed their internships successfully, had the opportunity to work half-time as "Takasbank Interns"; while 8 graduated talents were employed full-time as Assistant Specialists. 24 "Takasbank Interns" currently work half time at the Bank.

Besides, "IK ile Beş Çayı / Five O'clock Tea With HR" event was held for the first time in 2024 to engage with "Takasbank Interns" that are employed half-time, to hear their opinions about internship processes, to receive their suggestions, and to resolve issues that they encountered, if any. The event created an important opportunity to increase the effectiveness of the internship program and to understand needs and expectations of young talents better, and it is planned to hold similar meetings regularly in the upcoming years.

As a result of all these efforts, Takasbank aims to maintain the internship program in the future to both offer a valuable internship experience to young talents, and to attract new talents.

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 Takasbank assessment process. 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 2024, 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 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 "Takasbank E-Akademi" training platform, with an extensive digital training catalogue that can be accessed quickly and easily, at any time both on the website and via the mobile application. In 2024, a different subject, such as "Communication", "New World Skills", "Agility", and "Managing Differences/Diversity and Inclusion", was determined for every month and training assignments were made under the subject

of the month on this unique digital training platform. In addition, with a view to increase the knowledge and awareness level regarding sustainability within the institution, September was declared as the "Sustainability" month and several e-trainings, such as "Sustainability", "Personal Awareness for a Sustainable World", "Climate Crisis in My Closet", "Personal Awareness About Zero Waste", were made available to employees.



"Takasbank Professional Trainers Program" implemented in 2022 with the aim of forming a training staff that powerfully represents Takasbank in both internal and external trainings, featuring "Train the Trainer" and "Presentation Techniques Training" trainings, continued in 2024 by providing refresher trainings to the employees under the program. At the same time, Bank employees, who had received Mentorship Training, received a refresher training under the name "Mentor Meeting" During the year, leadership and mentorship trainings were given to specialist staff, while "Competence Compass Program" was offered to executive staff to reinforce their executive aspects. 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 inperson 'Effective Communication' training.

Themes arising as a result of one-on-one feedback interviews were analyzed and "Our Development Journey Together" program, comprising three modules, was created for specialist group employees in the Bank. The program involves "I Manage My Own Development" as the first module, "I Manage Development of My Job" as the second module, and "I Manage Development of My Relationships" as the third module

In 2024, Takasbank achieved an increased employee participation rate in the 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. 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.

The Bank offers various voluntary trainings to its employees in regular intervals. Those with Basic First Aid Training certificates can join the First Aid Team within the Bank's Emergency Teams. In 2024, employees with Basic First Aid Training certificates also received refresher training. Another voluntary training is the light search and rescue training provided by the Disaster and Emergency Management Presidency (AFAD) in İstanbul AFAD Training Center to Borsa İstanbul Group employees, involving five days of theoretical training and five days of applied training, for approximately 6 hours per day. 10 Takasbank employees participated in the training.

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.

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.

PERFORMANCE IN 2024

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 has successfully completed the "Sustainability Expertise Certificate Program" comprising 34 courses and 68 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 2024. In addition, as detailed above, "Sustainability" trainings on "Takasbank E-Akademi", which aim to create basic awareness about sustainability, were declared as the subject of the month and made available to all employees in September 2024.

As with previous years, the employees pursuing master's/doctorate degree studies were also allowed to take educational leaves in 2024. Of the employees, 23% have doctorate and master's degrees; 72% have bachelor's degrees; and 5% have high school and two-year undergraduate degrees.

Various performance data regarding the trainings received by employees in 2024 (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 and Climate Efforts "" 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. In addition, as part of the occupational health and safety culture, a full-time workplace physician and nurse are available in the Bank to facilitate access of employees to health services. Employees can make appointments through the E-Revir (E-Infirmary) application on Takasbank Portal and readily access information documents on the health system implemented in the Bank at all times. 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 quarterly basis. In this context, four meetings were held in 2024. 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.

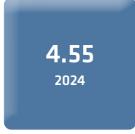
At the premises where the Bank conducts its activities, an emergency drill is conducted for not more than once a year within the specified scenarios, ensuring the participation of all employees in the drills. The deficiencies identified during the drills and the issues thought likely to be improved are specified in the form of a report and corrective actions are taken. In the drill conducted in 2024, 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 2024 are provided under the heading of "Sustainability Performance &" in the "Sustainability and Climate Efforts &" section of the Report.

Takasbank Training Satisfaction Rate by Years

4.332022

4.39₂₀₂₃



INFORMATION ON THE RISK MANAGEMENT POLICIES APPLIED BY **RISK TYPES**

PERFORMANCE IN 2024

Management of the Pillar 1 Risks

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 decisionmaking 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. 471 dated 29/03/2024

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

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 non-cash 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 BİAS, 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 noncash 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. GDDSs issued by the Ministry of Treasury and Finance of the Republic of Türkiye, lease certificates issued by the Asset Leasing Company of the Ministry of Treasury and Finance, debt securities issued by banks established in Türkiye and lease certificates originating from banks. debt securities issued by Türkiye Wealth Fund (TWF) and companies 100% owned by TWF, as well as lease certificates originating from TWF and companies 100% owned by TWF, ABSs originating from banks resident in Türkiye and debt securities in TL issued abroad by supranational institutions resident abroad are accepted to the securities portfolio of the Bank. On the other hand, derivative products can be used for the bank portfolio for the purposes of hedging and liquidity management, and for risk mitigating transactions regarding positions undertaken 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.

INFORMATION ON THE RISK MANAGEMENT POLICIES APPLIED BY RISK TYPES

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 risk.

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.

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.

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.

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.

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TAKASBANK'S SUSTAINABILITY AND CLIMATE APPROACH

Climate crisis, global impacts of which are felt more with each passing day, and which threatens the entire ecosystem, particularly human life, constitutes a significant threat to not only the environment, but also economic and financial sustainability. Increasing natural disasters and extremely volatile weather condition bring along critical risks in terms of sustainable growth and resource management in the future. According to the 2024 Global Risks Report published by the World Economic Forum, inadequate mitigation and adaptation to extreme weather events and 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 critical change in World systems, ecosystem collapse and biodiversity loss, and scarcity of natural resources stand out as other major risk factors.

As indicated in assessment reports of various international organizations focused on sustainability, 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's Sustainability Approach

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 Committee". On the other hand, sustainability structure in Takasbank includes all employees. Work plans and efforts to be made within the scope of vision, sustainability and climate strategy, and goals of Takasbank, particularly climate-related risks and opportunities, are addressed in "Takasbank Sustainability Committee", details of which are shared under the title "Governance "" of the Report and which is chaired by the Central Counter-Party and Financial Services EVP.

Sustainability Efforts

Until 2023. Takasbank monitored its efforts within the scope of sustainability in consideration of "Sustainability Principles Compliance Framework", which was put into effect by the Communiqué on Amendment of Corporate Governance Communiqué no. II-17.1 (II-17.1.a) issued in 2020 by the Capital Markets Board and which involves fundamental principles, required to be disclosed by publicly-held companies while conducting their Environmental, Social, and Corporate Governance (ESG) efforts: reported its sustainability efforts and sustainability performance and offered these to its stakeholders for information in the section titled "Sustainability" of the Integrated Annual Report in comparison with previous years. On the other hand, sustainability-related financial details and climate-related disclosures (including management of risks and opportunities associated with sustainability and climate, goals and benchmarks associated with sustainability and climate, and performance data associated sustainability and climate) of Takasbank for 2024, being included in the scope of sustainability reporting in accordance with TSRS-1 and TSRS-2 standards issued by POA, are outlined as follows in this section of the Report titled "Sustainability and Climate Efforts", in terms of titles in the "Sustainability Principles Compliance Framework'

TAKASBANK MAINTAINS ITS ACTIVITIES WITH A FOCUS ON CREATING HIGH AND PERMANENT VALUE FOR ALL OF ITS STAKEHOLDERS, OBSERVING LONG-TERM BALANCE IN ENVIRONMENTAL, SOCIAL, AND ECONOMIC

General Principles

Under the Takasbank Sustainability Policy that entered into force on 24 June 2022, Takasbank issued, at the level of its Board of Directors, i.e., the Bank's highest Governance Body, the nolicy addressing principles and procedures such as the conduct of its activities in compliance with statutory regulations and national and international developments regarding the issues falling within the scope of sustainability and adoption of an efficient governance model in this field: taking actions to mitigate environmental impacts, conduct of efforts to raise the awareness of stakeholders, development of incentivizing policies for dissemination of capital market instruments supporting SDGs; and rejection of any and all forms of discrimination, protection of employee rights and ensuring equal opportunity, adoption of the principle of zero tolerance against bribery, corruption, laundering of proceeds of crime, and financing of criminal activities

STAKEHOLDER RELATIONS

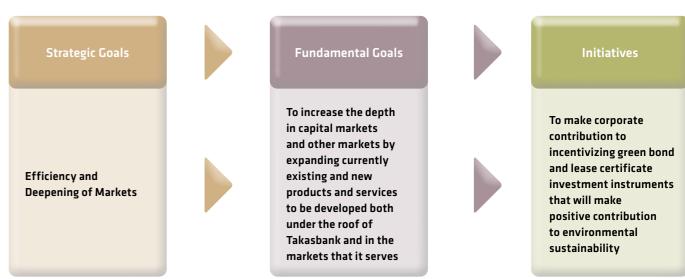
Sustainability Policy of the Bank is available at https://www.takasbank.com. tr/tr/hakkimizda/kurumsal/politikalar 🐔

Although the efforts regarding the draft versions of the supplementary/supportive policies and internal legislation regarding sustainability, which support Takasbank Sustainability Policy, are still ongoing; the said efforts are planned to be submitted to management bodies for approval after they are completed.

Strategic Plans are prepared in the Bank for three-year periods and strategic goals of the Bank, as well as its primary goals and initiatives supporting such strategic goals are determined and approved by the Board of Directors. Periodic review efforts are conducted every year in respect of realization and/or progress of goals/ initiatives in the prepared Plan, while sustainability and climate matters are taken into consideration on the basis of fundamental goal/initiative during the review efforts. An example to "Takasbank Strategic Planning Management Process" is given below.

In respect of sustainability activities of the Bank, opinions and suggestions of Bank employees were requested in 2024 under the coordination of Strategic Planning and Investor Relations Team. On the other hand, in 2024, "Sustainability Suggestion" field was added to the "I Have a Suggestion/ Idea" platform as a result of developments made on the platform, where employees can currently submit their suggestions and ideas to ensure voluntary active participation of employees in activities to be carried out in environmental, social, and governance areas with respect to sustainability goals. The Strategic Planning and Investor Relations Team completed the preliminary works as of 2024 year-end, by consolidating the previously determined short-, medium-, and long-term ESG goals with the views and suggestions forwarded by employees. The first meeting of the Sustainability Committee, established in October 2024, was held in December and Committee members were briefed on sustainability recommendations that could be implemented in short, medium, and long term within the Bank. During the meeting, it was decided to discuss the mentioned suggestions in detail in the agenda of the following Committee and to determine the actions that can be taken

Takasbank Strategic Planning Management Process "Strategic Goal - Primary Goal - Initiative" Example



TAKASBANK'S SUSTAINABILITY AND CLIMATE APPROACH

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 continue" 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 Bank neither breached any rules nor was subject to any fine or penalty imposed due to adverse environmental impacts in 2024.

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 of the Republic of Türkiye in 2019, which mandates gradual compliance for institutions and organizations, including business centers, the Zero Waste Project was successfully concluded in 2023 and Borsa Istanbul Group qualified for the Zero Waste Certificate. Within the scope of the Zero Waste Project:

- 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.

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. 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 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 2024.

In addition to numerous improvements made in recent years, various enhancements were implemented in 2024 to boost operational efficiency within the Bank and reduce the reliance on physical documents in business processes. In this context;

- 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

were ensured. 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. 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.

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, and the Disaster Data Center was equipped with the necessary infrastructure to support noncritical services

In TEFAS Fund Information Platform (https://www.tefas.gov.tr/ pand under the fund title type in securities mutual funds and under the fund group in pension mutual funds. Thus, it has become possible to select and list "sustainability funds" on both fund comparison and historical data pages. In addition, efforts, aimed at designing an "Accessibility" menu on TEFAS Fund Information Platform for our disadvantaged citizens, were launched in 2024.

Currently, carbon pricing is not applied within the scope of Takasbank's operations. There is no carbon credit accumulated or bought in the reporting period.

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 2024. Detailed information about this application is provided under the subheading of "Suppliers " in the "Stakeholder Relations" section of the Benort

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, inclusionrelated 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 safetyrelated data and other human resources data are shared under the heading of "Sustainability Performance "5" in this section on an annual basis, and, in comparison with previous years.

TAKASBANK'S SUSTAINABILITY AND CLIMATE APPROACH

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". The directive in question is available at https://www.takasbank.com. tr/en/about-us/corporate/protection-ofpersonal-data-privacy ?. 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.

BORSA İSTANBUL GRUBU



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" 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 BiAŞ, 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, 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, Legislation and Compliance 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 Board.

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 well-structured 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. Furthermore. the Takasbank Service Satisfaction Survey, meticulously crafted by the Corporate Communications and External Services Team in 2024, serves as a key instrument for gauging member satisfaction, boasting an impressive overall satisfaction rate of 94%. 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

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.

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 best 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 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.

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 2024 has been provided under the heading "Structure and Formation of the Board of Director "" in the "Corporate Governance" section of the Report.

The information regarding Takasbank's compliance with corporate governance principles is provided under the heading of "Corporate Governance Principles Compliance Report "" 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. In this context, detailed information about trainings on Sustainability, which were made available to all employees through "Takasbank E-Akademi" platform, is provided under the subheading of "Employees "" in the "Stakeholder Relations "" section of the

Takasbank has specified that it will not absolutely tolerate any unlawful acts, behaviors 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 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 2024, 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 TAKASBANK OVERVIEW PERFORMANCE IN 2024 CORPORATE GOVERNANCE

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TAKASBANK'S SUSTAINABILITY AND CLIMATE APPROACH

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 on Taxation " 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 2024 are provided under the heading of "Value Creation \signs".

Takasbank's Perspective on Climate Risks

Climate change, triggered due to increasing greenhouse gases, is recognized as one of the greatest problems with environmental, social, and economic dimensions. This leads to serious global impacts and challenges. Likewise, such impacts are observed in our country as well. Relevant authorities emphasize that average temperatures will rise, water sources will deplete, there will be agricultural yield losses, issues with access to food will increase, sea levels will rise, and the frequency of various natural disasters will increase in the near future. The negative factors in question may also have negative impacts on economic stability.

Risks arising from climate change are evaluated under two categories; i.e. "climate-related physical risks" and "risks of transition to low carbon economy". Takasbank addresses climate risks under two categories, i.e. climate-related physical risks and transition risks.

Climate-Related Physical Risks

Climate related physical risks are taken into consideration under two categories, i.e. acute (event-driven) and chronic (longterm). As set forth in the "Draft Guidelines for Effective Management of Climate-Related Financial Risks by Banks" issued by BRSA; "risks comprised by events, impacts of which spread over time, such as increase in average temperatures, changing precipitation patterns, and rise of sea levels, occurring as a result of long-term changes in climate conditions" are defined as chronic risks, while; "risks, severity of which increase gradually as a result of climate change and which have sudden impact, comprised by nature-related events such as hail, flood, landslide, or forest fire" are defined as acute risks.

The increase in carbon emissions causes climate change through global warming. Climate conditions and extreme weather events such as flood and hail that cause risks and financial losses on economy in general and financial sector (physical risk factors) may have direct or indirect impact on assets, production processes, or supply chains of organizations through the transfer mechanism. Adverse financial outcomes, such as additional investment costs, increasing operating costs, or market losses may arise and, as a consequence, have negative impact on the Bank's balance sheet due to these impacts.

Risks of Transition to Low Carbon Economy

Transition risks are defined as "Risks arising from developments concerning economic processes such as additional tax load, production, or foreign trade restrictions arising due to low carbon economy adaptation process". These risks are associated with how the institution manages its internal and external scope and how it is adapted to the transition process to reduce greenhouse gas emissions. The transition requires climate policies, technology, stakeholder expectations, and market changes aimed at reduction and adaptation requirements concerning climate change.

Opportunities

Combat against and compliance with climate change efforts may lead to various opportunities besides several risks for organizations. These opportunities may arise in areas such as cost savings and resource efficiency, adoption of lowemission energy resources, development of new products and services, access to new markets, implementation of policies that support clean energy, and increasing resilience throughout supply chain.

Physical Risk Transfer Mechanism



(Source: BRSA, https://www.bddk.org.tr/ ?)

Management of Risks and Opportunities Associated with Sustainability and Climate

Takasbank aims to integrate risks and opportunities associated with sustainability and climate into all of its business processes, and adopts the combat against climate crisis as an important mission as it cooperates with its stakeholders, while it monitors the impacts of its activities. The Bank manages risks and opportunities associated with sustainability and climate by means of "Takasbank Sustainability Committee" in coordination with Risk Management Unit and Strategic Planning and Investor Relations Team.

Takasbank aims to act in consideration of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), established as a result of the activities of the Financial Stability Board (FSB) established in 2015 under the leadership of Ministers of Finance and Central Bank Executives of G20 countries to conduct efforts on how climate-related risks should be addressed by the financial

sector, in order to address climate change from a more strategic perspective, assess the impacts of climate change in terms of risks and opportunities, and determine goals accordingly.

Takasbank refers to the 4 pillars specified within the scope of TCFD recommendations in management of both sustainability risks and climate risks. Information such as strategy, goals, and benchmarks, provided in the relevant sections of the report, will be subject to regular review.

As detailed in subsequent sections, as a result of assessments, it is estimated that the risks associated with sustainability and climate will not have a significant impact on activities and financial statements of Takasbank. This estimation indicates that Takasbank assessed risks effectively and took necessary measures against these. However, in consideration of dynamic and constantly evolving nature of climate change and sustainability issues, these risks will be continuously monitored and assessed. On the other hand, although their financial impacts are low, risks and

opportunities, as well as benchmarks and objectives associated with sustainability and climate that the Bank is or may be exposed to, were determined within the Bank and these will be reported regularly beginning from this year, along with measurement results.



"As a result of assessments, it is estimated that the risks associated with sustainability and climate will not have a significant impact on activities and financial statements of Takasbank."

TCFD recommendations include 4 pillars:



opportunities are assessed and managed, and integration of this in financial reporting

TAKASBANK OVERVIEW PERFORMANCE IN 2024 CORPORATE GOVERNANCE STRATEGY, VALUE CREATION AND SUSTAINABILITY AND CLIMATE EFFORTS FINANCIAL REPORTS AND ANNEXES STAKEHOLDER RELATIONS

GOVERNANCE

Board of Directors and Executive Management Oversight

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. Efforts conducted within the scope of sustainability and the matters of combat against and compliance with climate change are addressed with active participation of the Board of Directors and Executive Management. Prioritized policies such as the Sustainability Policy, which frame the responsible banking approach, were approved and implemented by the Board of Directors. Further details on Takasbank Board of Directors are available under the titles "Board of Directors "" and "Structure and Formation of the Board of Directors %" in "Corporate Governance %" section of the Report.

Takasbank organization structure currently involves 3 EVP positions, i.e. "Markets and Operations EVP", "Central Counter-Party and Financial Services EVP", and Information Technologies EVP", serving

under the CEO. Further details on Takasbank Executive Management are available under the title "Senior Management 'c" in "Corporate Governance 'c" of the Report.

The internal audit, internal control, legislation and compliance and risk management activities of 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. Further details on internal systems units operating within the Bank are available under the title "Departments under Internal Systems % " in "Corporate Governance %" section of the Report and under the heading of "Audit Committee Report ".".

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. Further details on policy documents such as the Sustainability Policy, implemented within the Bank, are available under the title "Takasbank Policy Documents %" in "Corporate Governance %" section of the Report.

Further details on eleven 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, are available under the title "Committee Structures "" in "Corporate Governance " section of the Report.

Committees That Oversee Sustainability and
Climate Efforts, Which Were Established
Under the Board of Directors

Audit Committee

Corporate Governance Committee

Remuneration Committee

Committees That Oversee Sustainability and Climate Efforts, Which Were Established to Assist the Board of Directors

Information Security Committee

Business Continuity Management Committee (Information Systems Continuity Committee)

Sustainability Committee

TAKASBANK COMMITTEE

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

SUSTAINABILITY

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, Human Resources Department, Procurement and Support Services Department, Member Services and Corporate Communications Department, Legal Affairs Department, Risk Management Department, and Legislation and Compliance 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.

In October 2024, in line with the principles set forth in Takasbank Sustainability Policy, a Sustainability Committee was established in the General Directorate with a view to ensuring coordination of sustainability in the Bank and monitoring and reporting sustainability performance of the Bank, and the first meeting of the Committee was held in December.

The Committee comprises the following Unit managers and/or employees to be assigned by the managers under the chairmanship of the Central Counter-Party

a) Financial Services & Reporting Department Director.

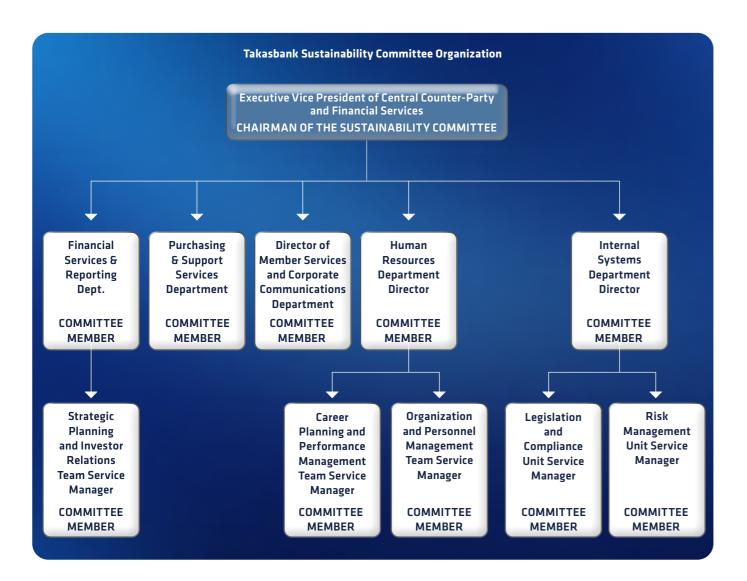
and Financial Services EVP:

- b) Director of Internal Systems
 Department.
- c) Human Resources Department Director,
- d) Purchasing & Support Services
 Department Director,
- e) Director of Member Services & Corporate Communications Department.
- f) Career Planning and Performance Management Team Service Manager,
- g) Legislation and Compliance Unit Service Manager,
- h) Organization and Personnel Management Team Service Manager,
- i) Risk Management Unit Service Manager,
- j) Strategic Planning and Investor Relations Team Service Manager.

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. Sustainability Committee convenes at least 2 times per year to discuss matters such as recommendations, activities, performance results, reporting, etc.

The main duties and responsibilities of the Sustainability Committee include, without limitation, the following:

- Conducting efforts to determine the Bank's sustainability goals in line with the Bank's strategy and market conditions, and submitting these to approval of relevant management levels,
- Drafting action plans and submitting these to approval of relevant management levels in line with the determined sustainability goals of the
- Following up 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 risks and opportunities associated with sustainability and arising from climate change,
- Ensuring necessary communication with Group Companies concerning efforts that can be undertaken as Borsa İstanbul Group within the scope of sustainability,
- Establishing a transparent and fair communication environment with the Bank's stakeholders on sustainability and overseeing this environment established as such.
- Ensuring coordination of reports to be submitted to the Executive Management: within the scope of sustainability and climate efforts.
- Taking actions to increase expertise of employees, assigned in the Committee and in sub-working groups affiliated with the committee, in the field of sustainability,
- Following national and international legislation on and the best practice examples regarding sustainability.



Climate-related efforts, including determination and management of climate risks and opportunities, are conducted in the Bank by the Sustainability Committee, primarily Strategic Planning and Investor Relations Team and Risk Management Unit. It is aimed to address risks and opportunities arising from climate change with an integrated perspective by means of this committee. The Committee conducts efforts within the scope of measurement of financial risks arising from climate change,

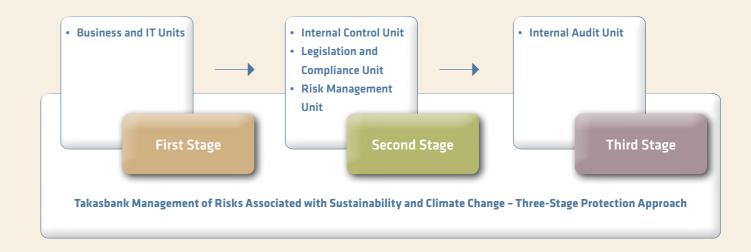
performance of scenario-based analyses to determine medium and long term impacts of risk factors, management of such risks, and integration into the Bank's risk management processes.

Audit Committee, established to assist in performance of audit and surveillance activities of the Board of Directors, is responsible for ensuring effectiveness and efficiency of internal audit, internal control, and risk management activities of the Bank pursuant to the applicable legislation.

Risk Management Unit, which is directly affiliated with the Committee, develops systems required for risk management processes and conducts the activities in question, monitors compliance of risks with policies and standards, as well as Bank limits, and reports to the Board of Directors through the Committee. Environmental risks that are caused by or deemed to have the potential to be arising from activities of the Bank are included in risk management processes of the Bank.

Three-Stage Protection Approach

Takasbank adopted the "Three-Stage Protection Approach", which is an effective method in management of risks associated with sustainability and climate change, by being included in risk management processes, and in the control of operational activities.



In the First Stage, all relevant management bodies, business and IT units, and Sustainability Committee ensure control of their activities within their areas of responsibility in terms of risks associated with sustainability and climate change, and assess how the Bank is impacted by such risks. As the first step of risk management, these units conduct a multi-dimensional risk assessment within the scope of their expertise.

In the Second Stage, activities and controls are performed in line with the risk appetite and policies of the Bank by means of structures affiliated with the Audit Committee established under the Board of Directors (Internal Control Unit, Legislation and Compliance Unit, Risk Management Unit).

In the Third Stage, Internal Audit Unit, operating under the Audit Committee, audits all activities, including management of risks associated with sustainability and climate change, as an independent structure.

TAKASBANK OVERVIEW PERFORMANCE IN 2024 CORPORATE GOVERNANCE

STRATEGY, VALUE CREATION AND
STAKEHOLDER RELATIONS

Performance and Targets

Performance targets of Takasbank, which are determined and reviewed annually, include financial and non-financial performance-based metrics. Financial metrics are compatible with annual financial targets of Takasbank.

In Takasbank, ESG targets are determined from an integrated perspective, evaluated in the Sustainability Committee, and approved by the Board of Directors where necessary. Performance results are submitted to the stakeholders for information by means of the integrated annual report at the end of every year. All targets and realizations, including both operational activities and climate-related matters, are assessed at least once a year.

As of 2024, targets involving sustainability were added to performance targets of the employees of units, which are directly responsible in the area of sustainability.

Increasing Expertise

Within the scope of the efforts associated with sustainability and climate, it is aimed to develop sustainability and climate related expertise and skills of Bank employees, including Senior Management, in matters associated with emission reduction goals, etc.

Takasbank conducts a comprehensive internal training and awareness raising program and offers ESG trainings through "Takasbank E-Akademi" platform, which offers online trainings to the employees, to achieve its ESG targets and increase awareness of its employees in this regard. Detailed information about trainings on Sustainability is provided under the subheading of "Employees "" in the "Stakeholder Relations" section of the Report.

Strategic Planning and Investor Relations Team and Risk Management Unit in the Sustainability Committee not only observe compliance with national and international legislation, but also increase expertise with a view to develop sustainability and climate risks approach.

STRATEGY

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.

Further details on strategic goals and primary goals determined by the Bank are available under the title "Strategy '' in "Strategy, Value Creation, and Stakeholder Relations ''s section of the Report.

Takasbank's Sustainability Strategy

Takasbank aims to integrate risks and opportunities associated with sustainability and climate change into all of its business processes, and adopts the combat against climate crisis as an important mission as it cooperates with its stakeholders, while it monitors the impacts of its activities. The Bank manages risks and opportunities associated with sustainability and climate change by means of the Sustainability Committee in coordination with Risk Management Unit and Strategic Planning and Investor Relations Team.

Takasbank's Strategy for Combat Against and Compliance with Climate Change

Global climate change and the combat against the impacts of such change is one of the most pressing matters that should be prioritized in Türkiye and worldwide. These matters are of great importance in environmental, social, and economic aspects, and require joint action worldwide. If planned and managed correctly, physical and transition risks arising from climate change may bring along strategic opportunities for financial institutions, as well as companies that operate in different sectors, in short, medium, and long terms, besides financial risks. Effectively addressing these risks may provide advantage in terms of sustainability and competition. Takasbank aims to integrate climate risks entirely into its business processes, and materialize these with target and performance indicators.

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.

Combat against and compliance with climate change have direct and indirect impact on primary issues of Takasbank. The approach of the Bank to the determined

material issues and the relationships of material issues with sustainable development goals and capital elements are available under the title "Material Issues "in "Strategy, Value Creation, and Stakeholder Relations "section of the Penest"

Focal points of Takasbank's strategy on the combat against and compliance with climate change are outlined as follows:

- Pursuing combat against and compliance with climate change in all fields of activity,
- Addressing the combat against climate change with active participation of all employees,
- Including physical risks and transition risks associated with climate into the Bank's risk management system,
- Working in cooperation with all stakeholders of the Bank within the scope of the combat against and compliance with climate change,
- Sharing benchmarks and objectives within the scope of the combat against and compliance with climate change transparently,
- Submitting all activities, carried out throughout the year within the scope of combat against and compliance with climate change, as well as outcomes of such activities, transparently to the stakeholders for information by means of the annual integrated reports.

STRONG FINANCIAL STRUCTURE

STRATEGY

DIGITAL TRANSFORMATION AND OPERATIONAL COMPETENCY

INCREASING ORGANIZATIONAL
EFFICIENCY AND GROUP SYNERGY

EFFICIENCY AND DEEPENING OF MARKETS

Takasbank Risk Management System

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 aims to integrate risks and opportunities associated with sustainability and climate into all of its business processes, and adopts the combat against climate crisis as an important mission as it cooperates with its stakeholders, while it monitors the impacts of its activities. The Bank manages risks and opportunities associated with sustainability and climate by means of "Takasbank Sustainability Committee" in coordination with Risk Management Unit and Strategic Planning and Investor Relations Team.

Detailed information on the Bank's risk management system and the risk management policies applied by risk types is available in "Information on the Risk Management Policies applied by Risk Types %" section of the Report.



Risks and Opportunities Associated with Sustainability and Climate

Takasbank assesses short-, medium-, and long-term financial impacts of risks and opportunities associated with sustainability and climate, guides its activities in view of this information, and establishes preventive control as necessary.

Takasbank identifies risks opportunities, concerning both sustainability and climate, as short-(shorter than 1 year), **medium-** (1 to 5 years), and long-term (longer than 5 years) in compliance with the TSRS, and analyses the impacts of these risks and opportunities on activities, strategy, and financial structure of the institution. Such analyses play an important role in shaping sustainability and risk management strategies of the institution.

In line with environmental, social, and economic impacts of climate change, important changes might be required for institutions. Takasbank identifies the risks and opportunities associated with climate from the perspective of internationally recognized "physical risks associated with climate" and "risks of transition to low carbon economy". On the other hand, sustainability risks were addressed under the sub-headings "social risks" and "governance risks".

The basis of climate-related physical risks of Takasbank comprises physical impacts on the Head Office building, Şişli building, and Disaster Data Center (DDC). Operations of the Bank are conducted in the Head Office building of the Bank in İstanbul. All business units and information technologies units operate in the Head Office building. On the other hand, Disaster Data Center of the Bank is located in Ankara.

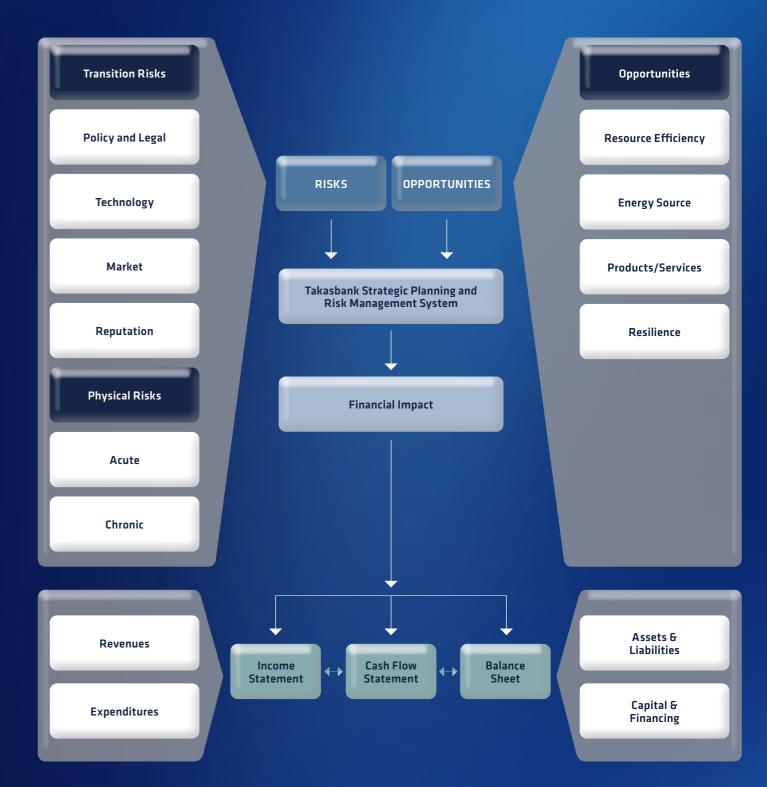
Within the scope of the transition risks, it is estimated that the process of transition to low-carbon economy will increase the demand for renewable energy and other products and services with low-carbon footprint. On the other hand, increasing sustainability/climate reporting requirements, increasing non-financial regulations, and operational challenges that may be experienced in the transition process are the primary risks monitored by Takasbank under the title "transition risks".

Sustainability and climate-related risks and opportunities, determined by the Bank in line with its strategy, as well as actions taken/to be taken by the Bank within the scope of such risks, are outlined in the following tables.





Climate-Related Risks, Opportunities, and Their Financial Impacts on Takasbank¹



Adapted from the figure in "Climate-Related Risks, Opportunities and Financial Impact" in TCFD, "Recommendations of the Task Force on Climate-related Financial Disclosures" document (https://assets.bbhub.io/company/sites/60/2021/10/FINAL-2017-TCFD-Report.pdf, p. 8.).

TAKASBANK OVERVIEW PERFORMANCE IN 2024 CORPORATE GOVERNANCE

RISK MANAGEMENT

Transition Risks	Risk Code	Description	Term	Actions Taken/To Be Taken by Takasbank
Increasing sustainability / climate reporting requirements	R.GEÇİŞ.01	 Constant update and/or expansion of sustainability/climate reporting obligations may increase Takasbank's compliance risks. This may cause more need for awareness and trainings matters. Inaccurate reporting of sustainability performance or lack of transparency in terms of reporting may pose transparency and reliability risks for organizations, as well as legal issues. 	Short Medium	 National and international regulations, guidelines, and reporting standards, issued in the field of sustainability/climate reporting, are monitored closely and all financial and non- financial reporting is made in compliance with applicable regulations.
Increasing Non-Financial Regulations	R.GEÇİŞ.02	 Failure to fulfill sustainability-related requirements, expanded by regulatory authorities, may cause both administrative sanctions and reputation loss. 	Short Medium Long	 Each regulation, issued by regulatory authorities on sustainability, is diligently monitored and necessary actions are taken by Takasbank.
Operational Challenges	R.GEÇİŞ.03	 Integration of sustainability practices may cause challenges in operational processes. Setting up new systems or replacement of existing systems may lead to operational risks in the transition process. 	Short	 Detailed information on management of operational risks is available under the title "Operational Risk Management "" in "Information on the Risk Management Policies applied by Risk Types "" section of the Report.
Increase in Greenhouse Gas R.GEÇİŞ.04 Emissions	consumption, venicle use, business travels,	Short Medium Long	• 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, and the introduction of low-emission electric cars assigned to executives.	
		etc. of the Bank may cause transition risk.	3	 Detailed information on actions, taken in line with the target of reducing greenhouse gas emissions, is available under the title "Environmental Principles &" in "Sustainability Efforts &" section of the Report.
Stakeholder Expectations	R.GEÇİŞ.05	Various stakeholder groups may have different requests and expectations concerning sustainability management of the Bank. The Bank may encounter challenges/restrictions/risks in meeting such expectations.		Takasbank aims to maintain its strong communication with its stakeholders at all times and to create permanent value for its stakeholders. 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.
Recycling and Waste Management	R.GEÇİŞ.06	 Inadequate waste management processes, recycling challenges, and ineffective handling of wastes may increase environmental impacts of the Bank. In case of the failure to fulfill necessary obligations concerning Zero Waste management system, the Bank may be exposed to administrative sanctions pursuant to the provisions of applicable 	Short Medium	 Pursuant to the Zero Waste Certificate received as of 2023, Takasbank pursues waste sorting and waste reduction efforts with zero waste principle. Detailed information on zero waste management of the Bank is available under the title "Environmental Principles " in "Sustainability Efforts " section of the Report.

Table 1. Sustainability and Climate Related Risks Incurred by Takasbank (Transition Risks)

pursuant to the provisions of applicable

STRATEGY, VALUE CREATION AND	SUSTAINABILITY AND CLIMATE EFFORTS
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Acute Physical Risks	Risk Code	Description	Term	Actions Taken/To Be Taken by Takasbank
Extreme Weather Events	R.FİZİKSEL.01	The Bank's campus and assets within the campus may be damaged and, as a consequence, adverse situations such as failure to access papers, documents, and system data belonging to the Bank, disruption of the Bank's activities / business continuity, and facing legal sanctions may be experienced due to extreme weather events associated with climate change, such as excessive precipitation, hail, flood, and storm.	Short Medium	 Takasbank issued necessary action plans (Emergency and Contingency Plan) against climate events such as excessive precipitation, flood, and draught, as well as natural disasters such as earthquake. Reviews are carried out in regular intervals. Operational flexibility is maximized and necessary precautions are taken to ensure
Natural Disasters	R.FİZİKSEL.02	 Natural disasters such as earthquakes may cause significant physical damage to premises and activities of organizations. 		 business continuity with backup systems. Buildings that may be impacted by extreme weather events and natural disasters, such as the Head Office building, \$işli Building,
Fire	R.FİZİKSEL.03	 Forest fires, fires that may occur in the campus where business activities are carried out, and other fire incidents may cause physical asset losses and air pollution. 		as the nead office building, 31311 building, and Disaster Data Center (DDC), are regularly insured.

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Table 2. Sustainability and Climate Related Risks Incurred by Takasbank (Acute Physical Risks)

Risk Code	Description	Term	Actions Taken/To Be Taken by Takasbank
R.FİZİKSEL.04	conditions, such as changing precipitation patterns, increasing average temperatures,	Long	 Potential impacts of long-term changes in climate conditions on the Bank's activities and financials, as well as employees, are constantly monitored.
R.FİZİKSEL.05	 Management of and difficulty of access to water resources may impact organizations and communities. 	Medium Long	 Takasbank aims for efficient water use in its processes arising from its operations and activities.
	R.FİZİKSEL.04	Potential long term changes in climate conditions, such as changing precipitation patterns, increasing average temperatures, and rising sea levels, may have negative impact on the Bank. Management of and difficulty of access to water resources may impact organizations	Potential long term changes in climate conditions, such as changing precipitation patterns, increasing average temperatures, Long and rising sea levels, may have negative impact on the Bank. Management of and difficulty of access to water resources may impact organizations Medium Long

Table 3. Sustainability and Climate Related Risks Incurred by Takasbank (Chronic Physical Risks)

Social Risks	Risk Code	Description	Term	Actions Taken/To Be Taken by Takasbank
Qualified Human Resource Need in Sustainability	R.SOSYAL.01	 Increased demand for qualified employees may increase competition between employers. In case of qualified employee deficiency, regulatory compliance challenges, loss of efficiency, and operational interruptions may occur. 	Short Medium	 Takasbank closely pursues seminar, training, and workshop events on sustainability and supports capacity enhancement of its employees.
Low Employee Engagement	R.SOSYAL.02	Employees may not be sufficiently interested or want to prioritize sustainability/climate matters in the implementation process of goals and strategies associated with sustainability and climate, which are determined by the Bank.		 In 2024, "Sustainability Suggestion" field was added to the "I Have a Suggestion/Idea" platform as a result of developments made on the platform, where employees can currently submit their suggestions and ideas to ensure voluntary active participation of employees in activities to be carried out in environmental, social, and governance areas with respect to sustainability goals. "Sustainability" trainings on "Takasbank E-Akademi", which aim to create basic awareness about sustainability, were declared as the subject of the month and made available to all employees in September 2024.

RISK MANAGEMENT

Social Risks	Risk Code	Description	Term	Actions Taken/To Be Taken by Takasbank
Epidemics	R.SOSYAL.03	The spread of epidemics may have serious economic, social, and cultural impacts on the Institution's activities.		 Developments are monitored closely and necessary actions are taken in epidemic periods. In epidemic periods, precautions are taken by distributing protective equipment to employees, policies on working from home are implemented as necessary to reduce the risk of infection.
Supplier Relations	R.SOSYAL.04	Critical suppliers of the Bank may be unable to fulfill requirements on sustainability, it might be difficult to find suppliers that fulfill such requirements.	Short	 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 with affiliated companies, initiated in 2022 and incorporating sustainability criteria for the procurement of goods and services related to information technologies, supplier selection and evaluation processes, is ongoing.
Employee Dissatisfaction	R.SOSYAL.05	 Dissatisfaction of employees, arising from various reasons, may have negative consequences on their activities. This may cause operational errors and losses. 	Short	 Constant efforts are made to increase both personal/professional development and welfare of employees, and corporate culture; a wide range of events are organized throughout the year to increase the motivation of employees.

Table 4. Sustainability and Climate Related Risks Incurred by Takasbank (Social Risks)

Governance Risks	Risk Code	Description	Term	Actions Taken/To Be Taken by Takasbank
Information Security and Cyber Security	R.YÖNTŞM.01	 The increase of digitalization in activities may increase cyber security risks. This may involve threats such as data breaches, information leaks, or cyber attacks. 	Short	 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.
Reputation	R.YÖNTŞM.02	 Failure to fulfill commitments regarding sustainability or greenwashing practices may cause loss of brand and reputation. 		 Takasbank systematically evaluates the environmental, social, and economic ramifications of its activities, regularly submits transparent reports, and acts with the goal of creating sustainable value for all stakeholders.
Long Term Economic Crisis	R.YÖNTŞM.03	 Adverse impacts resulting from climate change, such as a general decline in economic activities, experiencing a long- term economic crisis, etc. may have negative impact on activities and income of the Bank. 	Long	 Matters such as 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, are monitored regularly.

Table 5. Sustainability and Climate Related Risks Incurred by Takasbank (Governance Risks)

Opportunities	Туре	Description	Term	Actions Taken/To Be Taken by Takasbank
Changes in Investor Preferences	Offered Products and Services	 The change of investor preferences toward green products and services may increase the demand for products and services focused on sustainability. 		 Demands of members for new products and services are taken into consideration, particularly by means of annual member satisfaction surveys, assessed in relevant committees and/or work groups, and approved demands are implemented.
Savings on Resource Costs	Resource Effectiveness	Costs may be reduced by saving on resource utilization.	Short	 Several measures were taken to use resources and energy more efficiently within the Bank, such as utilization of products with high energy efficiency, digital transformation efforts, preferring electric cars with low emissions for allocation to executives, while developments are constantly monitored.
Offering Settlement Services to the Carbon Market to be Established	Markets	Offering settlement services for transactions to be performed in the Carbon Market to be established may contribute to the financial performance and have positive impact on the reputation of Takasbank.	Medium	 Emissions Trading System establishment efforts, conducted by Carbon Pricing Department, are participated, studies are carried out in respect of the settlement construct for the system, and presentations are made concerning the process.
Being a Preferred Employer	Social	 Positioning and recognition of the Bank by the employees as a company that; Observes employee rights in national and international regulations, Enables career development of employees, Observes equal opportunity and work-life balance of employees, Ensures safety and protects health of employees may increase efficiency among employees. 	Short Medium Long	Takasbank continues to maintain its efforts and practices to preserve a modern corporate culture focused on sustainable growth and to increase personnel motivation. Practices conducted by the Bank in this scope are submitted to the stakeholders for information every year in the Integrated Annual Report. On the other hand, employee expectations are taken into consideration with the "Employee Experience Survey" that is conducted every year among the employees, and necessary planning is made to fulfill such expectations.
Increasing Reputation	Reputation	Efforts focused on sustainability, such as corporate social responsibility projects, may have positive impact on perception of Takasbank by the public, particularly its stakeholders, and increase its reputation.	Short Medium	Takasbank 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.

Table 6. Sustainability and Climate Related Opportunities from Takasbank's Perspective

STRATEGY, VALUE CREATION AND SUSTAINABILITY AND CLIMATE EFFORTS STAKEHOLDER RELATIONS

RISK MANAGEMENT

Climate-Related Risks by Risk Types

Risks arising from climate change are categorized as "climate-related physical risks" and "risks of transition to low carbon economy" as detailed in "Takasbank's Perspective on Climate Risks" section of the Report. Such risks impact the financial sector directly and indirectly through microeconomic and macroeconomic channels such as cost increases, income losses, and changes in economic conditions. Thus, climate risks transform into financial risks.

Physical and transition risks arising from climate change are evaluated within the scope of existing risks defined by the Bank and included in the Bank's risk management processes. In this scope, both physical and transition risks of climate change are categorized, monitored, and managed as follows under the main headings of credit, market, operational, liquidity, and reputation risks, as indicated in Tables 7, 8, 9, 10, and 11.

a) Credit Risk:

Risk Types	Titles	Description					
	Risk Definition:	Credit risk is defined as the potential loss that might be incurred by the Bank due to the failure of a credit customer to comply with contractual requirements and fulfill their liabilities on time, partially or completely. The counterparty credit risk is considered within the scope of the credit risk.					
	Takasbank's Approach:	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 Banking 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. The maturity terms of the loans extended are mostly applied as O/N in line with the requests of the members. Cash credit practice also involves "Settlement Credit" facilities and it is allocated to members that want to fulfill their settlement obligations subject to limits approved by the Board of Directors.					
	Physical Risks:	Financial repayment difficulties and decrease in collateral values, which may be experienced by members before the Bank as a result of the loss of value in their assets and their loss of income due to physical risks					
Credit	Transition Risks:	Financial impacts based on additional investment needs and cost increases that might be experi the course of adaptation with changes in legal regulations and technology					
Credit	Impact Area:	There may be an increase in non-performing loans. However, there was no loan that became not performing as of 31/12/2024.					
	Management:	 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 mark or capital market instruments for which CCP services are provided; and the said limits enter into foollowing approval by the Board of Directors. Credit risk is managed with the presence of an efficient strong collateralization mechanism and allocation of appropriate limits. It is considered that the impact of cash credits, allocated by Takasbank to intermediary institution quite limited in terms of physical risks. Legal regulations are followed rigorously in terms of transition risks. 					
	Impact Period:	- Short - Medium - Long					
	Impact Level:	Low					

Table 7. Climate-Related Risks by Risk Types (Credit Risk)

b) Market Risk:

Risk Types	Titles	Description						
	Risk Definition:	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						
	KISK Derillition.	movements in market prices.						
	Takasbank's Approach:	The Bank's fund management operations are mostly carried out with state banks and the banks the Board of Directors allocates limits to. GDDSs issued by the Ministry of Treasury and Finance of the Republic of Türkiye, lease certificates issued by the Asset Leasing Company of the Ministry of Treasury and Finance, debt securities issued by banks established in Türkiye and lease certificates originating from banks, debt securities issued by TWF and companies 100% owned by TWF, as well as lease certificates originating from TWF and companies 100% owned by TWF, ABSs originating from banks resident in Türkiye and debt securities in TL issued abroad by supranational institutions resident abroad can be accepted to the securities portfolio of the Bank. On the other hand, derivative products can be used for the bank portfolio for the purposes of hedging and liquidity management, and for risk mitigating transactions regarding positions undertaken as a result of CCP services.						
	Physical Risks:	Value losses that might be experienced in securities in the Trading portfolio						
Market	Transition Risks:	 Financial impacts based on additional investment needs and cost increases that might be experienced in the course of adaptation with changes in legal regulations and technology Price and/or demand change that might occur in respect of assets in the Trading portfolio and income losses that might arise accordingly 						
	Impact Area:	Fluctuation in financial asset prices						
	Management:	 The Treasury Team, Middle Office 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 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. Statutory regulations are followed rigorously. 						
	Impact Period:	ShortMediumLong						
	Impact Level:	Low						

Table 8. Climate-Related Risks by Risk Types (Market Risk)

RISK MANAGEMENT

c) Operational Risk:

Risk Types	Titles	Description						
	Risk Definition:	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 risk.						
	Takasbank's Approach:	 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. 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 climate risks. 						
	Physical Risks:	Interruption of activities						
	Transition Risks:	Financial impacts based on additional investment needs and cost increases that might be experienced in the course of adaptation with changes in legal regulations and technology						
	Impact Area:	 Financial difficulties that might be experienced due to interruption of activities and business continuity Increase in improvement, repair, and insurance costs 						
Operational	Management:	 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" from the perspective of climate risks, and loss estimates are made by means of stress testing and scenario analyses conducted within the scope of the ICAAP report. The Bank's service- and subservice-based risks related with all business and information technologies are also monitored using the "Operational Risk Database" from a climate risk perspective, and the records related with this database also provide input for the management statement efforts. Practices such as business continuity and emergency planning enable effective management of operational risks that may arise from climate risks. The operational risks that the Bank is/may be exposed to are substantially secured with insurance policies taken out to that effect. It is also attempted to minimize the operational risks, encountered by the Bank as a result of climate risks, with the efforts of the Sustainability Committee. Statutory regulations are followed rigorously. 						
	Impact Period:	- Short - Medium - Long						
	Impact Level:	Low						

Table 9. Climate-Related Risks by Risk Types (Operational Risk)

STRATEGY, VALUE CREATION AND STAKEHOLDER RELATIONS

SUSTAINABILITY AND CLIMATE EFFORTS

d) Liquidity Risk:

Risk Types	Titles	Description
	Risk Definition:	Liquidity risk means funding liquidity risk and market liquidity risk. Market liquidity risk is defined as the risk involving failure to form a market price as a result of failure of the Bank to sell or close a position without impacting the market price due to reasons such as insufficient market depth or disturbance of market conditions. Funding liquidity risk is defined as the risk of failure of the Bank to fulfill its debts and obligations without incurring an unexpected loss and going into default.
	Takasbank's Approach:	 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 no maturity mismatch. Liquidity planning is made by taking account of Takasbank's existing and under-stress liquidity needs and its risk appetite and capacity.
	Physical Risks:	Failure to fulfill cash flow and additional collateralization needs of the Bank
	Transition Risks:	 Decline of fund creation capacity, increase in source costs associated with regulations Financial impacts based on additional investment needs and cost increases that might be experienced in the course of adaptation with changes in legal regulations and technology
Liquidity	Impact Area:	 Vulnerability of the Bank's cash flow, Potential challenges in fund creation and financing, Occurrence of maturity mismatch
	Management:	 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 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. Statutory regulations are followed rigorously.
	Impact Period:	- Short - Medium
	•	- Long

Table 10. Climate-Related Risks by Risk Types (Liquidity Risk)

STRATEGY, VALUE CREATION AND STAKEHOLDER RELATIONS

RISK MANAGEMENT

e) Reputation Risk:

Risk Types	Titles	Description				
	Risk Definition:	Reputation risk means the negative considerations of stakeholders about Takasbank, the decrease of confidence in the Bank as a result of failure to act in compliance with existing legal regulations, or the potential loss arising from disreputation of the Bank.				
	Takasbank's Approach:	 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. Associated with reputation, transparency, trust and dignity in the eyes of its stakeholders since its establishment, Takasbank is determined to maintain strong communications with its stakeholders at all times. 				
	Physical Risks:	Failure to ensure service continuity at the expected level				
	Transition Risks:	Failure to comply with legal regulations and standards, decline in financial performance				
Reputation	Impact Area:	Loss of confidence				
		 In order to ensure effective management of reputation risk within the Bank, it is aimed to monitor the Bank's reputation and reputation risk with a methodological approach and to take all of the necessary measures before the reputation risk arises. 				
	Management:	 Material issues of Takasbank involve 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 Statutory regulations are followed rigorously. 				
		- Short				
	Impact Period:	- Medium				
		- Long				
	Impact Level:	Low				

Table 11. Climate-Related Risks by Risk Types (Reputation Risk)

Scenario Analyses and Stress Testing

As defined in TSRS 1 – Annex A; "Scenario analysis is the process of determination and assessment of potential outcomes of future events under conditions of uncertainty". Generated scenarios are hypothetical structures and provides a way for organizations to consider how the future might look if certain trends are ongoing or if certain conditions are met. Scenario analysis may be qualitative, depending on illustrative, written narratives or quantitative, depending on numeric data and models, or a combination of both.

In comparison with commercial and investment banks, Takasbank is exposed less to financial risks arising from climate change. This arises from the nature of Takasbank's business model and risk profile, because Takasbank does not provide financing or investment to its members or other respondents like other commercial and investment banks. Instead, it provides short term (mostly daily) loans secured by high quality collateral.

Based on initial internal assessments, as detailed in the section titled **"Risk Management"** of the report, it is considered that Takasbank is not exposed to climate related issues that might impact its financial performance or position significantly. Therefore, climate related issues do not constitute an important input for the financial planning process.

Paragraph 22 titled "Climate resilience" of TSRS 2 contains the provision "The enterprise discloses information ensuring that the users of general purpose financial reports understand the resilience of the enterprise's strategy and business model against climate related changes, developments, and uncertainties –also in consideration of identified climate related risks and opportunities of the enterprise. The enterprise employs an approach proportional to its circumstances and uses climate related scenario analysis to assess climate resilience." On the other hand, as it is considered that Takasbank is not at climate related risks that might impact its financial performance significantly in short and medium term, and also in consideration of the effort to be made for potential scenario analyses to be made, it was considered that such scenario analyses could be performed only qualitatively in the current situation. However, in consideration of the dynamic and constantly evolving nature of climate change and sustainability issues, the impacts of such risks on Takasbank will be constantly assessed and, in upcoming periods, quantitative scenario analyses and stress tests will be carried out in addition to qualitative scenario analyses.

In addition to the matters mentioned above, stress testing and scenario analyses are conducted internally by Takasbank for the following three-year period within the scope of the ICAAP Report issued annually pursuant to the Regulation on the Internal Systems and Internal Capital Adequacy Assessment Process of Banks. Sustainability and climate change risks are also addressed in the mentioned report and there is no financial impact, affecting the business model of the Bank, concerning such risks.

On the other hand, within the scope of operational risk, stress testing was performed for three scenario sets (base, negative, and extremely negative) determined by the Bank for 2024, 2025, and 2026. Under the extremely negative scenario in stress testing performed for operational risk, the amount of loss to arise in the case of destruction of Borsa İstanbul A.Ş. campus and Şişli building of the Bank, as well as movable goods in these buildings, as a result of a potential earthquake, was used as the estimated capital amount concerning operational risk.

Under the mentioned scenario, it was assumed that the Bank would be able to carry on its services in case of a potential earthquake thanks to its emergency centers and the emergency plan that it has prepared; thus, no additional business risk amount was calculated for the earthquake scenario.

BENCHMARKS AND OBJECTIVES

Туре	Objective No.	Objective	Associated Risk Co	de Associated Risk Definition	Objective Details and Actions Taken/To Be Taken by Takasbank	KPI No.	Key Performance Indicator (KPI)	Relevant Metric / Measure	Target Validity Period	Measurement Period	Target Value	Realized Value (2024)	Compliance Status
			R.GEÇİŞ.02	Increasing Non-Financial Regulations	Although Takasbank is not considered as a carbon intensive	H.Ç.01.APG.01	Generation of a Greenhouse Gas Inventory in the Bank	Units	2025	Once	1	-	ONGOING
	H.Ç.01	Effective management of greenhouse gases emitted due to Takasbank's activities	R.GEÇİŞ.04 R.GEÇİŞ.05 R.YÖNTŞM.02	Increase in Greenhouse Gas Emissions Stakeholder Expectations Reputation	company by virtue of its sector, it calculates the amount of greenhouse gases emitted due to its activities and aims to reduce Scope 1, 2, and 3 greenhouse gas (GHG) emissions in years thanks to the actions to be taken.	H.Ç.01.APG.02	Regular and comparable reporting of emission measurements to be performed by means of the Greenhouse Gas Inventory to be established	Units	Every year beginning from 2024	Once a year	1	1	COMPLIANT
Environment	H.Ç.02	No incurrence of any loss by the Bank due to acute physical risks	R.FIZIKSEL.01 R.FIZIKSEL.02 R.FIZIKSEL.03	Extreme Weather Events Natural Disasters	Takasbank will continue to insure buildings, which may be impacted by extreme weather events and natural disasters, such as the Head Office building, Şişli Building, and Disaster Data Center (DDC), regularly. Takasbank will continue to maximize operational flexibility and to take necessary precautions to ensure business continuity with backup systems.	H.Ç.02.APG.01	Net amount of loss incurred by the Bank due to acute financial risks	TL	Every year beginning from 2024	Once a year	0	0	COMPLIANT
	H.Ç.03	Acting in compliance with the zero waste principle pursuant to the Zero Waste Regulation	R.GEÇİŞ.06	Recycling and Waste Management	Pursuant to the received Zero Waste Certificate, Takasbank pursues waste sorting and waste reduction efforts with zero waste principle.	H.Ç.03.APG.01	Amount of financial loss incurred by the Bank due to non-compliance with Zero Waste Regulation	TL	Every year beginning from 2024	Once a year	0	0	COMPLIANT
	H.E.01	No exposure to any administrative sanction/penalty arising from sustainability / climate (reporting, legal regulation, etc.)	R.GEÇİŞ.01 R.GEÇİŞ.02	Increasing Sustainability / Climate Reporting Requirements Increasing Non-Financial Regulations	In addition to national and international regulations issued in the area of sustainability/climate (reporting, etc.), good practice examples and reporting standards are monitored closely.	H.E.01.APG.01	Amount of administrative fine incurred by the Bank due to sustainability / climate reporting	TL	Every year beginning from 2024	Once a year	0	0	COMPLIANT
Conomic	H.E.02	Not incurring any financial loss arising from operational errors and/or disruptions during integration of sustainability practices	R.GEÇİŞ.03	Operational Challenges	Detailed information on management of operational risks is available under the title "Operational Risk Management "" in "Information on the Risk Management Policies applied by Risk Types "section of the Report.	H.E.02.APG.01	Amount of financial loss arising from operational errors and/or disruptions during integration of sustainability practices	TL	Every year beginning from 2024	Once a year	0	0	COMPLIANT
-	H.E.03	Following certain rates concerning profitability	R.YÖNTSM.03	Long Term Economic Crisis	Realization rates concerning both return on equity and return	H.E.03.APG.01	Profit After Tax / Average Equity	%	Every year beginning from 2024	Once a year	≥ 71,35%	78,77%	COMPLIANT
	11.2.03		C.1.1VIÇ 1 VIO 1.7	Long Territ Economic Crisis	on assets will be continuously followed.	H.E.03.APG.02	Profit After Tax / Average Assets	%	Every year beginning from 2024	Once a year	≥ 4,54%	5,27%	COMPLIANT
	H.S.01	Regular awareness raising among employees in terms of sustainability	R.SOSYAL.01	Qualified Human Resource Need in Sustainability Low Employee Engagement	Awareness raising activities will be conducted in respect of sustainability. Periodic online trainings will be provided to employees	H.S.01.APG.01	Total Duration of Trainings on Sustainability Offered to Employees on Digital Environment	Minutes	Every year beginning from 2024	Once a year	≥ 120	188	COMPLIANT
	H.S.02	Keeping employee turnover rate low in the Bank	R.SOSYAL.02	Employee Dissatisfaction	through Takasbank E-Akademi. Efforts, conducted to increase both personal/professional developments and welfare levels of employees, as well as their engagement in the institution, will continue.	H.S.02.APG.01	Voluntary Turnover Rate Between 6 th Month and 3 rd Year Following Employment Starting Date of the Bank's Personnel	%	Every year beginning from 2024	Once a year	≤ 5%	2,82%	COMPLIANT
	11.5.03	Keeping member satisfaction level high	R.GEÇİŞ.05 Stakeholder Expectations	Member satisfaction survey will be conducted every year and	H.S.03.APG.01	Average Satisfaction Level in Member Satisfaction Survey	%	Every year beginning from 2024	Once a year	> 88%	94%	COMPLIANT	
cia	H.S.03		R.uEÇIŞ.US	Stakenoluer Expectations	necessary actions will be taken according to survey results.	H.S.03.APG.02	Average Image / Reputation / Reliability Rating According to Member Satisfaction Survey	%	Every year beginning from 2024	Once a year	≥ 90%	96%	COMPLIANT
20	H.S.04	Conducting a sustainable procurement survey among suppliers with a high degree of importance in terms of operational risk	R.SOSYAL.04 R.GEÇİŞ.03 R.GEÇİŞ.05 R.YÖNTŞM.02	Supplier Relations Operational Challenges Stakeholder Expectations Reputation	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 2024, all suppliers on the approved list as of year-end 2023 underwent a comprehensive sustainability assessment through surveys within 2024.	H.S.04.APG.01	Number of approved suppliers completing sustainability surveys / Total number of approved suppliers	%	Every year beginning from 2024	Once a year	≥ 95%	100%	COMPLIANT
	H.S.05	Keeping average annual training duration per employee at minimum 40 hours	R.GEÇİŞ.05 R.SOSYAL.05	Stakeholder Expectations Employee Dissatisfaction	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. Detailed information on training activities is provided in "Stakeholder Relations > Employees > Employee Development and Trainings " section of the Report.	H.S.05.APG.01	Total In-Class and Online Training Hours / Average Number of Employees in the Reporting Period	Time	Every year beginning from 2024	Once a year	≥ 40	42,02	COMPLIANT
Governance	H.Y.01	Drawing up supplementary/supportive policies and internal legislation regarding sustainability, which support Takasbank Sustainability Policy	R.GEÇİŞ.02 R.GEÇİŞ.04 R.GEÇİŞ.05 R.GEÇİŞ.06 R.YÖNTŞM.02 R.FİZİKSEL.04 R.FİZİKSEL.05	Increasing Non-Financial Regulations Increase in Greenhouse Gas Emissions Stakeholder Expectations Recycling and Waste Management Reputation Long Term Changes in Climate Conditions Management of Water Resources	Takasbank aims to prepare "Takasbank Environmental Policy" and submit it to Board approval by 2026.	H.Y.01.APG.01	Drawing up the Environmental Policy by 2026	Units	2024-2026	Once	1		ONGOING
	H.Y.02	Not experiencing overdue settlements caused by Takasbank	R.YÖNTŞM.01	Information Security and Cyber Security	We will continue carrying out periodic Disaster Recovery Drills including critical services with the participation of members and stakeholders. 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 will also be conducted.	H.Y.02.APG.01	Number of business days when clearing and settlement could not be performed on the due date within the period / Total number of business days when clearing and settlement was performed within the period	%	Every year beginning from 2024	Once a year	0	0	COMPLIANT

BENCHMARKS AND OBJECTIVES

Sustainability Performance

Economic Performance Data

	2022		2023		2024		
(Million)	TL	USD	TL	USD	TL	USD	
Economic Value Generated							
Revenues*	3.171	191	7.926	334	15.500	473	
Economic Value Distributed							
Operating Expenses**	606	37	2.178	92	2.009	61	
Employee Wages and Benefits	232	14	686	29	1.435	44	
Payments to Capital Providers ***	445	27	866	36	1.820	55	
Payments to Governmental Institutions ****	637	38	1.650	69	3.679	112	
Economic Value Retained							
(Revenues – Economic Value Distributed)	1.251	75	2.546	107	6.557	200	

 $Explanations \ and \ Notes: In \ the \ calculations, \ the \ annual \ average \ exchange \ rate \ was \ used \ as \ 16,5850 \ for \ 2022, \ 23,7438 \ for \ 2023 \ and \ 32,7921 \ for \ 2024.$

Environmental Performance Data

Greenhouse Gas Emissions	2022	2023	2024
(tons of CO,-equivalent)			
Scope 1	335,26	338,61	190,38
Stationary Combustion Emissions	179,12	123,05	132,47
Mobile Combustion Emissions	105,39	105,23	32,43
Fugitive Emissions	50,75	110,33	25,48
Scope 2	1.818,49	1.886,30	2.090,83
Emissions from Purchased Energy	1.818,49	1.886,30	2.090,83
Scope 1 and Scope 2 Total Emission Amount (tCO ₂ e)	2.153,75	2.224,91	2.281,21

Social Performance Data

NUMBER OF EMPLOYEES	2022		202	3	2024		
	Female	Male	Female	Male	Female	Male	
Total Number of Employees	147	192	165	238	167	275	
Percentage of Employees by Gender	43,4%	56,6%	40,9%	59,1%	37,8%	62,2%	
Total	339		403		442		

NUMBER OF EMPLOYEES BY EMPLOYMENT CONTRACT TYPE	202	2	202	3	2024	4
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Female	142	5	158	7	163	4
Male Total	188	4	225	13	256	19
Total	330	9	383	20	419	23

NUMBER OF EMPLOYEES BY PERIODS OF EMPLOYMENT	2022	2023	2024
0 to 5 years	153	206	248
5 to 10 years	111	108	103
10+ Years	75	89	91
Total	339	403	442
Average Period of Employment	7	6.4	6
AGE DISTRIBUTION OF EMPLOYEES	2022	2023	2024
Above 50 years of age	23	26	22
Between 30-50 years of age	245	261	270
Under 30 years of age	71	116	150
Total Number of Employees	339	403	442
Average Age of Employees	36	34,8	34,3

NUMBER OF DISABLED EMPLOYEES BY GENDER	202	2	202	3	202	4
	Female	Male	Female	Male	Female	Male
Number of Disabled Employees	1	7	1	10	1	9
Total	8		11		10	

BREAKDOWN OF EMPLOYEES AT MANAGERIAL POSITIONS BY GENDER AND AGE (Service Manager and Above)	202	2	202	3	202	4
	Female	Male	Female	Male	Female	Male
Above 50 years of age	1	10	2	11	3	10
Between 30-50 years of age	13	33	17	36	19	39
Under 30 years of age	-	-	-	-	-	-

BREAKDOWN OF EXPERT GROUP EMPLOYEES BY GENDER AND AGE	202	2	202	3	202	4
	Female	Male	Female	Male	Female	Male
Above 50 years of age	2	8	3	9	-	8
Between 30-50 years of age	88	89	91	105	91	111
Under 30 years of age	31	34	47	65	51	94

BREAKDOWN OF ADMINISTRATIVE SERVICE GROUP EMPLOYEES BY GENDER AND AGE	202	2	202	3	202	4
	Female	Male	Female	Male	Female	Male
Above 50 years of age	-	1	-	-	-	-
Between 30-50 years of age	11	6	5	2	4	2
Under 30 years of age	1	4	-	3	-	3

^{*} All revenues (including financial and other operating revenues) are included.

 $[\]ensuremath{^{**}}\xspace$ Other operating expenses and financial expenses are included.

^{***} Includes dividend payments.

comprises the CMB Board Share Provisions, BRSA Participation Share, Corporate Tax, and other taxes.

BREAKDOWN OF AUXILIARY SERVICE GROUP EMPLOYEES BY GENDER AND AGE	202	2	202	3	2024	4
	Female	Male	Female	Male	Female	Male
Above 50 years of age	-	1	-	1	-	1
Between 30-50 years of age	-	5	-	5	-	4
Under 30 years of age	-	1	-	1	-	2

BREAKDOWN OF EMPLOYEES BY GENDER AND EDUCATIONAL BACKGROUND	202	2022 2023		3	2024		
	Female	Male	Female	Male	Female	Male	
Doctorate (PhD)	-	-	2	-	3	2	
Master's (MSc/MA)	28	45	33	69	36	69	
Bachelor's (BSc/MA)	108	129	117	143	120	175	
High School and Two-Year Undergraduate	11	18	13	26	8	29	

NUMBER OF NEW EMPLOYEES	2022		2023		2024	
	Female	Male	Female	Male	Female	Male
Number of newly recruited employees	35	37	28	61	20	56
Above 50 years of age	-	1	-	-	-	-
Between 30-50 years of age	15	13	2	18	4	9
Under 30 years of age	20	23	26	43	16	47

NUMBER OF LEAVING EMPLOYEES	202	2022		2023		2024	
	Female	Male	Female	Male	Female	Male	
Number of leaving employees within the	9	22	14	24	40	24	
year	9	22	14	21	19	21	
Above 50 years of age	1	4	-	2	4	4	
Between 30-50 years of age	8	14	5	8	6	5	
Under 30 years of age	-	4	9	11	9	12	
Voluntary Turnover Rate Between 6 th							
Month and 3 rd Year Following Employment	0,7%	4,7%	3,6%	4,6%	4%	2%	
Starting Date of the Bank's Personnel							
Employee Turnover Rate	6,1%	11,5%	8,5%	8,8%	11,2%	8,2%	

- mproyee runnover react	0,170	11,5 70	0,5 /0	0,0 /0	11,= 70	0,= /0
EMPLOYEE'S REMOTE / HYBRID WORKING RATIOS		2022		2023		2024
Remote / Hybrid Working Ratio*		37%		34%		36%

 $[\]ensuremath{^*}\mbox{Service}$ managers and above are not included in the calculation.

EQUAL OPPORTUNITY PURSUED IN ALL HR PRACTICES (% of Female Emp.)	2022	2023	2024
Average number of days remotely worked per employee	36%	36%	36%
Newly recruited employees	49%	31%	26%
Promoted employees	49%	60%	34%
Change of departments (rotation, internal transfer)	60%	32%	48%

EMPLOYEES TAKING MATERNITY LEAVE AND EMPLOYEES RETURNING TO WORK AFTER MATERNITY LEAVE	2022		2023		2024	
	Female	Male*	Female	Male*	Female	Male*
Employees Entitled to and Benefiting from Maternity Leave	6	11	7	9	11	14
Employees Returning to Work after Maternity Leave	3	11	5	9	4	14
Employees Returning to Work after the End of Maternity Leave and still at Work Twelve Months After Their Return to Work	3	11	5	9	4	14
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***	_	1***	-

 $^{{}^*}Refers \ to \ the \ number \ of \ male \ employees \ entitled \ to \ 10-day \ paternity \ leave \ after \ his \ wife \ gives \ birth.$

employees in 2023, and 7 female employees in 2024 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 in 2024.

RIGHT OF LEAVE GRANTED TO EMPLOYEES	2022		202	2023		2024	
	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.)	3,6	3,5	4,8	4,8	3,2	3	

^{**6} and 11 female employees were entitled to maternity leave in 2022, 2023, and 2024, respectively. As of the date of this report, 3 female employees in 2022, 2 female

OCCUPATIONAL HEALTH AND SAFETY DATA*	2022	2023	2024
Number of Takasbank Employees	339	403	442
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	1	2	1
pursuant to Applicable Legislation (All)			
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	307	192	159
Health and Safety Training***	307	192	153
Total Hours of Occupational Health and	2.456	1.536	1.272
Safety Training Provided****	2.456	1.536	1.2/2
Total Number of Hours Worked	580.495	699.674	785.185,5

^{*}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.

^{**}Data for 2023 and 2022 were recalculated using the accounting methodology implemented in 2024 to ensure comparability, while there are differences in reported data and the data in 2023 Integrated Annual Report.

EMPLOYEE TRAININGS - 1	2022	2023	2024
Annual Average Training Hours per Employee****	33,75	40,66	42,02
Annual Average Training Hours per Employee*****	31,72	37,36	39,25
Annual Average Training Hours Per Female Employee*****	36,08	38,12	40,61
Annual Average Training Hours per Male Employee*****	28,64	36,83	38,42
Ratio of Digital Trainings in Total Trainings*******	15%	18%	19%
Total Number and Percentage of Senior Managing Officials who received Anti- Corruption Training	4-100%	4-100%	4-100%
Total Number and Percentage of Employees who received Anti-Corruption Training**	343-99,7%	403-99,5%	459-98,7%

^{*}Calculated on the basis of the number of employees who received training, including those who left the Bank during the year.

EMPLOYEE TRAININGS - 2	2022*		2023*		2024	
	Female	Male	Female	Male	Female	Male
Annual Average Training Hours per						
Employee Group* Manager Group (Service Manager and Above)	25.11	29.74	47.14	38.44	31.49	31.04
Expert Group	39,23	30,68	38,22	38,56	42,97	42,30
Administrative Service Group	21,57	13,45	17,45	10,27	25,13	14,21
Auxiliary Service Group	-	7,00	-	12,39	-	8,30

^{*}Data for 2023 and 2022 were recalculated using the accounting methodology implemented in 2024 to ensure comparability, while there are differences in reported data and the data in 2023 Integrated Annual Report.

EMPLOYEES SUBJECT TO PERFORMANCE ASSESSMENT - 1	2022**		2023**		2024**	
	Female	Male	Female	Male	Female	Male
Number of Employees subject to Performance Assessment	137	194	159	225	171	257
Ratio of Employees subject to Performance Assessment to Total Employees*	91%	93%	96%	96%	98%	97%

^{*}Members of the Board of Directors, long-term interns and student interns are not included in the total number of employees.

^{**} Employees who were part of the performance process but left the company by the year-end are included in the data.

EMPLOYEES SUBJECT TO PERFORMANCE ASSESSMENT - 2	2022*		2023 [*]		2024	
	Female	Male	Female	Male	Female	Male
Number of Employees subject to Performance Assessment by Employee Groups	137	194	159	225	171	257
Manager Group (Service Manager and Above)	13	37	19	45	24	48
Expert Group	117	139	134	163	138	192
Administrative Service Group	7	11	6	10	9	9
Auxiliary Service Group	-	7	-	7	-	8

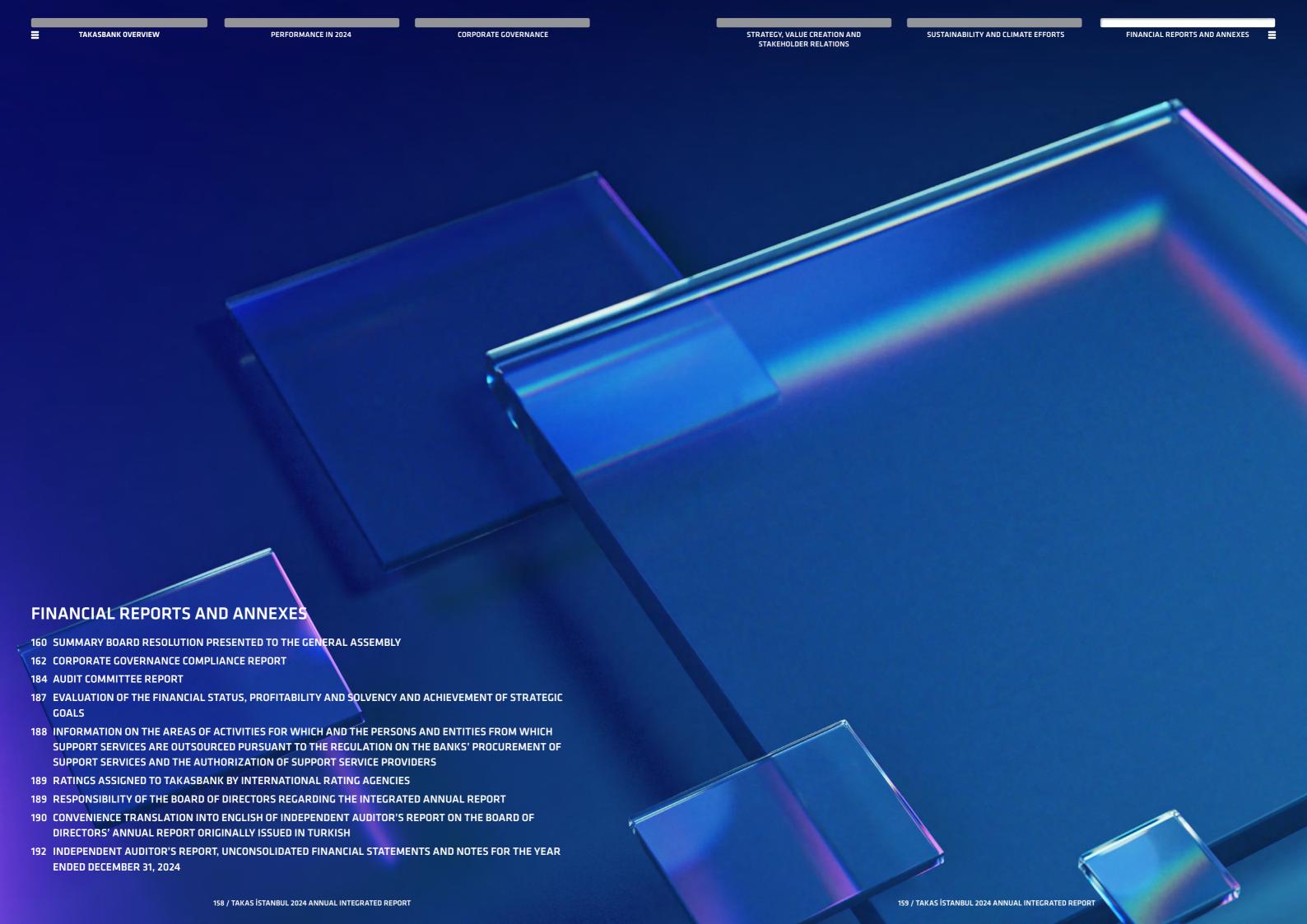
^{*}Data for 2023 and 2022 were recalculated using the accounting methodology implemented in 2024 to ensure comparability, while there are differences in reported data and the data in 2023 Integrated Annual Report.

EMPLOYEE EXPERIENCE SURVEY	2022	2023	2024
Rate of participation in the employee	92%	96%	96%
experience survey	92%	96%	36%
Employees' general satisfaction score			
about the Bank according to the employee	81,9%	81,5%	82,4%
experience survey (out of 100)			
Number of suggestions made by employees			
(According to the answers to the open-	35	41	60
ended questions)			

[&]quot;Due to the fact that 1 employee was on maternity leave in 2023 and 5 employee was on maternity leave in 2024, they were unable to complete the training.

[&]quot;In calculating the ratio of digital training to total training, training received through Takasbank E-Academy was included in addition to training received through the Takasbank Training Platform.

[&]quot;"Data for 2023 and 2022 were recalculated using the accounting methodology implemented in 2024 to ensure comparability, while there are differences in reported data and the data in 2023 Integrated Annual Report.



SUMMARY BOARD RESOLUTION PRESENTED TO THE GENERAL ASSEMBLY

Dear Shareholders.

2024 started with concerns of slowdown regarding economic activity and central bank decisions discussing the timing of interest rate cuts. Ongoing geopolitical and economic uncertainties also made it difficult for central banks to decide.

It was observed that sharp decline expectations regarding global economy following interest rate hikes in 2023 did not realize. IMF emphasized that global economy maintained its resilience and recession scenario did not realize despite tight monetary conditions, and projected that global growth would be 3,2% for 2024.

FED made three interest rate cuts in 2024, when inflation and labor data were closely monitored in the USA. In Eurozone, which displayed poor growth last year, weakness in consumer confidence and political tensions became prominent in 2024. While European economy is not projected to grow rapidly in the near future, European Central Bank reduced its growth projection to 1,1% for 2025.

As it was continued to implement disinflationary policies in Turkish economy in 2024, an improvement was observed in current account balance in this period. Current account surplus was 1,88 billion USD in October. Thus, 12-month cumulative current account deficit declined to its lowest level since December 2021 with 7,68 billion USD. Due to the effect of implemented policies, the course of decline in exchange rate protected deposits and recovery in reserves continued in 2024. Central Bank reserves increased to 155 billion USD at the end of the year.

Following the positive impacts witnessed as a result of decisions made by economy management, rating increases of credit rating agencies such as Standard & Poor's, Fitch Ratings, and Moody's were observed throughout the year. While inflation declined in 2024, CPI decreased to 44,38% on an annual basis as of the year-end. CBRT determined its inflation projection as 21% for 2025 in the last Inflation Report of the year.

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, central counterparty, and banking, Takasbank sustained its operations and activities without interruption throughout the 2024 operating period, serving as a secure link between Türkiye's capital and money 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.

Projects, aimed at increasing the effectiveness of offered services with continuous improvement approach in line with the strategic objectives of our Bank and contributing to deepening and advancement of markets as an important component of Borsa İstanbul Group, were implemented.

In 2024, our Bank, operating as an 'On-site R&D Center' since April 2017, achieved the completion of five projects aimed at increasing operational efficiency and fortifying technological infrastructure, providing innovative solutions to the capital markets and the financial sector in Türkiye. Additionally, thirteen of our projects are ongoing.

As of 22 January 2024, it was started to use the blockchain infrastructure in the existing financial ecosystem with the "Takaschain" infrastructure developed by our Bank within the scope of BiGA Project, while our Bank maintains development and improvement efforts without slowing down in line with the objective of advancing "Takaschain" infrastructure further.

Developments within the scope of the project to integrate letters of guarantee, 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, were completed and implemented on 22 January 2024. It became possible to recognize and document online acceptance, maturity extension, refund, forfeiture transactions for performance guarantees, submitted to administrations within the scope of Central Administration, simultaneously as the performance of such transactions, thanks to the integration made between the General Directorate of Accounting of the Ministry of Treasury and Finance of the Republic of Türkiye, Public Procurement Authority, and our Bank.

As a consequence of the joint study conducted by our Bank, Türkiye Ürün İhtisas Borsası A.Ş. (TÜRİB), and Merkezi Kayıt Kuruluşu A.Ş. (Central Registration Agency), within the scope of TÜRİB Technological Transformation Project, launched to restructure the Market and make contract structure more flexible upon the start of operation of product market intermediary institutions in the Electronic Warehouse Receipt Market (Market) under TÜRİB, Takasbank shall provide clearing, risk, collateral, and default management services for EWR trading transactions in the Market. The project shall be launched in January 2025.

With its strategic perspective and effective management policies, Takasbank has completed the year 2024 successfully in terms of growth and profitability. Our profit before tax was recorded as 11,6 billion TL; our net profit was 8,3 billion TL; and our size of assets reached 192,7 billion TL while our shareholders' equity reached 13,7 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 economic challenges; 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 sharing our Bank's future-oriented strategy by providing a holistic assessment of the financial and non-financial performance of our Bank in 2024, 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 honoring our General Assembly with your presence.

Respectfully,

İstanbul Takas ve Saklama Bankası A.S.

On behalf of the Board of Directors;

Yunus ARINCI, Ph.D.
CEO
Member of the Board of Directors

Mahmut KAYACIK, Ph.D.
Chairman of the Board of Directors

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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 6 settlement agency and central clearing 6 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.

Respectfully,

Murat ONUK

Bilal ŞENTÜRK

Member of the Corporate Governance Committee

Chairperson of the Corporate Governance Committee

Annex: Corporate Governance Principles Compliance Report and Corporate Governance Information Form prepared using the format provided in the annex to the CMB decision

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE STATEMENT

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.

Our Bank 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 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 Corporate Governance Committee (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, Takasbank's 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,
- ç) 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 2024 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.

Our Bank 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, our Bank 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 our Bank's corporate website (https://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 our Bank's corporate website.

Our Bank's General Assembly meetings are held pursuant to the provisions of the relevant legislation. The General Assembly meeting in which the operating results for 2023 were discussed was held on 6 June 2024. 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. 11081 dated 14 May 2024, in Nasıl Bir Ekonomi Newspaper dated 14 May 2024, 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 15 May 2024.

Takasbank's Integrated Annual Report for 2023 containing the Balance Sheet and Income Statement for the fiscal period of 1 January 2023 – 31 December 2023 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 our corporate website within the statutory periods. The questions received from our 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, our 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 our shareholders attending the General Assembly meeting over the Electronic General Assembly System cast their votes via the system.

The General Assembly minutes were sent to our shareholders upon their request via fax and/or e-mail and published on our corporate website and in the Trade Registry Gazette. Our shareholders, members of our 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 our General Assembly meetings.

Table 1: General Assembly Meetings

General Assembly Date	06/06/2024
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	96,16%
Percentage of shares represented in person	-
Percentage of shares represented by proxy	96,16%
Title of the Bank's corporate website section containing the General Assembly	About Us/Corporate/Information Society Services
minutes, including the affirmative and negative votes for each item of the agenda	About Us/Investor Relations/Investor Relations
Title of the corporate website section containing all questions asked and answers	About Us/Corporate/Information Society Services
given to them in the General Assembly meeting	About Us/Investor Relations/Investor Relations
Number of the article or paragraph regarding the related parties in the General Assembly minutes	-
Number of persons having privileged access to company information and reporting to the Board of Directors (Insiders list)	Not applicable
Link to the General Assembly notice published on PDP	Not applicable

STRATEGY, VALUE CREATION AND STAKEHOLDER RELATIONS

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE STATEMENT

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.Ş., no shareholder's share may directly or indirectly exceed 5% of the Bank's capital. As of the end of 2024, 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 55,91%. Takasbank'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 our Bank and the CRA are considered as affiliated companies in the group of companies under the current conditions. Although our Bank 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.

RIGHT TO DIVIDENDS

Takasbank dividends are distributed in accordance with the decisions taken at General Assembly meetings. Proposals prepared by the Board of Directors in accordance with the Dividend Policy 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 2024, the portion of 1.819.564.724 TL was distributed from the profit for 2023 as dividend to shareholders of the Bank.

TRANSFER OF SHARES

There is a partial restriction making it difficult to transfer shares. Shares may be transferred among the organizations specified in Takasbank's Articles of Association. With the exception of Borsa İstanbul A.Ş., no shareholder may hold more than 5% of the Bank's capital.

As required by Takasbank'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.

Corporate Governance Principles Compliance Report and the Annual Report contain 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 as 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 our 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

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 our 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 Code of Ethics Policy was specified and published on the Bank's corporate website by the Board of Directors. The Bank is sensitive to social responsibility. Measures to prevent corruption and bribery have been taken and are in place.

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE STATEMENT

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 forth in 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 Board Members act as independent Board Members. According to Takasbank's Articles of Association, at least one of the independent Board Members 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 Membership	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
Mahmut KAYACIK, Ph.D.	No	No	31.03.2016	-	No	None	Yes
Korkmaz ERGUN	No	No	29.03.2021	-	No	None	Yes
Yunus ARINCI, Ph.D.	Yes	No	06.06.2024	-	No	None	Yes
Bilal ŞENTÜRK	No	Yes	03.08.2023	-	No	None	Yes
Hasan YILDIRIM	No	Yes	15.11.2024	-	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

^{*}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 of Directors convenes 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. The issues regarding the activities of the Board of Directors and the principles and procedures regarding Board meetings are specified in Takasbank's Articles of Association.

The Board of Directors of the Bank is comprised of the persons with their names and surnames listed below.

- Mahmut KAYACIK, Ph.D. Chairman of the Board
- Korkmaz ERGUN Vice Chairman of the Board
- Yunus ARINCI, Ph.D. Board Member and CEO

• Prof. Dr. Münevver CETİN - Board Member

- Bilal ŞENTÜRK Board Member
- Hasan YILDIRIM Board Member
- Muhsin ATCI Board Member
- Murat ONUK Board Member
- Murat TACİR Board Member

of their duties.

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 June 6, 2024. 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

FORM OF MEETING OF THE BOARD OF DIRECTORS

The Board of Directors' meeting procedure is specified in Takasbank'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. 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.

SUSTAINABILITY AND CLIMATE EFFORTS

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE STATEMENT

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 ÇETİN Audit Committee Chairperson
- Murat TACİR Audit Committee Member

CREDIT COMMITTEE

- Yunus ARINCI, Ph.D. Chairperson of the Credit Committee
- Murat ONUK Credit Committee Permanent Member
- Bilal ŞENTÜRK Credit Committee Permanent Member
- Muhsin ATCI Credit Committee Substitute Member
- Hasan YILDIRIM Credit Committee Substitute Member

CORPORATE GOVERNANCE COMMITTEE

- Bilal ŞENTÜRK Corporate Governance Committee Chairperson
- Murat ONUK Corporate Governance Committee Member

RISK COMMITTEE

- Murat TACİR Risk Committee Chairperson
- Prof. Dr. Münevver ÇETİN Risk Committee Member

REMUNERATION COMMITTEE

- Muhsin ATCI Remuneration Committee Chairperson
- Hasan YILDIRIM Remuneration Committee Member

In the 2024 Integrated Annual Report, the information about the committees of the Board of Directors has been provided on page 82 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 184 of the Integrated Annual Report in the section entitled as "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".

Table 3: Committees of the Board of Directors

STRATEGY, VALUE CREATION AND STAKEHOLDER RELATIONS

Names of Board of Directors 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%	13	10
Credit Committee		80%	60%	0	0
Corporate Governance Committee		100%	50%	2	2
Risk Committee		100%	50%	2	2
Remuneration Committee		100%	100%	3	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 83 of the Integrated Annual Report for 2024.

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 the 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 the Board of Directors.

No borrowing-lending or surety or security relationships have been created with any of our Board members and Executive Managers in

STRATEGY, VALUE CREATION AND SUSTAINABILITY AND CLIMATE EFFORTS STAKEHOLDER RELATIONS

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE STATEMENT

CORPORATE GOVERNANCE COMPLIANCE REPORT

	Compliance Status			e Status		
	Yes	Partly	No	Exempt	N/A	Description
1. SHAREHOLDERS				<u> </u>		
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.	X					
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.	X					
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.	X					
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.	X					
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.	X					
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.		X				Stakeholders may participate in the 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.	X					
1.4.2- The company does not have any shares with privileged voting rights.	X					
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.	X					
1.5. Minority Rights						
1.5.1- The Company has paid utmost attention to the exercise of minority rights.	X					
1.5.2- 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.			X			There is no such provision in Takasbank's Articles of Association.

		Con	ıplianc	e Status		Description	
	Yes	Partly	No	Exempt	N/A	Description	
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.	X						
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.	X						
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.					Χ	At the 29 th Annual General Assembly on Thursday, June 6, 2024, 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.	X						
1.7. Transfer of Shares							
1.7.1- There are no restrictions making it difficult to transfer the shares.		X				Shares may be transferred between the institution specified in Takasbank's Articles of Association wit the approval of the Board of Directors. With the exception of Borsa İstanbul A.Ş., no shareholder midold 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.	X						
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.	X					With the exception of Borsa İstanbul A.Ş., no shareholder may hold more than 5% of the Bank's 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.	X						
2.2. Activity Report							
2.2.1- The Board of Directors ensures that the annual report fully and accurately reflects the company's activities.	X						
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.	X						
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.	X						
3.1.5- The company handles the conflicts of interests arising among stakeholders in a balanced manner.	X						

		Con	nplianc	e Status		Doccumbion
	Yes	Partly	No	Exempt	N/A	Description
3.2. Supporting Stakeholders' Participation in Compa	ny Man	agement				
3.2.1- The employees' participation in management has been set forth with the articles of association and internal regulations.			X			The Bank does not have a contract or internal regulations on employee participation in management. However, employees can express their suggestions and opinions on any issue through the digital application "I have a Suggestion/Idea" and share their perspectives in the annual Employee Experience Survey.
3.2.2- The methods like surveys / consultations were implemented to obtain the opinions of stakeholders about important decisions bearing consequences for the stakeholders.	X					
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.	X					
3.3.3- The Company has a Human Resources Development Policy and trainings are organized for employees in this context.	X					
3.3.4- Meetings were held to inform employees about the issues such as company's financial position, remuneration, career planning, training and health.	X					
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.		X				Decisions that may affect employees are communicated to them and their representatives. The Bank does not have any unionized employees.
3.3.6- Job descriptions and performance criteria were notified to all employee representatives. The opinions of the relevant unions on these issues were also taken.	X					
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.	X					
3.3.8- The Company supports the freedom of association and the effective recognition of the right to collective bargaining agreement.			X			
3.3.9- A safe working environment is provided for employees.	X					

	Compliance Status			Description		
	Yes	Partly	No	Exempt	N/A	Description
3.4. Relations with Customers and Suppliers						
3.4.1- The company has measured customer satisfaction and operated with an unconditional customer satisfaction approach.	X					
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.	X					
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.	X					
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.	X					
3.5.2- The company is sensitive to social responsibility. It has taken measures to prevent corruption and bribery.	X					
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.	X					
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.	X					
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 information.	X					
4.2.2- The duties and authorities of the Board Members have been explained in the annual report.	X					
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.	X					
4.2.4- The information about the functioning and effectiveness of the internal control system has been provided in the annual report.	X					
4.2.5- The positions of the Chairman of the Board of Directors and the chief executive officer (CEO) have been separated and defined.	X					
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.	X					

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE STATEMENT

	Compliance Status			e Status		Barratan .
	Yes	Partly	No	Exempt	N/A	Description
4.2.8- The company has taken out a director liability insurance 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.		X				Each year, a directors' and officers' liability insurance policy is taken out 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. However, 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.		X				As of December 31, 2024, 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.	X					
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.		X				
4.4.2- The Board of Directors has defined a minimum period for sending information and documents related with the items on the agenda to all members before the meeting.	X					The Board of Directors' meeting procedure is specified in Takasbank's Articles of Association.
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.					X	There are no Board Members who could not attend the meeting, but notified their opinions in writing.
4.4.4- Each member has one voting right in the Board of Directors.	X					
4.4.5- How the Board meetings will be held has been documented in writing with the company's internal regulations.	X					The Board of Directors' meeting procedure is specified in Takasbank's Articles of Association.
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 are prepared in a way that also includes dissenting opinions.	X					
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 Board Members outside the company have been presented to the shareholders for information at the General Assembly meeting.		X				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.

		Con	ıplianc	e Status		Paradiation
	Yes	Partly	No	Exempt	N/A	Description
4.5. Committees formed under the Board of Director						
4.5.5- Each member of the Board of Directors takes part in one committee only.			X			
4.5.6- The committees invited the people whose opinions were needed to the meetings and obtained their opinions.	X					
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.					X	Committees did not receive any consultancy service.
4.5.8- Reports on the results of committee meetings were prepared and presented to the members of the Board of Directors.	X					
4.6. Financial Rights provided to the Members of the	Board o	of Director	s and E	xecutives	with Adm	inistrative Responsibility
4.6.1- The Board of Directors conducted a BoD performance assessment to evaluate whether it effectively fulfilled its responsibilities.			Х			Members of the Board of Directors are released at the General Assembly meeting.
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 guarantees in favour of any of the members of the Board of Directors or executives with administrative responsibility.	X					
4.6.5- The remunerations paid to the Board Members and executives with administrative responsibility were specified on an individual person basis in the annual report.			Х			

STRATEGY, VALUE CREATION AND STAKEHOLDER RELATIONS

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE STATEMENT

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	N/A
1.2. RIGHT TO INFORMATION AND REVIEW	
Number of requests for special auditors	No special auditor was requested in 2024.
Number of requests for special auditors accepted at the General Assembly meeting	No special auditors were requested at the 2024 General Assembly.
1.3. GENERAL ASSEMBLY	
Link to the PDP announcement containing the information requested under Principle 1.3.1 (a-d)	N/A
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	N/A
Links to the PDP announcements regarding related party transactions made under article 9 of the Corporate Governance Communiqué (II-17.1)	N/A
Links to the PDP announcements regarding common and continuous transactions executed under article 10 of the Corporate Governance Communiqué (II-17.1)	N/A
Name of the section containing the policy on aids and donations as published on the Company's corporate website	About Us / Corporate / Policies / İstanbul Takas ve Saklama Bankası Anonim Şirketi Donation Policy. https://www.takasbank.com.tr/en/about-us/corporate/policies
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.
Number of the article governing attendance of stakeholders at the General Assembly as specified in the articles of association	Articles 16, 17, 18, 19, 20, 21, 22 of Takasbank's Articles of Association https://www.takasbank.com.tr/en/about-us/corporate/legal-framework
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	
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 expanded in terms of content and ratio	N/A
1.6. RIGHT TO DIVIDENDS	
Name of the section containing the dividend policy on the corporate website	About Us / Corporate / İstanbul Takas ve Saklama Bankası Anonim Şirketi Dividend Distribution Policy 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 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	At the 29 th Ordinary General Assembly Meeting held on Thursday, June 6, 2024, a dividend distribution decision was taken. About Us / Investor Relations / Investor Relations

General Assembly Meetings:

General Assembly Date	for additional	Shareholders' rate of attendance in the General Assembly	Percentage of shares represented in person	Percentage of shares represented by proxy	Title of the company's corporate website section containing the General 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 having privileged access to company information and reporting to the Board of Directors (Insiders list)	Link to the General Assembly notice published on PDP
6/6/2024	-	96,16%	-	96,16%	About Us / Corporate / Information Society Services About Us / Investor Relations / Investor Relations	About Us / Corporate / Information Society Services About Us / Investor Relations / Investor Relations	N/A	N/A	N/A

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 Us / Corporate / Legal Framework About Us / Investor Relations / Financial Reports About Us / Investor Relations / Annual Reports About Us / Investor Relations / Investor Relations About Us / Corporate / Takasbank Dividend Distribution Policy About Us / Corporate / Policies / Information Security Policy About Us / Corporate / Business Continuity Policy About Us / Corporate / Protection of Personal Data About Us / Corporate / Policies / Takasbank Donation Policy About Us / Introduction / Board of Directors About Us / Introduction / Executive Management About Us / Introduction / Capital Structure https://www.takasbank.com.tr/en/about-us/corporate/information-society-services
The section of the corporate website containing the list of natural-person shareholders directly or indirectly holding more than 5% of the shares	Except for Borsa İstanbul A.Ş., no shareholder's share may directly or indirectly exceed 5% of the Bank's capital. Takasbank's shareholding structure is stated in the About Us / Introduction / Capital Structure section of the corporate website.
Language options of the corporate website	Turkish and English
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	2024 Integrated Annual Report Board of Directors, Page: 72 - 77 Statements of independent Board members regarding their independence are not included in the annual report.
b) Page number or title of the section containing the information about the committees formed under the Board of Directors	2024 Integrated Annual Report Committee Structures, Pages: 84 - 85
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	2024 Integrated Annual Report Structure and Formation of the Board of Directors, Page: 83
ç) Page number or title of the section about the legislative changes that may materially affect the company's operations	2024 Integrated Annual Report Audit Committee Report, Page: 184 - 186

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE STATEMENT

d) Page number or title of the section containing the information about the major lawsuits filed against the company and their possible consequences	2024 Integrated Annual Report 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 Behaviors, Trustification and Monopolism, and Their Possible Outcomes, 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 128 of the Integrated Annual Report for 2024 and in the Corporate Governance Principles Compliance Report, and the ratings assigned to Takasbank by Fitch Ratings are available on page 189 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%	2024 Integrated Annual Report Information on the Names, Titles and Shares of Natural or Legal Persons Holding Qualified Shares, Page: 103
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	2024 Integrated Annual Report Employees, Pages: 110 - 117 Sustainability and Climate Efforts, Page: 122 - 157
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	Human Resources Department, Internal Audit Unit, and Internal Control 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 MANAGE	MENT
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 / Corporate / İstanbul Takas ve Saklama Bankası Anonim Şirketi 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 are provided to the candidates interviewed.
Whether there is an employee stock ownership plan in place	None.

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 Us / Corporate / İstanbul Takas ve Saklama Bankası Anonim Şirketi Human Resources Policy https://www.takasbank.com.tr/en/about-us/corporate/human-resources/ career-management Quality and customer focus, analytical approach, team spirit, continuous development, dedicated work, trust, impartiality, business ethics and privacy
Number of finalized court judgements issued against the company due the	constitute our core values. None.
liability for work accidents	Notic.
3.5. CODE OF ETHICS AND SOCIAL RESPONSIBILITY	N . 11 / 15 / 1
Title of the section of the corporate website containing the code of ethics policy	About Us / Corporate / Legal Framework https://www.takasbank.com.tr/en/about-us/corporate/legal-framework
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 Us / Investor Relations / Annual Reports The 2024 Integrated Annual Report includes measures taken on environmental, social and corporate governance issues.
Measures taken against any and all forms of corruption, including extortion and bribery	Takasbank Internal Irregularities - Problems and Suspicious Matters Notification Procedure, Directive on Takasbank Ethical Principles and Social Media Policy, Takasbank Conflict of Interest Policy Directive, Takasbank Gift Procedure 2024 Integrated Annual Report Corporate Governance Principles, Page: 129 - 130
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 Board of Directors is released of its responsibilities at the General Assembly meeting.
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 Committee, Corporate Governance Committee, Risk Committee, Credit Committee, Remuneration Committee 2024 Integrated Annual Report Committee Structures, Pages: 84 - 85
Number of reports submitted by the internal control unit to the audit committee or other relevant committees	9
Title or page number of the section of the annual report containing the assessment of the efficiency of the internal control system	2024 Integrated Annual Report Audit Committee Report, Page: 184 - 186
Name of the chairman of the Board of Directors	Mahmut KAYACIK, Ph.D.
Name of the Chief Executive Officer	Yunus ARINCI, Ph.D.
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	Pursuant to Article 9, Paragraph 5 of Takasbank's Articles of Association, the positions of Chairman of the Board of Directors and Chief Executive Officer may not be held by the same person.
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 year, a directors' and officers' liability insurance policy is taken out 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. However, the coverage of these policies is limited to approximately 20% of the Bank's capital.
Title of the section of the corporate website providing information on the diversity policy designed to increase the percentage of female Board members	Pursuant to the provision specified in Takasbank's Articles of Association, it is required that at least one of the independent Board Members should be a female member. About Us / Corporate / Legal Framework / Bank's Articles of Association https://www.takasbank.com.tr/en/about-us/corporate/legal-framework

1 person - 11%

Number and percentage of female members

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	18. 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	80%
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
Title of the section of the corporate website containing information about the internal regulations governing how Board meetings will be held	It is included in Takasbank's Articles of Association. About Us / Corporate / Legal Framework / Bank's Articles of Association 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 DIRECTORS	
Page number or title of the section in the annual report containing information about the committees of the Board of Directors	2024 Integrated Annual Report Committee Structures, Pages: 84 - 85
Link to the PDP announcement containing Committee operating principles	N/A

Committees of the Board of Directo	Name of the Committee										
Names of Board of Directors Committees	specified as "Other" in the First Column	Full Name of the Committee Members	Chairpersonship	Board Membership							
Audit Committee		Prof. Dr. Münevver ÇETİN	Yes	Member of the Board of Directors							
Audit Committee		Murat TACİR	No	Member of the Board of Directors							
Corporate Governance Committee		Bilal ŞENTÜRK	Yes	Member of the Board of Directors							
Corporate Governance Committee		Murat ONUK	No	Member of the Board of Directors							
Risk Committee		Murat TACİR	Yes	Member of the Board of Directors							
Risk Committee		Prof. Dr. Münevver ÇETİN	No	Member of the Board of Directors							
Credit Committee		Yunus ARINCI, Ph.D.	Yes	Member of the Board of Directors							
Credit Committee		Murat ONUK	No	Member of the Board of Directors							
Credit Committee		Bilal ŞENTÜRK	No	Member of the Board of Directors							
Credit Committee		Muhsin ATCI (Substitute Member)	No	Member of the Board of Directors							
Credit Committee		Hasan YILDIRIM (Substitute Member)	No	Member of the Board of Directors							
Remuneration Committee		Muhsin ATCI	Yes	Member of the Board of Directors							
Remuneration Committee		Hasan YILDIRIM	No	Member of the Board of Directors							

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)	2024 Integrated Annual Report Committee Structures, Pages: 84
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)	2024 Integrated Annual Report Committee Structures, Pages: 84
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)	N/A
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)	2024 Integrated Annual Report Early Detection and Management of Risks Committee Activities, Page: 121
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)	2024 Integrated Annual Report Committee Structures, Pages: 85
4.6. FINANCIAL RIGHTS PROVIDED TO THE MEMBERS OF THE BOARD OF D	RECTORS AND EXECUTIVES WITH ADMINISTRATIVE RESPONSIBILITY
Page number or title of the section of the annual report providing information about operational and financial performance goals and whether they were achieved	2024 Integrated Annual Report Message from the Chairman of the Board, Pages: 14 - 15 Message from the Chief Executive Officer, Pages: 16 - 17 Evaluation of the Financial Status, Profitability, Solvency and Achievement of Strategic Goals, Page: 187
Title of the section of the corporate website containing the remuneration policy for the members with or without executive duties	None.
Page number or title of the section of the annual report specifying the remunerations paid and all other benefits provided to the Board Members and executives with administrative responsibility	2024 Integrated Annual Report Structure and Formation of the Board of Directors/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, Page: 83

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

AUDIT COMMITTEE REPORT

No: 2025/DK/02 İstanbul, 03.01.2025

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 2024 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, in the meetings held and 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 is 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 legal ratios, 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. 471 dated 29 March 2024.

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 are 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.

Within the scope of self-assessment activities, the Internal Control Department performs 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 audits; conducting risk-based examinations and audits of outsourcing and support service companies within the scope of outsourced service controls; conducting assessments on whether services are outsourced services and support services; issuing opinions and recommendations on draft procurement contracts within the scope of IT; conducting checks within the scope of "Measures to be Taken by Members to Ensure Accuracy, Safety, and Currency of Information Transmitted and Retained by the Risk Center and Control Goals to be Implemented in Audit of Measures to be Taken by Members"; 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; and issuing annual reports and submission of these reports to the Board of Directors.

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 İstanbul Takas ve Saklama Bankası A.Ş. 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 are controlled by the Internal Control Department, are also submitted by our Committee to the Board of Directors for information.

The Legislation and Compliance Department performs the operations such as the review of the changes in the Bank's internal and external legislation; follow-up of the legislation that the Bank is subject to; informing relevant teams; development/updating of the Bank's internal and external legislation and other processes; performing regulatory compliance assessments for new products and transactions as well as the activities planned to be carried out in future; ensuring coordination and control in the annual review of work flow and job description forms by relevant units; ensuring coordination and control in preparation of the report indicating the level of compliance with the specified goals regarding the functioning, reliability, durability, and continuity of information systems; conducting FCIB and AML efforts and projects; performing annual follow-up of conditions subject to exemption granted under FATCA and CRS; provision of FCIB trainings; ensuring coordination and control in updating CBRT surveys and CPMI-IOSCO compliance documents within the scope of payment and securities settlement systems; preparation/updating of the business continuity and IT legal requirements document; performing the secretarial duties of the Information Sharing Committee; preparing a periodic report regarding the information shared by the Bank, constituting Bank secrets, with third parties and submitting this report to the Board of Directors and then to the BRSA; review of the contracts within the scope of the Bank's procurements; conducting assessments on whether received services are outsourced services and support services; issuing opinions on services received for information systems pursuant to article 35/B of the General Regulation for Central Clearing Agencies; issuing opinions for questions received under article 18 titled "Prohibitions" of the Central Clearing Agencies Regulation concerning capital market instruments that Bank employees can invest in; issuing opinions on other surveys, as well as information and document requests, in respect of the Bank; and issuing annual reports and submission of these reports to the Board of Directors.

Activities During the Accounting Period

AUDIT COMMITTEE REPORT

Takasbank Internal Audit Unit, as an independent and objective assurance and consultancy function, conducts risk-based examinations and audits of the Bank's business and IT units, conducting audits, preparing audit, investigation and review, as well as activity 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.

Assessments of the Audit Committee on Legislation and Compliance, Internal Control, Internal Audit and Risk Management Systems and Information on

The Internal Audit Department also conducts on-site audits at central counterparty members in order to determine whether the members established efficient, adequate and compliant information systems, 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 2024 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

Member of the Audit Committee

Member of the Board of Directors

Münevver ÇETİN

Audit Committee Chairperson

Member of the Board of Directors

EVALUATION OF THE FINANCIAL STATUS, PROFITABILITY AND SOLVENCY AND ACHIEVEMENT OF STRATEGIC GOALS

Assets Structure

As of 31 December 2024, Takasbank's assets have increased by 58,8% compared to the year-end of the previous year, thus, reaching 192,7 billion TL.

In line with the previous period data, "Cash and Cash Equivalents" account item also constituted a significant portion of the Bank's assets in the current period. "Cash and Cash Equivalents" account for 92,1% (177,4 billion TL), "Other Financial Assets Measured at their Redeemed Value" account for 4,9% (9,4 billion TL), and "Loans" account for 1,2% (2,3 billion TL) of the Bank's assets.

As of the conclusion of 2024, the Bank has no outstanding loans or receivables under follow-up accounts.

Liabilities Structure

By year-end of 2024, Takasbank has borrowed domestic loans in the amount of 8,4 billion TL; accounting for 4,3% 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 87,5% (168,7 billion TL) of the liabilities. The Bank's paid-up capital is 600 million TL; and by the end of 2024, its shareholders' equity has reached 13,7 billion TL.

Profitability Structure

Takasbank concluded the 2024 operating period with a pre-tax profit of 11,6 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 2024, the Bank recorded approximately 9,3 billion TL in interest income and 6,1 billion TL in banking service income, encompassing commissions and fees.

"Interest Expenses" for the Bank amounted to 584,8 million TL in 2024, resulting in an 85% year-on-year increase in net interest income to 8,7 billion TL.

Primary expense categories for the Bank include "Personnel Expenses" and "Fees and Commissions Paid." In 2024, the Bank had personnel expenses of 1.435,4 million TL and fees and commissions paid totaling 477,4 million TL.

The operations of 2024 yielded a pre-tax profit of 11,6 billion TL, with a net profit for the period standing at 8,3 billion TL after accounting for a tax provision of 3,3 billion TL. The Bank maintained robust and sustainable profitability throughout 2024.

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 2024, 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.:
- o Infrastructure, connection, maintenance, e-mail and telephone support service received for the SWIFT server;
- o Sanctions list inquiry software and the maintenance service related to this software;
- o 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.

STRATEGY, VALUE CREATION AND SUSTAINABILITY AND CLIMATE EFFORTS STAKEHOLDER RELATIONS

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 (September 2024)	
Long-Term Foreign Currency IDR	BB-
Outlook	Stable
Short-Term Foreign Currency IDR	В
Long-Term Local Currency IDR	BB-
Outlook	Stable
Short-Term Local Currency IDR	В
Viability Rating	b
Government Support	bb-

RESPONSIBILITY OF THE BOARD OF DIRECTORS REGARDING THE INTEGRATED ANNUAL REPORT

Our Integrated Annual Report for 2024 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 Monday, January 1, 2024, to Tuesday, December 31, 2024. 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.

Yunus ARINCI, Ph.D.
CEO
Member of the Board of Directors

Mahmut KAYACIK, Ph.D.
Chairman of the Board of Directors

STRATEGY, VALUE CREATION AND STAKEHOLDER RELATIONS SUSTAINABILITY AND CLIMATE FEFORTS

CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT AUDITOR'S REPORT ON THE BOARD OF DIRECTORS' ANNUAL REPORT

To the General Assembly of İstanbul Takas ve Saklama Bankası A.Ş.

ORIGINALLY ISSUED IN TURKISH

1. Opinion

We have audited the annual report of İstanbul Takas ve Saklama Bankası A.Ş. (the "Bank") for the 1 January - 31 December 2024 period.

In our opinion, the unconsolidated financial information and the analysis made by the Board of Directors by using the information included in the audited unconsolidated 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.

2. Basis for Opinion

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 (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 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. Our Audit Opinion on the Full Set Unconsolidated Financial Statements

We expressed an unqualified opinion in the auditor's report dated 20 February 2025 on the full set unconsolidated financial statements for the 1 January 2024 - 31 December 2024 period.

4. Board of Director's Responsibility for the Annual Report

The 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) to prepare the annual report within the first three months following the balance sheet date and present it to the general assembly;

b) 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 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.

c) to include the matters below in the annual report:

- 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.

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 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.

Özge Arslan Yılmaz, SMMM

Independent Audior

Istanbul, 28 March 2025

INDEPENDENT AUDITOR'S REPORT, UNCONSOLIDATED FINANCIAL STATEMENTS AND NOTES FOR THE YEAR ENDED DECEMBER 31, 2024



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 accompanying unconsolidated financial statements of İstanbul Takas ve Saklama Bankası A.Ş. (the "Bank"), which comprise the statement of unconsolidated balance sheet as at 31 December 2024, unconsolidated statements of profit and 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 statement 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 2024, 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 Financial 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 Matter

Accounting for Fees and Commissions Received

The Bank has a total amount of TL 6,056,187 revenue recognized as "fees and commissions received" in the statement of profit or loss for the period 1 January - 31 December 2024. 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 and the high volume of transactions 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 3 Section VI and Notes of 5 Section IV.

How Our Audit Addressed the Key Audit Matter

Within the scope of our audit procedures related to accounting for fees and commissions received, we evaluated the compliance of accounting policies determined by the Bank management with TFRS and the relevant legislation.

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 the relevant accounting standards.

We have evaluated whether the fees and commissions received has been properly accounted for, by tracing the supporting documents received to the details of the transactions selected on sample basis within the transactions carried out during the accounting period.

We evaluated the adequacy and accuracy of the disclosures made in the unconsolidated financial statements regarding the fees and commissions received.

4. Responsibilities of Management and Those Charged with Governance for the Unconsolidated Financial Statements

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.

CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT AUDITOR'S REPORT ORIGINALLY ISSUED IN TURKISH (See Note I of Section Three)

INDEPENDENT AUDITOR'S REPORT

5. 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.

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 2024 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 2024. 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.Ş.

Özge Arslan Yılmaz, SMMM Independent Auditor Istanbul, 20 February 2025 STRATEGY, VALUE CREATION AND STAKEHOLDER RELATIONS

SUSTAINABILITY AND CLIMATE EFFORTS

FINANCIAL REPORTS AND ANNEXES

İSTANBUL TAKAS VE SAKLAMA BANKASI A.S.

THE UNCONSOLIDATED FINANCIAL AUDIT REPORT OF ISTANBUL TAKAS VE SAKLAMA BANKASI A.S. AS OF 31 DECEMBER 2024

(Convenience translation of publicly announced unconsolidated financial statements and auditors' review report originally issued in Turkish, see in note I. of section three)

Address of the Bank's Headquarters : Takasbank Genel Müdürlüğü

Reşitpaşa Mahallesi, Borsa İstanbul Caddesi, No: 4

Sarıyer 34467 İstanbul

Telephone of the Bank : (0 212) 315 25 25
Fax of the Bank : (0 212) 315 25 26
Web site of the Bank : www.takasbank.com.tr
E-mail for correspondence : 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.

Dr. Mahmut KAYACIK
Chairman of the Management Board

Head of the Audit Committee

Member of the Audit Committee

Dr. Yunus ARINCI
General Manager

Murat GÖRGÜN
Executive Vice President

Murat TACİR
Member of the Audit Committee

Oya DEMİRDAĞ
Executive Vice President

Director

Contact information of the personnel in charge of the addressing of questions about this financial report:

Name-Surname/Title : Zülal TARI / Chief Specialist

Telephone Number : (0 212) 315 23 15 Fax Number : (0 212) 315 22 34

Board Member

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İSTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Thousands of Turkish Lira (TRY) 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 Istanbul A.S. ("BIAS") (formerly "Istanbul Menkul Krymetler Borsasi") and reorganized under a separate company named IMKB Takas ve Saklama A.S. on 12 July 1991, was transformed into a non-deposit taking bank on 8 August 1995 with the name IMKB Takas ve Saklama Bankasi A.S., 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 ye Saklama Bankasi A.S. (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 2024 and 31 December 2023, the shareholders' structure and their respective ownerships are summarized as follows:

		Curren	t Period		Prior Period				
No	Name of Shareholders	Paid in Capital	%	Number	Paid in 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	Other (Intermediary Institution)	26.397	4,40	24	26.397	4,40	24		
9	Other (Banks)	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 BIAS. BIAS 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. BIAS 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 June 6, 2024, it was decided to make a dividend payment of TRY1.819.564 to shareholders. Dividend payments were made on June 26, 2024.

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İSTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Thousands of Turkish Lira (TRY) unless otherwise stated.)

GENERAL INFORMATION (Continued)

III. Explanation on the Board of Directors, members of the audit committee, president and executive vice presidents, changes in these matters (if any) and shares of the Bank they possess:

Chairman and Members of the Board of Directors

Name Surname	Area of Responsibility	Education Statu
Dr. Mahmut Kayacık	Chairman	Boğaziçi University / Faculty of Economics and Administrative Sciences / Political Science and International Relations / Bachelor's Degree
		Marmara University / Institute of Social Sciences International / Economics / Master's Degree
Korkmaz Ergun	Deputy Chairman of the Board	Ankara University / Faculty of Political Sciences / Business Administration / Bachelor's Degree Marmara University / Institute of Middle East Studies / Middle East Economics / Master's Degree
Dr. Yunus Arıncı (*)	Member (General Manager -Chairman of the Credit Committee)	Marmara University / Institute of Social Sciences / History of Economics / PhD Ankara University / Faculty of Political Sciences / Public Administration / Bachelor's Degree Indiana University / Public Administration / Master's Degree
Murat Tacir	Member (Chairman of the Risk Committee - Member of the Audit Committee)	Istanbul University / Faculty of Business Administration / Business Administration / Bachelor's Degree
Murat Onuk	Member (Noble Member of the Credit Committee - Member of the Corporate Governance Committee)	Istanbul University / Faculty of Economics / International Relations / Bachelor's Degree
Muhsin Atcı	Member (Chairman of the Remuneration Committee - Reserve Member of the Credit Committee)	Istanbul University / Faculty of Political Sciences /Public Administration/ Bachelor's Degree Duke University/Development Policy/Master's Degree
Hasan Yıldırım ^(**)	Member (Member of the Remuneration Committee - Reserve Member of the Credit Committee)	Ankara University / Faculty of Political Sciences / Public Administration/ Bachelor's Degree Indiana State University/ Comparative and International Relations/ Master's Degree
Prof. Dr.Münevver Çetin	Member (Chairman of the Audit Committee - Member of the Risk Committee)	Ankara University / Department of Economics Management / Undergraduate Ankara University / Institute of Social Sciences / Educational Administration and Planning / Graduate Istanbul University / Institute of Social Sciences / Money and Monetary Policy / PhD
Bilal Şentürk	Member (Chairman of the Corporate Governance Committee - Noble Member of the Credit Committee)	Ankara University / Faculty of Political Sciences / Public Administration/ Bachelor's Degree Ankara University / Institute of Social Sciences / Management Sciences/ Master's Degree

^(*) At the Board of Directors meeting held on June 6, 2024, General Manager and Board Member Avşar R. Sungurlu stepped down from his position and Dr. Yunus Arıncı was appointed as General Manager and Board Member.

^(**) On October 17, 2024, Board Member Yusuf Karaloğlu resigned from his position, and on November 15, 2024, Hasan Yıldırım was appointed as a Board Member in his place.

ISTANBUL TAKAS VE SAKLAMA BANKASI A.S.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Thousands of Turkish Lira (TRY) unless otherwise stated.)

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 Deputy General Managers

Name-Surname	Area of Responsibility	Education Status
Dr. Yunus Arıncı	General Manager Chairman of the Credit Committee	Ankara University / Institute of Social Sciences International / Public Administration / Bachelor's Degree Indiana University/ Public Administration / Master's Degree Ankara Hacı Bayram Veli Üniversity / Institute of Graduate Studies/Public Administration /PhD
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	Istanbul University / Faculty of Engineering / Department of Electrical Electronics / Graduate

Explanations Regarding the Shares They Own in the Bank and Their Areas of Responsibility

None. (31 December 2023: None.)

IV. Information on the Bank's Qualified Shareholders:

Shareholding in the Bank's shares, except BIAS, does not exceed 5% as stated in the Articles of Association of the Bank. 64,18% of the Bank belongs to BIAS. The Bank has no preferred shares as of 31 December 2024 (31 December 2023: None). The preferred shares belonging to BIAS grants to shareholders the right to nominate four candidates to be elected to the Board of Directors by the General Assembly).

Name Surname/Business Name	Share Amount	Share Proportions	Paid-in Shares	Unpaid Shares
BİAŞ	385.067	64,18%	385.067	-

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. Current or Likely Actual or Legal Barriers to Immediate Transfer of Equity or Repayment of Debts Between Parent Bank and its Subsidiaries

None (31 December 2023:None)

STRATEGY, VALUE CREATION AND STAKEHOLDER RELATIONS

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İSTANBUL TAKAS VE SAKLAMA BANKASI A.S.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Thousands of Turkish Lira (TRY) unless otherwise stated.)

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UNCONSOLIDATED FINANCIAL STATEMENTS

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- II. Statement of Off-balance Sheet
- III. Statement of Profit or Loss
- IV. Statement of Profit or Loss and Other Comprehensive Income
- V. Statements of Changes in Shareholders' Equity
- VI. Statement of Cash Flow

İSTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.

UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) AT 31 DECEMBER 2024

(Amounts expressed in Thousands of Turkish Lira (TRY) unless otherwise stated.)

SECTION TWO

I. BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)

			Audited Current Period			Audited Prior Period			
				December 2024	•	31 December 2023			
	ASSETS	Note			Total	TRY	FC FC	Total	
l.	FINANCIAL ASSETS (NET)		148.946.791	30.271.819	179.218.610	84.444.258	29.983.718	114.427.976	
1.1	Cash and Cash Equivalents	. (-)	148.853.057	28.534.244	177.387.301	84.345.827	29.983.057	114.328.884	
1.1.1	Cash and Balances with Central Bank	I-(1)	26.000.913	-	26.000.913	1.958	4.886.085	4.888.043	
1.1.2	Banks	I-(3)	121.876.358	28.534.244	150.410.602	84.459.526	25.096.972	109.556.498	
1.1.3	Money Markets	I-(3)	1.131.592	-	1.131.592			115 657	
1.1.4	Expected Loss Provision (-)	1-(3)	155.806		155.806	115.657		115.657	
1.2 1.2.1	Financial Assets at Fair Value Through Profit or Loss Government Deht Securities	I-(2)	90.063 83.883	1.732.078	1.822.141 83.883	39.647 37.291	-	39.647 37.291	
1.2.1	Equity Instruments		03.003		03.003	37.231	-	37.231	
1.2.2	Other Financial Assets		6.180	1.732.078	1.738.258	2.356		2.356	
1.3	Financial Assets at Fair Value Through Other Comprehensive		0.100	1./32.0/6	1./30.230	2.550	_	2.330	
1.5	Income	I-(4)	3.671	5.497	9.168	3.671	661	4.332	
1.3.1	Government Debt Securities	1-(4)	3.071	3.437	5.100	3.071	-	4.332	
1.3.2	Equity Instruments		3.671	5.497	9.168	3.671	661	4.332	
1.3.3	Other Financial Assets		3.071	5.45/	5.100	3.071	-	7.552	
1.4	Derivative Financial Assets	I-(5)	_	_	_	55.113	_	55.113	
1.4.1	Derivative Financial Assets at Fair Value Through Profit or Loss	. (5)	_	_	_	55.113	_	55.113	
1.4.2	Derivative Financial Assets at Fair Value Through Other					33.113		33.113	
	Comprehensive Income		_	_	_	_	_	_	
II.	FINANCIAL ASSETS MEASURED AT AMORTISED COST (Net)		3.200.346	8.454.657	11.655.003	2.353.445	3.379.883	5.733.328	
2.1	Loans	I-(6)	2.279.005	-	2.279.005	1.795.481	-	1.795.481	
2.2	Lease receivables	I-(11)	-	_	-	-	_	-	
2.3	Factoring receivables	. ()	_	_	_	_	_	_	
2.4	Other financial assets measured at amortized cost	I-(7)	932,193	8.454.657	9.386.850	562,446	3.379.883	3.942.329	
2.4.1	Government debt securities		831.488	499.868	1.331.356	499.958	1.363.748	1.863.706	
2.4.2	Other financial assets		100.705	7.954.789	8.055.494	62.488	2.016.135	2.078.623	
2.5	Expected Loss Provision (-)		10.852	-	10.852	4.482	-	4.482	
III.	PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND								
	RELATED TO DISCONTINUED OPERATIONS (Net)	I-(13)	-	-	-	_	-	_	
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)		-	-	-	-	-	-	
4.1.1	Associates Valued Based on Equity Method		-	-	-	-	-	-	
4.1.2	Unconsolidated Associates		-	-	-	-	-	-	
4.2	Subsidiaries (Net)		4.825	-	4.825	4.825	-	4.825	
4.2.1	Unconsolidated Financial Subsidiaries		4.825	-	4.825	4.825	-	4.825	
4.2.2	Unconsolidated Non-Financial Subsidiaries		-	-	-	-	-	-	
4.3	Joint Ventures (Net)		-	-	-	-	-	-	
4.3.1	Joint Ventures Valued Based on Equity Method		-	-	-	-	-	-	
4.3.2	Unconsolidated Joint Ventures		-	-	-	-	-	-	
V.	PROPERTY AND EQUIPMENT (Net)		184.280	-	184.280	149.948	-	149.948	
VI.	INTANGIBLE ASSETS (Net)		334.063	-	334.063	202.858	-	202.858	
6.1	Goodwill		-	-	-	-	-	-	
6.2	Other		334.063	-	334.063	202.858	-	202.858	
VII.	INVESTMENT PROPERTY (Net)	I-(12)	330.520	-	330.520	244.470	-	244.470	
VIII.	CURRENT TAX ASSET		-	-	-	-	-	-	
IX.	DEFERRED TAX ASSET	I-(14)	274.399	-	274.399	163.165	-	163.165	
X.	OTHER ASSETS (NET)	I-(15)	667.133	15.902	683.035	384.279	30.165	414.444	

The accompanying explanations and notes form an integral part of these unconsolidated financial statements.

STRATEGY, VALUE CREATION AND STAKEHOLDER RELATIONS

SUSTAINABILITY AND CLIMATE EFFORTS

FINANCIAL REPORTS AND ANNEXES

İSTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.

UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) AT 31 DECEMBER 2024

(Amounts expressed in Thousands of Turkish Lira (TRY) unless otherwise stated.)

I. BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) (Continued)

				Audited Current Period		Audited Prior Period		
				December 2024			December 202	
	LIABILITIES	Note	TRY	FC	Total	TRY	FC	Total
ı.	FUNDS COLLECTED		_	_			_	_
II.	FUNDS BORROWED	II-(2)	335.435	8.028.625	8.364.060	129.836	5.521.256	5.651.092
III.	MONEY MARKETS DEBTS		-	-	-	-	-	-
IV.	SECURITIES ISSUED (Net)		-	-	-	-	-	-
4.1	Bills		-	-	-	-	-	-
4.2	Asset Backed Securities		-	-	-	-	-	-
4.3	Bonds		-	-	-	-	-	-
V.	FUNDS	II-(3)	138.394.300	30.258.905	168.653.205	75.603.169	31.666.594	107.269.763
5.1	Borrower Funds		-	-	-	-	-	-
5.2	Other		138.394.300	30.258.905	168.653.205	75.603.169	31.666.594	107.269.763
VI.	FİNANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR							
	LOSS		-	-	-	-	-	-
VII.	DERIVATIVE FINANCIAL LIABILITIES	II-(1)	-	-	-	-	-	-
7.1	Derivative Financial Liabilities at Fair Value Through Profit or Loss		-	-	-	-	-	-
7.2	Derivative Financial Liabilities at Fair Value Through Other							
	Comprehensive Income		-	-	-	-	-	-
VIII.	FACTORING PAYABLES		-	-	-	-	-	-
IX.	LEASE PAYABLES	II-(4)	-	-	-	80	-	80
X.	PROVISIONS	II-(5)	720.268	-	720.268	425.099	-	425.099
10.1	Restructuring Provisions		-	-	-	-	-	-
10.2	Reserve for Employee Benefits		162.174	-	162.174	93.236	-	93.236
10.3	Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4	Other Provisions		558.094	-	558.094	331.863	-	331.863
XI.	CURRENT TAX LIABILITY	II-(6)	1.219.365	-	1.219.365	714.218	-	714.218
XII.	DEFERRED TAX LIABILITY		-	-	-	-	-	-
XIII.	LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)		-	-	-	-	-	-
13.1	Held for Sale Purpose		-	-	-	-	-	-
13.2	Related to Discontinued Operations		-	-	-	-	-	-
XIV.	SUBORDINATED DEBT INSTRUMENTS		-	-	-	-	-	-
14.1	Loans		-	-	-	-	-	-
14.2	Other Debt Instruments		-	-	-	-	-	-
XV.	OTHER LIABILITIES		-	-	-	-	-	-
XVI.	SHAREHOLDERS' EQUITY	II-(7)	13.727.837	-	13.727.837	7.280.762	-	7.280.762
16.1	Paid-in capital		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
16.2.2	Share Cancellation Profits		-	-	-	-	-	-
16.2.3	Other Capital Reserve		3.261	-	3.261	3.261	-	3.261
16.3	Accumulated Other Comprehensive Income or Loss Not Reclassified Through Profit or Loss		(24.299)	-	(24.299)	(16.987)	-	(16.987)
16.4	Accumulated Other Comprehensive Income or Loss Reclassified Through Profit or Loss		-	-	-	-	-	-
16.5	Profit Reserves		4.819.102	_	4.819.102	2.999.537	_	2.999.537
16.5.1	Legal Reserves		503.120	_	503.120	324.163	_	324.163
16.5.2	_		-	-	-	-	_	
	Extraordinary Reserves		4.007.944	-	4.007.944	2.451.602	_	2.451.602
16.5.4			308.038	-	308.038	223.772	-	223.772
16.6	Income or (Loss)		8.296.754	-	8.296.754	3.661.932	-	3.661.932
	Prior Periods' Income or (Loss)		22.803	-	22.803	22.803	-	22.803
	Current Period Income or (Loss)		8.273.951	-	8.273.951	3.639.129	-	3.639.129
16.7	Share Premium		-	-	-	-	-	-
	TOTAL LIABLITIES AND EQUITY		154.397.205	38.287.530	192.684.735	84.153.164	37.187.850	121.341.014

The accompanying explanations and notes form an integral part of these unconsolidated financial statements.

İSTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.

UNCONSOLIDATED OFF-BALANCE SHEET COMMITMENTS AS OF 31 DECEMBER 2024

(Amounts expressed in Thousands of Turkish Lira (TRY) unless otherwise stated.)

II. OFF-BALANCE SHEET

				Audited Current Period December 20			Audited Prior Period 31 December 2023			
				TRY		FC				
III.	OFF-BALANCE SHEET COMMITMENTS	Note	Audited Current Period	Audited Prior Period	Audited Current Period	Audited Prior Period	Audited Current Period	Audited Prior Period		
Α.	OFF-BALANCE SHEET COMMITMENTS									
	(I+II+III)		108.922.719	-	108.922.719	39.957.973	4.415.730	44.373.703		
l.	GUARANTEES AND WARRANTIES	III-(1)	106.660.998	-	106.660.998	34.383.116	-	34.383.116		
1.1.	Letters of Guarantee		-	-	-	-	-	-		
1.1.1.	Guarantees Subject to State Tender Law		-	-	-	-	-	-		
1.1.2.	Guarantees Given for Foreign Trade									
	Operations		-	-	-	-	-	-		
1.1.3.	Other Letters of Guarantee		-	-	-	-	-	-		
1.2.	Bank Acceptances		-	-	-	-	-	-		
1.2.1.	Import Letter of Acceptance		-	-	-	-	-	-		
1.2.2.	Other Bank Acceptances Letters of Credit		-	-	-	-	-	-		
1.3. 1.3.1.	Documentary Letters of Credit		-	-	-	-	-	-		
1.3.1.	Other Letters of Credit									
1.4.	Prefinancing Given as Guarantee		_	_	_	_	_	_		
1.5.	Endorsements		_	_	_	_	_	_		
1.5.1.	Endorsements to the Central Bank of the									
1.5.1.	Republic of Turkey		_	_	_	_	_	-		
1.5.2.	Other Endorsements		-	-	-	-	-	-		
1.6.	Other Guarantees		-	-	-	-	-	-		
1.7.	Other Collaterals		-	-	-	-	-	_		
1.8.	Import Letter of Acceptance		106.660.998	-	106.660.998	34.383.116	_	34.383.116		
1.9.	Other Bank Acceptances		-	-	-	-	-	-		
II.	COMMITMENTS	III-(1)	2.261.721	-	2.261.721	876.122	-	876.122		
2.1.	Irrevocable Commitments		2.261.721	-	2.261.721	876.122	-	876.122		
2.1.1.	Asset Purchase and Sale Commitments		-	-	-	-	-	-		
2.1.2.	Deposit Purchase and Sales Commitments		-	-	-	-	-	-		
2.1.3.	Share Capital Commitments to Associates									
	and Subsidiaries		-	-	-	-	-	-		
2.1.4.	Loan Granting Commitments		-	-	-	-	-	-		
2.1.5.	Securities Issue Brokerage Commitments		-	-	-	-	-	-		
2.1.6.	Commitments for Reserve Deposit									
	Requirements		-	-	-	-	-	-		
2.1.7.	Payment commitment for checks		-	-	-	-	-	-		
2.1.8.	Tax and Fund Liabilities from Export									
210	Commitments		-	-	-	-	-	-		
2.1.9.	Commitments for Credit Card Limits		-	-	-	-	-	-		
Z.I.IU.	Commitments for Credit Cards and Banking Services Promotions									
7 1 11	Receivables from Short Sale Commitments		-	_	-	-	-	_		
۷.۱.۱۱.	of Marketable Securities		_			_	_	_		
7 1 17	Payables for Short Sale Commitments of									
2.1.12.	Marketable Securities		_	_	_	_	_	_		
7 1 13	Other Irrevocable Commitments		2.261.721	_	2.261.721	876.122	_	876.122		
2.2.	Revocable Commitments		-	_	-	-	_	-		
	Revocable Loan Granting Commitments		-	-	-	-	-	-		
	Other Revocable Commitments		_	_	_	_	_	_		
III.	DERIVATIVE FINANCIAL INSTRUMENTS		-	_	-	4.698.735	4.415.730	9.114.465		
3.1	Hedging Derivative Financial Instruments		-	-	-	-	-	-		
3.1.1	Fair value hedge		-	-	-	-	-	-		
3.1.2	Cash flow hedge		-	-	-	-	-	-		
3.1.3	Foreign Net Investment Hedges									

The accompanying explanations and notes form an integral part of these unconsolidated financial statements.

STRATEGY, VALUE CREATION AND STAKEHOLDER RELATIONS

SUSTAINABILITY AND CLIMATE EFFORTS

FINANCIAL REPORTS AND ANNEXES

İSTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.

UNCONSOLIDATED OFF-BALANCE SHEET COMMITMENTS AS OF 31 DECEMBER 2024

(Amounts expressed in Thousands of Turkish Lira (TRY) unless otherwise stated.)

II. OFF-BALANCE SHEET (Continued)

			_	Audited Current Period December 202		Audited Prior Period 31 December 2023				
				TRY			FC	<u>- </u>		
III.	OFF-BALANCE SHEET COMMITMENTS	Note	Audited Current Period	Audited	Audited Current Period	Audited Prior Period	Audited Current Period	Audited Prior Period		
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-		-	-	-	-	-	-		
J.L	Buy		-	-	-	-	-	_		
3.2.1.2	Forward Foreign Currency Transactions-									
222	Sell		-	-	-	-	-	-		
3.2.2	Swap Transactions Related to Foreign					4 600 735	4 415 730	0.114.465		
7 7 7 1	Currency and Interest Rates		-	-	-	4.698.735	4.415.730	9.114.465		
3.2.2.1	Foreign Currency Swap-Buy		-	-	-	4.698.735	4.415.730	4.415.730		
3.2.2.2	Foreign Currency Swap-Sell Interest Rate Swap-Buy		-	-	-	4.036./33	-	4.698.735		
	Interest Rate Swap-Buy		-	_	-	-	-	_		
3.2.3	Foreign Currency. Interest rate and		_							
3.2.3	Securities Options		_	_	_	_	_	_		
3.2.3.1	Foreign Currency Options-Buy		-	-	-	-	-	-		
3.2.3.2			-	-	-	-	-	-		
	Interest Rate Options-Buy		-	-	-	-	-	-		
	Interest Rate Options-Sell		-	-	-	-	-	_		
3.2.3.5	·		-	-	-	-	-	_		
3.2.3.6	Securities Options-Sell		-	-	-	-	-	-		
3.2.4	Foreign Currency Futures		-	-	-	-	-	-		
3.2.4.1	Foreign Currency Futures-Buy		-	-	-	-	-	-		
3.2.4.2			-	-	-	-	-	-		
3.2.5	Interest Rate Futures		-	-	-	-	-	-		
3.2.5.1	Interest Rate Futures-Buy		-	-	-	-	-	-		
3.2.5.2	Interest Rate Futures-Sell		-	-	-	-	-	-		
3.2.6	Other		-	-	-	-	-	-		
B.	CUSTODY AND PLEDGES RECEIVED									
	(IV+V+VI)		10.758.566.045	11.144.347	10.769.710.392	7.278.296.671	17.124.137	7.295.420.808		
IV.	ITEMS HELD IN CUSTODY	III-(1)	10.253.426.740	-	10.253.426.740	7.029.364.128	-	7.029.364.128		
4.1.	Customer Fund and Portfolio Balances		7.264	-	7.264	5.102	-	5.102		
4.2.	Investment Securities Held in Custody		10.253.417.976	-	10.253.417.976	7.029.357.526	-	7.029.357.526		
4.3.	Checks Received for Collection		-	-	-	-	-	-		
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	-	1.500		
4.8.	Custodians		-	-	-	-	-	-		
V.	PLEDGES RECEIVED		505.139.305	11.144.347	516.283.652	248.932.543	17.124.137			
5.1.	Marketable Securities		144.405.689	10.283.881	154.689.570	22.490.207	17.015.113	39.505.320		
5.2.	Guarantee Notes		-	-	-	-	-	-		
5.3.	Commodity		-	-	-	-	-	-		
5.4.	Warranty		-	-	-	-	-	-		
5.5.	Properties		-	-	-	-	400.034	-		
5.6.	Other Pledged Items				361.594.082					
5.7.	Pledged Items-Depository		-	-	-	-	-	-		
VI.	ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		-	-	-	-	-	-		
	TOTAL OFF-BALANCE SHEET									
	COMMITMENTS (A+B)		10 867/199 76/	11 144 247	10.878.633.111	7 318 254 644	21.539.867	7.339.794.511		
	COMMENT OF THE PARTY OF THE PAR		.0.007.700.704		10107010331111		21.333.007	/13331/3 7 1311		

The accompanying explanations and notes form an integral part of these unconsolidated financial statements.

İSTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Thousands of Turkish Lira (TRY) unless otherwise stated.)

III. STATEMENT OF PROFIT OR LOSS

		_	Audited Current Period	Audited Prior Period
	INCOME STATEMENT	Note	1 January 2024 - 31 December 2024	1 January 2023 - 31 December 2023
l.	INTEREST INCOME		9.272.361	4.972.918
1.1	Interest on Loans	IV-(1)	1.180.091	966.702
	Interest Received from Reserve Requirements	1 V (1)	1.100.051	- 500.702
.3	Interest Received from Banks	IV-(1)	7.261.393	3.618.481
.4	Interest Received from Money Market Transactions	(.)	1.367	6
.5	Interest Received from Marketable Securities Portfolio	IV-(1)	804.527	378.167
.5.1	Financial Assets at Fair Value Through Profit or Loss		-	-
.5.2	Financial Assets at Fair Value Through Other Comprehensive Income		135.844	13.750
.5.3	Financial Assets Measured at Amortised Cost		668.683	364.417
.6	Financial Lease Income		-	-
.7	Other Interest Income		24.983	9.562
II.	INTEREST EXPENSE	IV-(2)	584.802	272.626
	Interest on Deposits		-	-
	Interest on Funds Borrowed		584.798	271.616
	Interest Expense on Money Market Transactions		-	787
2.4	Interest on Securities Issued		-	-
2.5	Lease Interest Expenses		4	223
2.6	Other Interest Expenses		0.07.550	4.700.292
III. IV.	NET INTEREST INCOME (I - II)		8.687.559	
4.1	NET FEES AND COMMISSIONS INCOME/EXPENSE Fees and Commissions Received		5.578.774 6.056.187	2.650.188 2.941.482
4.1.1	Non-cash Loans		0.030.10/	2.341.402
4.1.2	Other	IV-(11)	6.056.187	2.941.482
4.2	Fees and Commissions Paid	IV-(12)	477.413	291.294
	Non-cash Loans	14 (12)	-	-
	Other		477.413	291.294
V.	DIVIDEND INCOME	IV-(3)	127.866	42.346
/I.	TRADING INCOME / LOSS (Net)	IV-(4)	(96.549)	(229.953)
5.1	Trading Gains/ Losses on Securities		26.941	(21.504)
5.2	Trading Gains/ Losses on Derivative Financial Instruments		98.462	1.957.892
5.3	Foreign Exchange Gains/ Losses		(221.952)	(2.166.341)
VII.	OTHER OPERATING INCOME	IV-(5)	140.461	198.795
VIII.	TOTAL OPERATING INCOME (III+IV+V+VI+VII)		14.438.111	7.361.668
X.	EXPECTED CREDIT LOSS (-)	IV-(6)	56.340	27.807
X.	OTHER PROVISION EXPENSES (-)	IV-(7)	642.372	383.998
XI.	PERSONNEL EXPENSES (-)	IV-(7)	1.435.397	685.977
XII.	OTHER OPERATING EXPENSES (-)	IV-(7)	688.559	1.230.236
XIII.	NET OPERATING INCOME/ LOSS (VIII++XII)		11.615.443	5.033.650
XIV XV.	EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER		-	-
AV.	INCOME/ LOSS FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED			
XVI.	ON EQUITY METHOD		-	-
	INCOME/ LOSS ON NET MONETARY POSITION INCOME/ LOSS BEFORE TAX FROM CONTINUING OPERATIONS (XIII++XVI)		11.615.443	5.033.650
	TAX PROVISION FOR CONTINUING OPERATIONS (±)	IV-(8)	(3.341.492)	(1.394.521)
18.1	Current Tax Provision	14-(0)	(3.449.592)	(1.510.431)
18.2	Deferred Tax Expense Effect (+)		(83.205)	(94.449)
18.3	Deferred Tax Income Effect (-)		191.305	210.359
XIX.	NET INCOME/ LOSS FROM CONTINUING OPERATIONS (XVII±XVIII)	IV-(9)	8.273.951	3.639.129
CX.	INCOME FROM DISCONTINUED OPERATIONS	12 (2)	-	-
20.1	Income from Non-Current Assets Held for Resale		-	-
20.2	Sale Income from Associates, Subsidiaries and Joint Ventures		-	-
20.3	Other Income from Discontinued Operations		-	-
KXI.	EXPENSES FROM DISCONTINUED OPERATIONS (-)		-	-
21.1	Expense from Non-Current Assets Held for Resale		-	-
21.2	Sale Losses from Associates, Subsidiaries and Joint Ventures		-	-
21.3	Other Expenses from Discontinued Operations		-	-
KXII.	INCOME/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XX-XXI)		-	-
KXIII.	TAX PROVISION FOR DISCONTINUED OPERATIONS (±)		-	-
23.1	Current Tax Provision		-	-
23.2	Deferred Tax Income Effect (+)		-	-
23.3	Deferred Tax Expense Effect (-)		-	-
	NET PROFIT/ LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)		-	-
XXV.	NET PROFIT/LOSS (XIX+XXIV)	IV-(10)	8.273.951	3.639.129
	Earnings / (Loss) Per Share (Full TRY)		13,7899	6,0652

The accompanying explanations and notes form an integral part of these unconsolidated financial statements.

STRATEGY, VALUE CREATION AND STAKEHOLDER RELATIONS

SUSTAINABILITY AND CLIMATE EFFORTS

FINANCIAL REPORTS AND ANNEXES

İSTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Thousands of Turkish Lira (TRY) unless otherwise stated.)

IV. STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Audited	Audited
		Current Period	Prior Period
		1 January-	1 January-
		31 December 2024	31 December 2023
ı.	CURRENT PERIOD INCOME/LOSS	8.273.951	3.639.129
II.	OTHER COMPREHENSIVE INCOME	(7.312)	(9.306)
2.1	Not Reclassified Through Profit or Loss	(7.312)	(9.306)
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	(10.446)	(13.295)
2.1.4	Other Comprehensive Income Items Not Reclassified Through Profit or Loss	-	-
2.1.5	Tax Related Other Comprehensive Income Items Not Reclassified Through Profit or		
	Loss	3.134	3.989
2.2	Reclassified Through Profit or Loss	-	-
2.2.1	Foreign Currency Translation Differences	-	-
2.2.2	Valuation and/or Reclassification Income/Expense of the Financial Assets at Fair Value through Other		
	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	-	-
2.2.6	Tax Related Other Comprehensive Income Items Reclassified Through Profit or Loss	-	-
III.	TOTAL COMPREHENSIVE INCOME (I+II)	8.266.639	3.629.823

The accompanying explanations and notes form an integral part of these unconsolidated financial statements.

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İSTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.

UNCONSOLIDATED CHANGES IN SHAREHOLDERS'S EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Thousands of Turkish Lira (TRY) unless otherwise stated.)

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

						Accumi	ulated Other										
							nsive Income			ted Other Comprehensi							
							lot Reclassifi			or Expense Reclassified							
	Changes in shareholders' equity					through	Profit or Loss	5	thr	ough Profit or Loss							
						Revaluation	Defined			Income/expenses							
						surplus on	benefit		•	from valuation and/or					Total Equity		
				Share		tangible and	plans'			reclassification of			Prior Period		Except from		TOTAL
	84.4	Paid-in		Cancellation	Capital	intangible	actuarial	Other	Translation	financial assets	Other	Profit	Profit or	Profit or	Minority	Minority	Shareholders
	Audited	Capitai	Premium	Profits	Reserves	assets	gains/losses	Utner	differences	measured at FVOCI	Other	Reserves	(Loss)	(Loss)	Interest	Interest	Equuity
	Current Period																
	1 January 2024-31 December 2024	COO 000	22.040		2.264		(45,007)					2 000 527	2 664 633		7 200 762		7 200 762
I.	Prior Period End Balance	600.000	33.019	-	3.261	-	(16.987)	-	-	-	-	2.999.537	3.661.932	-	7.280.762	-	7.280.762
II.	Corrections and Accounting Policy Changes																
7.1	Made According to TAS 8	_	_	-	_	-	-	-	-	-	-	-	-	-	-	-	-
	Effects of Corrections		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Effects of the Changes in Accounting Policies			-		-	-	-	-	•	-	-	<u>-</u>	-	-	-	
	Adjusted Beginning Balance (I+II)	600.000	33.019	-	3.261	-	(16.987)	-	-	-	-	2.999.537	3.661.932	-	7.280.762	-	7.280.762
IV.	Total Comprehensive Income	-	-	-	-	-	(7.312)	-	-	-	-	-	-	8.273.951	8.266.639	-	8.266.639
V.	Capital Increase by Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Capital Increase by Internal Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Paid-in capital inflation adjustment																
	difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII	Convertible Bonds to Shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Subordinated Debt Instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Increase/Decrease by Other Changes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	_
XI.	Profit Distribution	-	-	-	-	-	-	-	-	-	-	1.819.565	(3.639.129)	-	(1.819.564)	-	(1.819.564)
11.1	Dividends paid	-	-	-	-	-	-	-	-	-	-	-	(1.819.564)	-	(1.819.564)	-	(1.819.564)
11.2	Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	1.819.565	(1.819.565)	-	-	-	-
11.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Period-End Balance																
	(III+IV++X+XI)	600.000	33.019	-	3.261	-	(24.299)	-	-	-	-	4.819.102	22.803	8.273.951	13.727.837		13.727.837

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İSTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.

UNCONSOLIDATED CHANGES IN SHAREHOLDERS'S EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Thousands of Turkish Lira (TRY) unless otherwise stated.)

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (Continued)

							ulated Other										
							nsive Income			ted Other Comprehensi							
							Not Reclassifi			or Expense Reclassified							
	Changes in shareholders' equity					through	Profit or Loss	5	thro	ough Profit or Loss							
						Revaluation	Defined			Income/expenses							
						surplus on	benefit		f	rom valuation and/or					Total Equity		
				Share		tangible and	plans'			reclassification of			Prior Period		Except from		Total
	adla.d	Paid-in		Cancellation	Capital	intangible	actuarial	Other	Translation	financial assets	Other	Profit	Profit or	Profit or	Minority		Shareholders'
	Audited	Capitai	Premium	Profits	Reserves	assets	gains/losses	Utner	differences	measured at FVOCI	Other	Reserves	(Loss)	(Loss)	Interest	Interest	Equity
	Prior Period																
	1 January 2023-31 December 2023	500.000	22.040		2.254		(7.504)					242244	4754004		4 545 030		4 545 030
I.	Prior Period End Balance	600.000	33.019	-	3.261	-	(7.681)	-	•	•	-	2.133.416	1.754.924	-	4.516.939	•	4.516.939
II.	Corrections and Accounting Policy Changes																
7.1	Made According to TAS 8 Effects of Corrections	-	_	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	•	-	-	-	-	-	-	-	-
	Effects of the Changes in Accounting Policies			-		-	-	-	•	-	-		-	-	-	-	
	Adjusted Beginning Balance (I+II)	600.000	33.019	-	3.261	-	(7.681)	-	-	-	-	2.133.416	1.754.924	-	4.516.939	-	4.516.939
	Total Comprehensive Income	-	-	-	-	-	(9.306)	-	-	-	-	-	-	3.639.129	3.629.823	-	3.629.823
V.	•	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Capital Increase by Internal Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Paid-in capital inflation adjustment																
	difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Convertible Bonds to Shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Subordinated Debt Instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Χ.	Increase/Decrease by Other Changes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Profit Distribution	-	-	-	-	-	-	-	-	-	-	866.121	(1.732.121)	-	(866.000)	-	(866.000)
11.1	Dividends paid	-	-	-	-	-	-	-	-	-	-	-	(866.000)	-	(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	-	7.280.762

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İSTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.

UNCONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Thousands of Turkish Lira (TRY) unless otherwise stated.)

VI. STATEMENT OF CASH FLOWS

			Audited	Audited
			Current Period 1 January -	Prior Period
		Note	31 December 2024	1 January - 31 December 2023
Α.	CASH FLOWS FROM BANKING OPERATIONS			
1.1	Operating Profit/ (Loss) Before Changes in Operating Assets and Liabilities		8.311.005	6.708.163
1.1.1	Interest Received		8.600.754	4.907.981
.1.2	Interest Paid		(584.803)	(272.444)
1.1.3	Dividend Received		127.866	42.346
1.1.4	Fees and Commissions Received		6.056.187	2.944.815
1.1.5	Other Income		140.461	198.795
1.1.6	Collections from Previously Written-off Loans and Other Receivables		()	(
1.1.7	Payments to Personnel and Service Suppliers		(1.486.953)	(715.105)
1.1.8	Taxes Paid		(2.928.848)	(482.420)
1.1.9	Other		(1.613.659)	84.195
1.2	Changes in Operating Assets and Liabilities		62.225.165	30.400.821
1.2.1	Net increase/decrease in Financial Assets at Fair Value Through Profit or Loss		(1.782.494)	(25.061)
1.2.2	Net (increase) / decrease in Due from Banks and Other Financial Institutions		(86.002)	(356.917)
1.2.3	Net (increase) / decrease in Loans		(493.239)	881.101
1.2.4	Net (increase) / decrease in Other Assets		(323.704)	(38.871)
1.2.5	Net increase / (decrease) in Bank Deposits		-	-
1.2.6	Net increase / (decrease) in Other Deposits		-	-
1.2.7	Net increase/decrease in Financial Liabilities at Fair Value Through Profit or Loss		-	-
1.2.8	Net increase/(decrease) in Funds Borrowed		2.712.969	(1.377.607)
1.2.9	Net increase/(decrease) in Payables		-	-
1.2.10	Net increase/(decrease) in Other Liabilities		62.197.635	31.318.176
l.	Net Cash Flows from Banking Operations		70.536.170	37.108.984
В.	CASH FLOWS FROM INVESTING ACTIVITIES			
п.	Net Cash Provided from Investing Activities		(5.792.282)	(1.386.338)
2.1	Cash Paid for Acquisition of Investments, Associates and Subsidiaries		-	-
2.2	Cash Obtained from Disposal of Investments, Associates and Subsidiaries		-	-
2.3	Purchases of Property and Equipment		(350.478)	(264.757)
2.4	Disposals of Property and Equipment		7.553	22.872
2.5	Purchase of Financial Assets at Fair Value Through Other Comprehensive Income		(4.836)	-
2.6	Sale of Financial Assets at Fair Value Through Other Comprehensive Income		-	-
2.7	Purchase of Financial Assets Measured at Amortised Cost		(8.721.337)	(7.269.155)
2.8	Sale of Financial Assets Measured at Amortised Cost		4.889.105	5.727.789
2.9	Other		(1.612.289)	396.913
C.	CASH FLOWS FROM FINANCING ACTIVITIES			
III.	Net Cash Provided from Financing Activities		(1.934.972)	(990.992)
3.1	Cash Obtained from Funds Borrowed and Securities Issued		-	-
3.2	Cash Used for Repayment of Funds Borrowed and Securities Issued		-	-
3.3	Issued Capital Instruments		-	-
3.4	Dividends Paid		(1.819.564)	(866.000)
3.5	Payments for Leases		4	223
3.6	Other		(115.412)	(125.215)
IV.	Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents		203.648	(107.194)
V. VI.	Net Decrease in Cash and Cash Equivalents (I+II+III+IV) Cash and Cash Equivalents at Beginning of the Period		63.012.564 112.937.415	34.624.460 79.312.955
VI.	Cash and Cash Equivalents at Deginning of the Period		113.937.415	/3.312.355

The accompanying explanations and notes form an integral part of these unconsolidated financial statements.

İSTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.

UNCONSOLIDATED STATEMENT OF PROFIT DISTRIBUTION FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Thousands of Turkish Lira (TRY) unless otherwise stated.)

VII. STATEMENT OF PROFIT DISTRIBUTION

		Audited Current Period	Audited Prior Period
		31 December 2024 ^(*)	31 December 202
	DISTRIBUTION OF CURRENT YEAR PROFIT		
1	CURRENT PERIOD PROFIT	11.615.443	5.033.650
2	TAXES AND LEGAL DUTIES PAYABLE (-)	(3.341.492)	(1.394.521
.2.1	Corporate tax (income tax)	(3.449.592)	(1.510.431
.2.2	Withholding tax		
.2.3	Other taxes and legal obligations	108.100	108.776
۱.	NET DÖNEM KARI (1.1-1.2)	8.273.951	3.639.129
.3	ACCUMULATED LOSSES (-)	-	
.4	FIRST LEGAL RESERVE (-)	-	
.5	STATUTORY FUNDS TO BE RETAINED AT THE BANK (-)	-	
3.	DAĞITILABİLİR NET DÖNEM KARI [(A-(1.3+1.4+1.5)]	8.273.951	3.639.12
.6	FIRST DIVIDEND TO SHAREHOLDERS (-)	<u>-</u>	1.819.564
.6.1	To owners of ordinary shares	-	1.819.564
.6.2	To owners of privileged shares	-	
1.6.3	To holders of redeemed shares	-	
.6.4	To holders of profit-sharing bonds	_	
1.6.5	To holders of profit and loss sharing certificates	_	
1.7	DIVIDENDS TO PERSONNEL (-)	-	
1.8	DIVIDENDS TO THE BOARD OF DIRECTORS (-)	-	
1.9	SECOND DIVIDEND TO SHAREHOLDERS (-) (*)	-	
.9.1	To owners of ordinary shares	-	
.9.2	To owners of privileged shares	-	
.9.3	To holders of redeemed shares	-	
.9.4	To holders of profit-sharing bonds	-	
.9.5	To holders of profit and loss sharing certificates	-	
.10	STATUS RESERVES (-)	-	
.11	EXTRAORDINARY RESERVES	-	1.640.60
.12	OTHER RESERVES	-	178.95
1.13	SPECIAL FUNDS	-	
ı.	DISTRIBUTION OF RESERVES	-	
2.1	DISTRIBUTED RESERVES	-	
2.2	DIVIDENDS TO SHAREHOLDERS (-)	_	
2.2.1	To owners of ordinary shares	_	
2.2.2	To owners of privileged shares	_	
2.2.3	To holders of redeemed shares	_	
2.2.4	To holders of profit-sharing bonds	_	
2.2.5	To holders of profit and loss sharing certificates	_	
2.3	DIVIDENDS TO PERSONNEL (-)	-	
2.4	DIVIDENDS TO THE BOARD OF DIRECTORS (-)	-	
II.	EARNINGS PER SHARE	-	
3.1	TO OWNERS OF ORDINARY SHARES	-	13.7899
3.2	TO OWNERS OF ORDINARY SHARES (%)	_	1378.9
1.3	TO OWNERS OF PRIVILEGED SHARES	-	.0.0
3.4	TO OWNERS OF PRIVILEGED SHARES (%)	- -	
V.	DIVIDENDS PER SHARE	-	
4.1	TO OWNERS OF ORDINARY SHARES	-	
1.2	TO OWNERS OF ORDINARY SHARES (%)	<u>-</u>	
1.3	TO OWNERS OF PRIVILEGED SHARES	_	
1.4	TO OWNERS OF PRIVILEGED SHARES (%)		

⁽¹⁾ The General Assembly of the Company is the authorized body regarding the distribution of the current period profit. As of the date these financial statements were prepared, the Company's Annual Ordinary General Assembly meeting has not yet been held.

The accompanying explanations and notes form an integral part of these unconsolidated financial statements.

^(**) In accordance with the BRSA circular, if there is a remaining balance of deferred tax income as a result of the offsetting of deferred tax assets and liabilities, deferred tax income cannot be subject to profit distribution or capital increase.

OVERNANCE STRATEGY, VALUE CREATION AND

ISTANBUL TAKAS VE SAKLAMA BANKASI A.S.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Thousands of Turkish Lira (TRY) unless otherwise stated.)

SECTION THREE

EXPLANATIONS ON ACCOUNTING POLICIES

I. Basis of Presentation

Presentation of financial statements

The unconsolidated financial statements have been prepared in accordance with the "Regulation on Accounting Practices and Retention of Documents by Banks" ("Regulation") published in the Official Gazette No. 26333 dated November 1, 2006, in relation to Banking Law No. 5411 ("Banking Law"); other regulations issued by the Banking Regulation and Supervision Agency ("BRSA") regarding the accounting records of banks; circulars and explanations of the BRSA; and, in matters not regulated by these, the Turkish Financial Reporting Standards ("TFRS") enacted by the Public Oversight, Accounting and Auditing Standards Authority ("POA") (collectively referred to as the "BRSA Accounting and Financial Reporting Legislation"). However, as explained below, the TMS 29 "Financial Reporting in Hyperinflationary Economies" standard included in the TFRS has not been applied to banks, as well as financial leasing, factoring, financing, savings financing, and asset management companies.

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 Financial Statements and Related Disclosures and Footnotes to be Publicly Announced by Banks" and "Communiqué on Public Disclosures Related to Risk Management by Banks" published in the Official Gazette dated 28 June 2012 and numbered 28337. The Bank maintains its books of account in Turkish Lira in accordance with the Banking Law, Turkish Commercial Code and Turkish tax legislation.

The preparation of financial statements in conformity with BRSA Accounting and Financial Reporting Legislation requires management to make estimates and assumptions about assets and liabilities and contingent assets and liabilities at the balance sheet date. Such assumptions and estimates are reviewed regularly, necessary adjustments are made and the effect of such adjustments is recognized in the statement of profit or loss.

Amounts are expressed in thousands of Turkish Lira ("TRY") unless otherwise stated.

Accounting policies followed and valuation principles used in the preparation of the financial statements

The Financial Reporting in Hyperinflationary Economies Standard ("TMS 29") addresses economies experiencing high inflation, establishes the threshold for determining whether an economy is considered hyperinflationary, and explains how the financial statements of entities whose functional currency is that of a hyperinflationary economy should be adjusted for inflation. In the announcement published by the Public Oversight, Accounting and Auditing Standards Authority on November 23, 2023, regarding the Inflation Adjustment of Financial Statements of Companies Subject to Independent Audit, regulatory and supervisory institutions were granted the flexibility to determine different transition dates for the application of inflation accounting. In this context, with its decision No. 10825 dated January 1, 2024, the BRSA set January 1, 2025, as the transition date for banks, financial leasing, factoring, financing, savings financing, and asset management companies to apply TMS 29, and therefore, no inflation adjustment has been made in the financial statements dated December 31, 2024. Furthermore, in its decision No. 11021 dated December 5, 2024, the BRSA ruled that banks, financial leasing, factoring, financing, savings financing, and asset management companies will not apply inflation accounting in 2025.

The accounting policies applied in the current period are consistent with those of the previous period's financial statements. The accounting policies followed and the valuation principles used in the preparation of the financial statements are presented in detail.

RATEGY, VALUE CREATION AND SUSTAINABILITY AND CLIMATE EFFORTS STAKEHOLDER RELATIONS FINANCIAL REPORTS AND ANNEXES

İSTANBUL TAKAS VE SAKLAMA BANKASI A.S.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Thousands of Turkish Lira (TRY) 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, 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 bonds and treasury bills.

There are no areas where the Bank's return is above the average return calculated for the Bank's fields of activity. The Bank conducts transactions in money and capital markets. In order to manage foreign exchange and interest rate risks in the areas of transactions, the Bank pays attention to the equality of assets and liabilities in terms of maturity, currency and amount in the balance sheet transactions.

The Bank may make transactions in derivatives or structured products defined as off-balance sheet in order to manage the balance sheet or to ensure the profitability of the transactions. With respect to the transactions in money and capital markets, the transaction limits determined in these markets have been determined as risk limits. The Bank has no transactions in other foreign currencies that give rise to liabilities or have a negative impact on the 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 Consolidated and Separate Financial Statements Standard" ("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 Options Contract and Derivative Instruments

The Bank's derivative transactions mainly consist of trading-purpose swap transactions. The Bank does not have any derivative products separated from the main contract.

Receivables and liabilities arising from derivative transactions are recorded in off-balance sheet accounts at their contractual amounts.

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.

Disclosures on derivative products for hedging purposes

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, 2024, the Bank does not have any derivative financial liabilities recognized as "Derivative Financial Liabilities at Fair Value Through Profit or Loss".

ISTANBUL TAKAS VE SAKLAMA BANKASI A.S.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts expressed in Thousands of Turkish Lira (TRY) unless otherwise stated.)

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

IV. Explanations on Forward and Options Contract and Derivative Instruments (Continued)

Explanations Regarding Derivative Products for Trading Purposes

Within the scope of balance sheet management, currency swap transactions are conducted for the purpose of liquidity management and the protection of the held portfolio. As of December 31, 2024, the bank does not have any derivative liability recognized as "the portion of changes in fair value of derivative financial liabilities recognized in profit or loss" arising from swap transactions performed with the Central Bank of the Republic of Turkey.

V. Explanations on Interest Income and Expenses

Interest is recorded 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 that are not purchased or originated credit-impaired financial assets.

VI. Explanations on Fees and Commission Income and Expense

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 collects fees and commissions from its customers for the services it provides, including custody, clearing, membership, interest accrual, market operation, fund transfer services, transaction commissions, securities lending market operations, fund/partnership services, TEFAS and BEFAS fund price notifications, cash correspondent services, account transactions and reporting, transaction/contract amendments, account opening, maintenance and transfer, CSD (Central Securities Depository) data storage and reporting, collateral deposit and withdrawal, fund valuation and reporting, crowdfunding custodian services, numbering and code inquiry, data dissemination, conditional transfer, electronic central collateral registry (EMKT), cheque default calculation, local/foreign currency payments, delayed EFT, position transfer, VIOP option exercise, VIOP give-up revenues, individual pension services, collateral and guarantee fund management, electronic reference letter management, distressed member portfolio management, SWIFT member email reports, BİGA trading commissions, physical gold delivery requests against BİGA, land registry clearing, and vehicle clearing services.

The aforementioned fees and commissions are recognized under the "Fee and Commission Income" account item on an accrual basis at the time of the transaction, daily, monthly, or annually, depending on the type of service.

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 removed from the statement of financial position when the obligation specified in the contract is fulfilled, canceled or time out.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VII. Explanations and Disclosures on Financial Assets (Continued)

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 reflected in the income statement.

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.

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 recorded to income statement. "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.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VII. Explanations and Disclosures on Financial Assets (Continued)

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 income statement.

d. Loans

Loans are financial assets that have fixed or determinable payments and are not traded in an active market.

Cash loans provided by the Bank are extended primarily on an overnight basis, with a maximum one-month maturity, to brokerage firms within the limits set by the Board of Directors, aiming to enhance efficiency and convenience in capital market transactions. Additionally, brokerage firms can also obtain loans for investment funds, and the limit allocated for investment fund loans is tracked separately from the cash loan limit. Cash loans are classified under the title of "financial assets measured at amortized cost" based on the criteria of "being held for the purpose of collecting contractual cash flows" and "representing only the principal and interest related to the principal balance of contractual cash flows." Furthermore, in order to meet the short-term funding needs that may arise during the completion of collateral requested to cover the risks arising from the Borsa İstanbul Equity Market participants, a maximum overnight settlement loan may also be provided within the specified limit.

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.

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.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VII. Explanations and Disclosures on Financial Assets (Continued)

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 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.

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.

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.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

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. Income accruals are recognized as a liability under other liabilities in liabilities when they belong to problematic members.

XI. Explanations on Assets Held for Sale and Discontinued Operations

According to "TFRS 5 Non-Current Assets Held for Sale and Discontinued Operations" 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.

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.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XII. Explanations on Goodwill and Other Intangible Assets (Continued)

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 fixed assets are initially recognized at acquisition cost and any other cost incurred so as to get the fixed asset ready for use.

Tangible fixed assets are depreciated with straight-line method. Tangible fixed 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 Standards Board. Depreciation Rates for Tangible Fixed Assets are as following:

	Estimated Useful Life (Year)
Buildings	36-50 Year
Plant machinery and equipment	4 Year
Vehicles	-
Flooring and fixtures	5 Year
Special Costs	5 Year
Rights	3 Year
Development costs	5 Year

Tangible fixed assets are accounted for at cost less accumulated depreciation and impairment, if any.

Gain or loss resulting from disposals of the tangible fixed assets is reflected to the income statement as the difference between the net proceeds and net book value.

Maintenance costs of tangible fixed 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 fixed assets.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XIV. Explanations on Leasing Transactions

The "TFRS 16 Leases Standard," which encompasses the operational leasing transactions in which the Bank is a party, was implemented at the Bank in January 2019. In transactions where the Bank is the lessee, the model prescribed by the standard has been used, excluding low-value assets and short-term leases (one year or less).

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.

In the event of a change in the initial lease term or the exercise of a purchase option, the Bank uses a revised discount rate that reflects changes in the interest rate.

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".

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XVI. Explanations on Liabilities Regarding Employee Benefits (Continued)

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.

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 2024 is TRY41.828,42 (31 December 2023: TRY23.489,83)

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 31 December 2024, actuarial gain after deferred tax effect amounting to TRY10.446 (31 December 2023: TRY13.295 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.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XVII. Explanations on Taxation (Continued)

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.

In the deferred tax calculation as of 31 December 2024, 30% tax rate is used for temporary differences that are expected to be realized/closed within 2024 and after 2024.

Current Tax

As of December 31, 2024, the corporate tax rate has been applied as 30% in the financial statements. With the publication of Law No. 7394 in the Official Gazette dated 15.04.2022, banks, consumer finance companies, factoring and financial leasing companies, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies. The corporate tax rate has been increased to 25%. However, with the Law No. 7456 published on 15.07.2023, the said rate has been increased to 30% to be applied to the cumulative bases included in the declarations that must be submitted as of 1.10.2023; The corporate tax rate will be applied as 30% in the future periods, starting from the provisional corporate tax return to be submitted for the period 01.01.2024 - 31.12.2024.

The corporate tax rate is applied to the tax base to be found as a result of adding the expenses that are not accepted as deductions in accordance with the tax laws to the commercial profits of the institutions, and deducting the exemptions (such as the participation earnings exemption) and deductions in the tax laws. No further tax is paid if the profit is not distributed.

There is no withholding tax on dividends paid to non-limited taxpayer institutions that generate income through a workplace or permanent representative in Turkey and to institutions resident in Turkey. Dividend payments made to individuals and institutions other than these are subject to 15% withholding tax. Addition of profit to capital is not considered profit distribution and withholding tax is not 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.

Provided that 50% of the profits arising from the sale of subsidiary shares and real estate held for at least two years are added to the capital for real estate and 75% for subsidiaries, as stipulated in the Corporate Tax Law, or are kept in a special fund account in liabilities for 5 years. is exempt from tax. However, with the Law No. 7456 published on July 15,2023, this exception has been abolished for real estates to be acquired after the publication date of the decision; If real estate acquired before this date is sold after the effective date of the decision, 25% of the real estate sales gain will be exempt from corporate tax. According to Article 5.1.f of the Corporate Tax Law; the entire income generated from the transfer to banks or the Savings Deposit Insurance Fund of real estate, shares in subsidiaries, founding documents, usufruct rights, and priority rights owned by institutions that have been subject to legal action due to debts owed to banks or that are indebted to the Savings Deposit Insurance Fund, pertaining to the portion of these debts used for their liquidation, is exempt from corporate tax. Specifically, 50% of the gains derived from the sale of real estate obtained by banks in this manner, and 75% of the gains from the sale of other assets are exempt from corporate tax. However, based on the authority granted by Article 5/2 of the Corporate Tax Law, as amended by Law No. 7491, it has been determined to be 50% by the Presidential Decision No. 9160 published in the Official Gazette No. 32735 on November 27, 2024.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XVII. Explanations on Taxation (Continued)

Deferred Tax

The Bank calculates and reflects deferred tax in its records in accordance with the provisions of the "Turkish Accounting Standard on Income Taxes" ("TAS 12") for taxable temporary differences that arise between the book value of an asset or liability and its tax base value determined in accordance with tax legislation. As of December 31, 2024, deferred tax is calculated at 30% and as of December 31, 2023, deferred tax is calculated at 30%.

Deferred tax liability or asset is determined by calculating the tax effects of temporary differences between the amounts of assets and liabilities shown in the financial statements and the amounts taken into account in the legal tax base calculation, according to the balance sheet method, taking into account the legal tax rates. The bank has calculated deferred tax based on 30% of its assets and liabilities as of 31 December 2024.

While deferred tax liabilities are calculated for all taxable temporary differences, deferred tax assets consisting of deductible temporary differences are calculated provided that it is highly probable to benefit from these differences by generating taxable profits in the future.

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, 2024 are included in the deferred tax calculation as of December 31, 2024.

Turkey has introduced the Domestic Minimum Corporate Tax through laws published in the Official Gazette dated August 2, 2024. This tax will be implemented starting from the 2025 accounting period. The law No. 7524 establishes the Minimum Corporate Tax system, stipulating that the corporate tax calculated under this provision shall not be less than 10% of the corporate earnings before deductions for discounts and exemptions. This regulation will come into effect on the publication date to be applied to corporate earnings for the 2025 tax period. Additionally, a General Tax Notice on Corporate Tax No. 23 has been published regarding this matter.

XVIII. Additional Explanations on Funds Borrowed

The calculated deferred tax asset and deferred tax liability are netted in the unconsolidated financial statements.

The Bank has not issued any convertible bonds. The Bank has not also issued any borrowing instruments.

Cash Warrants Received:

Guarantee Fund purchased within the scope of BIAŞ Markets, BIAŞ Debt and Equity Markets, Takasbank Money Market (TPP), Over-the-Counter Derivatives Market, Takasbank Equity Lending Market (ÖPP), Renewable Energy Resource Guarantee Market (YEK-G), Forward Natural Gas Market (VGP)), Natural Gas Market, BIAŞ Futures and Options Market (VIOP), Electricity Market, Electricity Futures Market, BIAŞ Money Market and BIAŞ Precious Metals Market, BIAŞ Swap Market, Investor Compensation Center membership and pledge guarantees, check clearing, vehicle swapping, Cash collateral amounts related to Turkey Electronic Fund Trading Platform (TEFAS), Private Pension Fund Trading Platform (BEFAS), public guarantee management service and other services are monitored in Banks in assets and in Funds in liabilities. The funds in question 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.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XIX. Explanations on Issuance of Equity Securities

The Bank does not have any shares issued in the current period.

XX. Explanations on Acceptances

The Bank performs acceptances with its customers simultaneously and follows them in off balance sheet liabilities.

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 Reporting

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 VIII 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 Property

Property, and land and buildings held for the purpose of earning rent or appreciation or for both, rather than being used in the production of goods and services or sold for administrative purposes or during the normal course of business are classified as "investment property". Bank is valued Investment Properties with fair value method in accordance with the Turkish Accounting Standard 40 (TAS 40) "Investment Property". Any gains or losses arising from changes in the fair value of investment property are recognised in profit or loss in the period in which they are incurred.

XXVI. Reclassifications

None.

SECTION FOUR

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT

I. Explanations Related to Components of Shareholders' Equity

In accordance with the Board decision dated 12 December 2023 and numbered 10747, the amount subject to credit risk in accordance with the Regulation on Measurement and Evaluation of Capital Adequacy of Banks (Regulation) published in the Official Gazette dated 23 October 2015 and numbered 29511, specified in the Board Decision dated 28.04.2022 and numbered 10188.

In the calculation; The practice of using the Central Bank's foreign exchange buying rate as of 31 December 2022, when calculating the valued amounts of monetary assets and non-monetary assets, other than foreign currency items measured in historical cost, in accordance with Turkish Accounting Standards and the relevant special provission amounts; It has been decided to continue using the Central Bank foreign exchange buying rate of 26 June 2023 until a Board Decision to the contrary is taken. While performing bank calculations, this opportunity is used starting from the date of publication of the relevant Board decision.

The Bank's shareholders' equity for the current period calculated as of December 31, 2024 is TRY 13.575.392. (December 31, 2023: TRY7.203.182), capital adequacy standard ratio is 27,24% (December 31, 2023: 25,80%). The Bank's capital adequacy standard ratio is above the minimum ratio determined by the relevant legislation.

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I. Explanations Related to Components of Shareholders' Equity (Continued)

Summary information related to the capital shareholders' equity:

	Current Period	Prior Period
COMMON EQUITY TIER 1 CAPITAL Paid in a prival fall purion all dahts in toward of claims in liquidation of the Paul.	C00.000	500.000
Paid-in capital following all debts in terms of claim in liquidation of the Bank	600.000	600.000
Share issue premiums	33.019	33.019
Reserves	4.822.363	3.002.798
Gains recognized in equity as per TAS		
Profit Control of the	8.296.754	3.661.932
Current Period Profit	8.273.951	3.639.129
Prior Period Profit	22.803	22.803
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognised within profit for the period	-	-
Common Equity Tier 1 Capital Before Deductions	13.752.136	7.297.749
Deductions from Common Equity Tier 1 Capital		
Common Equity as per the 1st clause of Provisional Article 9 of the Regulation on the Equity of Banks	-	-
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in		
equity in accordance with TAS	24.299	16.987
Improvement costs for operating leasing	-	-
Goodwill (net of related tax liability)	-	-
Other intangible assets remaining after offsetting the related deferred tax liability, excluding mortgage servicing		
rights.	334.063	202.858
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	-
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	-	-
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings 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 liabilities	-	-
Defined-benefit pension fund net assets	-	-
Direct and indirect investments of the Bank in its own Common Equity	-	-
Shares obtained contrary to the 4 th clause of the 56 th Article of the Law	-	-
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 equity items 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		
	_	_
Portion of mortgage servicing rights exceeding 10% of the Common Equity	-	-
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity	-	-
Amount exceeding 15% of the common equity as per the 2 nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	-
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital	-	-
Excess amount arising from mortgage servicing rights	-	-
Excess amount arising from deferred tax assets based on temporary differences	_	-
Other items to be defined by the BRSA	4.825	4.825
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-	-
Total Deductions From Common Equity Tier 1 Capital	363.187	224.670
Total Common Equity Tier 1 Capital	13.388.949	7.073.079

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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: (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% Threshold 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 (-)	-	
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)	13.388.949	7.073.079
TIER II CAPITAL		
Debt instruments and share issue premiums deemed suitable by the BRSA	-	-
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-	-
Provisions (the amounts specified in the first paragraph of Article 8 of the Regulation on the Own Funds of Banks)	186.443	130.103
Tier II Capital Before Deductions	186.443	130.103
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	186.443	130.103

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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: (Continued)

	Current Period	Prior Period
Total Capital (The sum of Tier I Capital and Tier II Capital)	13.575.392	7.203.182
Deductions from Total Capital	13.575.392	7.203.182
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 57, Clause 1 of the Banking Law and		
the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Three Years	-	-
Other items to be defined by the BRSA	-	-
In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components		
The Sum of net long positions of investments (the portion which exceeds the 10% of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	_
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and		
insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences 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	_	_
TOTAL CAPITAL		
Total Capital (The sum of Tier I Capital and Tier II Capital)	13.575.392	7.203.182
_Total risk weighted amounts	49.838.250	27.914.572
CAPITAL ADEQUACY RATIOS		
Core Capital Adequacy Ratio (%)	26,87	25,34
Tier1Capital Adequacy Ratio (%)	26,87	25,34
Capital Adequacy Ratio (%)	27,24	25,80
BUFFERS		
Bank specific total Common Equity Tier 1 Capital requirement (%)	2,5	2,5
a) Capital conservation buffer requirement (%)	2,5	2,5
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 paragraph of the Article 4 of		
Regulation on Capital Conservation and Countercyclical Capital buffers to Risk Weighted Assets (%)		
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 banks and financial institutions		
where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	_	
Portion of the total of 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% 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 tenthousandtwentyfive limitation)	186.443	130.103
Up to 1,25% of total risk-weighted amount of general reserves for receivables where the standard approach used	186.443	130.103
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with		
the Communiqué on the Calculation	-	-
Excess amount of total provision amount to 0,6% of risk weighted receivables of credit risk Amount of the Internal Ratings 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	-	-
	5.1 "5 1.1	

¹⁰ The amounts to be considered at the end of the transition period for items subject to the transitional provisions under the Provisional Articles of the "Regulation on Banks" Equity" are presented.

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⁽²⁾ The prior period adjustments specified in Section Three, Note XXVII on Other Matters, have not been reflected.

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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 accordance with the principle of proportionality and is consistent with the Guidelines on ICAAP 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 (ICAAP) 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 ICAAP, 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 ICAAP 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 ICAAP 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, first 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 ICAAP 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 ICAAP and its implementation within the Bank. All units of the Bank execute their duties, authorities, and responsibilities which are within the scope of ICAAP 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.

The Bank's activities in credit risk management are carried out under the responsibility of the Board of Directors in compliance with the "Regulation on Banks' Internal Systems and Internal Capital Adequacy Assessment Process" and the "Regulation on the Measurement and Evaluation of Banks' Capital Adequacy." The credit risk exposure amount calculated using the standard approach is taken into account in the calculation of capital adequacy ratios.

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INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations on credit risk

The debtors of the cash and non-cash loans extended by the Bank are financial sector entities.

Credit limits are classified based on the Bank's loan types. Allocated credit limits are determined as cash and non-cash, considering the types of loans. The Bank's loans facilitate efficiency and convenience in capital market transactions, allowing brokerage houses to benefit from settlement receivables earlier by enabling the early settlement of clearing debts, thereby contributing to market depth. Since the Bank guarantees the risk of non-repayment of payments and collections in the Takasbank money market, which operates similarly to the Interbank money market, these transactions are classified under non-cash loans.

The Bank operates as a central counterparty in the Securities Lending Market, the Futures and Options Market (VIOP), the Borsa Istanbul Money Market, the Borsa Istanbul Equity Market, the Borsa Istanbul Debt Securities Market, the Borsa Istanbul Swap Market, and the Overthe-Counter (OTC) Derivatives Market. The liabilities arising in these markets also qualify as non-cash loans in terms of the Bank.

In addition to foreign clearing, settlement, and custody transaction commissions and the foreign currencies held for its own transactions in accordance with foreign currency-denominated contracts, the Bank is exposed to foreign exchange risk due to the foreign currencies deposited as collateral in its accounts and the foreign currencies remaining in the free accounts of its clients, which include brokerage houses, banks, and other financial institutions. Accordingly, market risk is calculated. The Bank is also exposed to market risk through collaterals received within the scope of the BİAŞ Markets, BİAŞ Debt and Equity Markets, Takasbank Money Market (TPP), Over-the-Counter Derivatives Market, Takasbank Securities Lending Market (ÖPP), 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 Precious Metals Market, BİAŞ Swap Market, and public collateral management services. Additionally, collaterals held for Investor Compensation Center membership and pledge guarantees, check clearing, Turkish Electronic Fund Trading Platform (TEFAS), Private Pension Fund Trading Platform (BEFAS), and other services contribute to the Bank's market risk exposure. However, with the Communiqué No. 2013/15 on Reserve Requirements, the liabilities subject to reserve requirements have changed, and since the Bank does not hold the liabilities specified in the new communiqué, it does not establish reserve requirements at the CBRT.

Credit transactions involve credit risk, which refers to the possibility that the borrowing member or its guarantors may fail to fulfill their obligations as previously committed in writing and as stipulated in agreements.

The credit limits, risk, and collateral status of borrowing members, as well as risk concentrations related to off-balance sheet risks, are monitored on a daily basis.

The creditworthiness of borrowers is regularly monitored in accordance with the relevant regulations. Independently audited financial statements prepared in compliance with the Capital Markets Board's regulations are reviewed for granted loans. Credit limits are adjusted based on changes in the financial position of companies, and collaterals for loans are secured as specified in the implementation principles. The proposed credit limits, determined following financial analysis, intelligence, and evaluations of companies applying for loans, are approved by the Board of Directors, the Credit Committee, or the General Directorate, as per delegated authority. Once approved, the limits become effective. Unless there is a significant change in the financial status of companies, credit limit revisions are conducted on a semi-annual basis.

Since the Bank determines credit limits based on firms' financial strength and secures collaterals to minimize risk exposure, it has not been subject to credit risk. Therefore, there has been no need to take measures to eliminate or reduce credit risk in the short term.

The Bank has no liquidated non-cash loans, restructured loans, or long-term commitments.

The Bank does not conduct any banking activities or lending transactions abroad.

The Bank sets aside general provisions for credit risk and obtains liquid and/or near-liquid collateral.

As of the balance sheet date;

Number of Cash Loan Customers	10	Units
Number of Non-Cash Loan Customers	97	Units
Expected Credit Loss Provisions for Credit Risks	13.129	TRY
Expected Credit Loss Provisions for Non-Performing Loans	-	TRY

Total exposure to risks after offsetting (by deducting allocated provisions) without considering the effects of credit risk mitigation (Pre-Credit Risk Mitigation) and the average amount of risks segregated by different risk classes and types for the relevant period:

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INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations Related to Credit Risk (Continued)

Current Period

	Current Period	Average
Risk Classifications	Risk Amount	Risk Amount
Contingent and non-contingent receivables from central governments or central banks	81.307.281	49.926.490
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	207.965.155	183.439.526
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	227.853	174.202
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	3.324.206	2.553.606

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II. Explanations Related to Credit Risk (Continued)

Prior Period

Risk Classifications	Prior Period Risk Amount	Average Risk Amount
Contingent and non-contingent receivables from central governments or central banks	10.094.388	11.104.092
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	-	-
Contingent and uncontingent corporate receivables	133.210.160	122.674.289
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	-	-
Collateralized securities	13.247	13.449
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

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INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations Related to Credit Risk (Continued)

Risk Profile of Significant Exposures in Key Regions

	Conditional	Conditional	Conditional and														
	and	and	unconditional	Conditional					Conditional								
	unconditional	unconditional	receivables	and	Conditional	Conditional and			and			Exposures		Short term			
	exposures	exposures	from	unconditional	and	unconditional		Conditional	unconditional		Receivables	in the		exposures	Exposures		
	to central	to regional	administrative	exposures to	unconditional	exposures to	Conditional and	and	exposures		defined in	form of		to banks,	in the form		
	governments	governments	units and non-	multilateral	exposures to	banks and	unconditional	unconditional	secured by		high risk	mortgage-		brokerage	of collective		
Sectors/Counterparties	or central	or local	commercial	development	international	brokerage	exposures to	retail	real estate	Past due	category by	backed	Securitization	houses and	investment	Other	
Current Period	banks	authorities	enterprises	banks	organisations	houses	corporates	exposures	propery	receivables	BRSA	securities	Positions	corporates	undertakings	Receivables	Total
Domestic	81.307.281	-	-	-	-	201.709.097	-	-	-	-	227.853	-	-	-	-	3.324.206	286.568.437
European Union Countries	-	-	-	-	-	6.198.152	-	-	-	-	-	-	-	-	-	-	6.198.152
OECD Countries ⁽¹⁾	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Off-Shore Banking Regions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
USA, Canada	-	-	-	-	-	57.906	-	-	-	-	-	-	-	-	-	-	57.906
Other Countries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Associates, subsidiaries and																	
jointly controlled entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Undistributed Assets/																	
Liabilities ⁽²⁾	-	-	-	-	_	-	-	-	-	-	-	-	-	-	-	-	
Total	81.307.281	-	-	-	-	207.965.155	-	-	-	-	227.853	-	-	-	-	3.324.206	292.824.495
Prior Period																	
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 entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Undistributed Assets/																	
Liabilities ⁽²⁾	-	-	_	-	-	_	-	-	-	-	-	-		-	-	-	
Total	10.094.388	-	-	-	-	133.210.160	-	-	-	-	13.247	-	-	-	-	1.632.958	144.950.753

⁽¹⁾ OECD countries excluding EU countries, the USA, and Canada

⁽²⁾ Assets and liabilities that cannot be allocated to segments on a consistent basis

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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	Conditional and			and			Exposures					
	exposures	exposures	from	unconditional	and	unconditional		Conditional	unconditional		Receivables	in the	Investments				
	to central	to regional	administrative	exposures to	unconditional	exposures to	Conditional and	l and	exposures		defined in	form of	similar to				
	governments	governments	units and non-	multilateral	exposures to	banks and	unconditional	l unconditional	secured by		high risk	mortgage-	collective				
Sectors/Counterparties	or central	or local	commercial	development	International	brokerage	exposures to	retail	real estate	Past due	category by	backed	investment	Other			
Current Period	banks	authorities	enterprises	banks	organisations	houses	corporates	exposures	property	receivables	BRSA	securities	fund	receivables	TRY	FC	Total
Agriculture	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Farming and Stockbreeding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Forestry	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fishery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Industry	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mining and Quarry	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manufacturing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Electricity, Gas, and Water																	
Supply	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Services	-	-	-	-	-	207.965.155	-	·	-	-	227.853	-	-	-	169.450.630	38.742.378	208.193.008
Wholesale and Retail Trade	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accommodation and Dining	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transportation and Telecom	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Financial Institutions	-	-	-	-	-	207.965.155	-	-	-	-	227.853	-	-	-	169.450.630	38.742.378	208.193.008
Real Estate and Rental																	
Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Professional Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Educational Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health and Social Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	81.307.281	-	-	-	-	-	-	-	-	-	-	-	-	3.324.206	84.631.487	-	84.631.487
Total	81.307.281	-	-	-	-	207.965.155	-	-	-	-	227.853	-	-	3.324.206	254.082.117	38.742.378	292.824.495

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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	Conditional and			and			Exposures					
	exposures	exposures	from	unconditional	and	unconditional		Conditional	unconditional		Receivables	in the	Investments				
	to central	to regional	administrative	exposures to	unconditional	exposures to	Conditional and	d and	exposures		defined in	form of	similar to				
	governments	governments	units and non-	multilateral	exposures to	banks and	unconditional	al unconditional	secured by		high risk	mortgage-	collective				
Sectors/Counterparties	or central	or local	commercial	development	International	brokerage	exposures to	to retail	real estate	Past due	category by	backed	investment	Other			
Prior Period	banks	authorities	enterprises	banks	organisations	houses	corporates	es exposures	property	receivables	BRSA	securities	fund	receivables	TRY	FC	Total
Agriculture	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Farming and Stockbreeding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Forestry	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fishery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Industry	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mining and Quarry	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manufacturing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Electricity, Gas, and Water																	
Supply	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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

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INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations Related to Credit Risk (Continued)

Analysis Of Maturity-Bearing Exposures According To Remaining Maturities:

	Current Period		Te	erm to Maturit	y	
	Exposures Classifications-Current 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	80.008.624	-	100.705	571.658	626.294
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 banks and					
	brokerage houses	197.835.145	4.790.646	2.643.455	1.559.711	1.136.198
7	Conditional and unconditional exposures to corporates	-	-	-	-	-
8	Conditional and unconditional retail exposures	-	-	-	-	-
9	Conditional and unconditional exposures secured by real					
	estate property	-	-	-	-	-
10	Past due receivables	-	-	-	-	-
11	Receivables defined in high risk category by BRSA	227.853	-	-	-	-
12	Exposures in the form of mortgage-backed securities	-	-	-	-	-
13	Securitization Positions	-	-	-	-	-
14	Short term exposures and corporate exposures from banks					
	and brokerage houses	-	-	-	-	-
15	Exposures in the form of collective investment undertakings	-	-	-	-	-
16		3.324.206	-	-	-	-
	Total	281.395.828	4.790.646	2.744.160	2.131.369	1.762.492

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INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations Related to Credit Risk (Continued)

Analysis Of Maturity-Bearing Exposures According To Remaining Maturities: (Continued)

	Prior Period	Term to Maturity									
	Exposures Classifications	1 Month			6-12 Months	Over 1 year					
1	Conditional and unconditional exposures to central governments or										
	central banks	8.728.215	699.782	-	166.431	499.959					
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 banks and brokerage										
	houses	127.107.409	5.238.866	237.250	187.708	438.927					
7	Conditional and unconditional exposures to corporates	-	-	-	-	-					
8	Conditional and unconditional retail exposures	-	-	-	-	-					
9	Conditional and unconditional exposures secured by real estate										
	property	-	-	-	-	-					
10	Past due receivables	-	-	-	-	-					
11	Receivables defined in high risk category by BRSA	13.247	-	-	-	-					
12	Exposures in the form of mortgage-backed securities	-	-	-	-	-					
13	Securitization Positions	-	-	-	-	-					
14	Short term exposures and corporate exposures from banks and										
	brokerage houses	-	-	-	-	-					
15	Exposures in the form of collective investment undertakings	-	-	-	-	-					
16	Other receivables	1.632.958	-	-	-	-					
	Total	137.481.829	5.938.648	237.250	354.139	938.886					

Information about the risk exposure categories:

With the Takasbank Internal Credit Rating System, the creditworthiness of banks, brokerage houses, and other financial institutions is assessed, and the maximum nominal or risk-exposure-based credit or position limits that can be allocated within the framework of banking or central counterparty activities are determined. The membership types of banks and brokerage houses that will execute transactions in markets or capital market instruments where central counterparty services are provided are also identified through this system.

There are no financial assets for which the maturity or contractual terms have been revised. (31 December 2023: None).

Details on the Bank's overdue depreciated financial assets are provided in the fifth chapter, first part, and Note 5 of the report.

Exposures By Risk Weights:

									Other risk	Deductions
Risk Weights - Current Period	0%	10%	20%	50%	75 %	100%	150%	250%	weights	from Equity
Exposures before credit risk										
mitigation	30.103.794	-	251.758.032	7.410.772	-	3.324.044	-	-	-	338.888
Exposures after credit risk mitigation	129.646.433	_	152.215.393	7.410.772	-	3.324.044	-	-	-	338.888
									Other risk	Deductions
Risk Weights - Prior Period	0%	10%	20%	50%	75 %	100%	150%	250%	weights	from Equity
Exposures before credit risk										
mitigation	5.434.765	-	135.015.735	2.854.135	-	1.632.871	-	-	-	207.683

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INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

III. Explanations Related to Credit Risk (Continued)

Informations In Terms Of Major Sectors And Type Of Counterparties:

None

Information Related To Impairment And Loan Loss Provisions:

	Opening	Charge	Provision	Other	Closing
Current Period	Balance	for Period	Reversals	Adjustments	Balance
Specific Provisions	1.981	442	-	-	2.423
General Provisions	-	-	-	-	-
	Opening	Charge	Provision	Other	Closing
Prior Period	Balance	for Period	Reversals	Adjustments	Balance
Specific Provisions	2.792	(811)	-	-	1.981
General Provisions	-	-	-	-	-

Risks of Cyclical Capital Buffer Calculation

None

III. Explanations on market risk

The Bank's market risk management activities are carried out under the responsibility of the Board of Directors in compliance with the Regulation on Banks' Internal Systems and Internal Capital Adequacy Assessment Process and the Regulation on the Measurement and Evaluation of Capital Adequacy of Banks.

The foreign exchange risks arising from the fluctuations in financial markets for positions held by the Bank in both on-balance-sheet and off-balance-sheet accounts are measured. In calculating capital adequacy ratios, the amount subject to market risk is determined using the standard method, as presented in the table below.

Information On Market Risk:

	Current Period	Prior Period
(I) Capital Requirement against General Market Risk - Standard Method	-	272
(II) Capital Requirement against Specific Risks - Standard Method	139.061	188
Capital requirement against Specific Risks of Securitisation Positions-Standard Method	-	-
(III) Capital Requirement against Currency Exchange Risk - Standard Method	36.388	49.732
(IV) Capital Requirement against Commodity Risks - Standard Method	-	-
(V) Capital Requirement against Exchange Risks - Standard Method	-	-
(VI) Capital Requirement against Market Risks of Options - Standard Method	-	-
(VII) Capital requirement against Counterparty Credit Risks - Standard Method	-	-
(VIII) Capital Requirement against Market Risks of Banks applying Risk Measurement Model	-	-
(IX) Total Capital Requirement against Market Risk (I+II+III+IV+V+VI+VII)	175.449	50.192
(X) Amount Subject to Market Risk (12,5 x VIII) or (12,5 x IX)	2.193.113	627.406

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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:

		Current Period			Period	
	Average	Maximum	Average	Maximum	Average	Maximum
Interest rate risk	91.223	139.061	188	874	3.117	84
Equity risk	-	-	-	-	-	-
Foreign exchange risk	63.577	88.842	36.388	23.537	49.732	3.514
Commodity risk	-	-	-	-	-	-
Swap risk	-	-	-	-	-	-
Option risk	-	-	-	-	-	-
Counterparty credit risk	-	-	-	-	-	-
Total Value at Risk	154.800	227.903	36.576	24.411	52.849	3.598

Information On Counterparty Credit Risk:

The Bank has no counterparty credit risk for purchase and sell accounts as of 31 December 2024 (31 December 2023: None).

IV. Explanation on 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 2023, 2022 and 2021. The amount subject to Operational Risk for the current period is TRY7.324.471 (31 December 2023: TRY3.279.694).

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:

	2 Prior	1 Prior		Total / Total	Rate	
Current Period	Period	Period	31 December 2023	number of years	(%)	Total
Gross Income	1.435.092	2.922.576	7.361.485	3.906.384	15	585.958
Amount subject to operational risk (Total*12.5)						7.324.471
	2 Prior	1 Prior		Total / Total	Rate	

	2 Prior	1 Prior		Total / Total	Rate	
Prior Period	Period	Period	31 December 2022	number of years	(%)	Total
Gross Income	889.842	1.435.092	2.922.576	1.749.170	15	262.376
Amount subject to operational risk						
(Total*12.5)						3.279.694

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.

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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 custody transaction commissions, foreign exchange contracts, Guarantee Fund received within the scope of BİAŞ Markets, BİAŞ Debt and Equity Markets, Takasbank Money Market (TPP), Over-the-Counter Derivatives Market, Takasbank Equity Lending Market (ÖPP), 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, BİAŞ Swap Market, Investor Compensation Center membership and pledge guarantees, check clearing, vehicle clearing, Turkey Electronic Fund Trading Platform (TEFAS), Private Pension Fund Trading Platform (BEFAS), public guarantee management service and other services. With the guarantees received for the related bank and other foreign currency deposited in the Bank's accounts, intermediary institutions, banks and other financial institutions is exposed to exchange rate risk due to the foreign currency remaining in the free accounts of its customers, and market risk is calculated within this scope. However, with the Communiqué on Required Reserves numbered 2013/15, the liabilities subject to required reserves have been amended, and since the obligations 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 TRY454.848 (31 December 2023: TRY621.646) for the net position between assets and liabilities in foreign currency, and recognised it in the amount basis to market risk.

The Bank conducts asset-liability management within a robust risk management framework. While avoiding foreign exchange risk in the balance of foreign currency assets and liabilities, it does not bear liquidity risk in TRY transactions.

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	1 USD	1 EUR	1 GBP	100 JPY
Current Exchange Rate on Balance Sheet Date	35,2233	36,7429	44,2458	22,2634
1st Business Day's Current Exchange Rate	35,1368	36,6134	43,9486	22,2152
2 nd Business Day's Current Exchange Rate	35,2033	36,6076	44,0423	22,3079
3 rd Business Day's Current Exchange Rate	35,2162	36,6592	44,1238	22,3287
4 th Business Day's Current Exchange Rate	35,1814	36,5693	44,0230	22,3397
5 th Business Day's Current Exchange Rate	35,1065	36,5473	44,0117	22,3461
Simple arithmetic averages for last 31 days	34,9038	36,5770	44,0846	22,6707

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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 Turkey	-	-	-	-
Banks	8.831.313	19.523.426	179.505	28.534.244
Financial assets at fair value through profit and loss	1.732.078	-	-	1.732.078
Money market placements	-	-	-	-
Financial assets at fair value through other comprehensive				
income	5.497	-	-	5.497
Loans	-	-	-	-
Investments in associates, subsidiaries and joint ventures	-	-	-	-
Financial assets measured at amortised cost	1.715.048	6.739.609	-	8.454.657
Hedging derivative financial assets	-	-	-	-
Tangible assets	-	-	-	-
Intangible assets	-	-	-	-
Other assets	1.192	14.710	-	15.902
Total assets	12.285.128	26.277.745	179.505	38.742.378
Liabilities				
Bank deposits	-	-	-	-
Foreign currency deposits	-	-	-	-
Money market funds	-	-	-	-
Funds provided from other financial institutions	4.153.534	3.875.091	-	8.028.625
Securities issued	-	-	-	-
Funds	7.955.005	22.124.859	179.041	30.258.905
Hedging derivative financial liabilities	-	-	-	-
Other liabilities	-	-	-	-
Total liabilities	12.108.539	25.999.950	179.041	38.287.530
Net Balance Sheet Position	176.589	277.795	464	454.848
Net Off-Balance Sheet Position	-			
Financial derivative assets	-	-	_	-
Financial derivative liabilities	-	-	-	-
Non-cash loans	-	-	-	-
Prior Period	0.007.036	24 442 052	454 077	22 202 766
Total assets	9.087.936	24.143.953	161.877	33.393.766
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)
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	-	-	-	-

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INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

V. Explanations Related to Currency Risk (Continued)

Information on the foreign currency risk of the Bank:

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.

	Current Period		Prior Peri	od
	EURO	USD	EUR	USD
Change in net asset value when the TRY depreciated by 10% against the related FX	17.659	27.780	19.775	(399.225)
Change in net asset value when the TRY gains 10% against the related FX	(17.659)	(27.780)	(19.775)	(399.225)

VI. Explanations Related to Interest Rate Risk

Interest rate sensitivity of the assets, liabilities and off-balance sheet items are measured by the Bank.

Cash requirement for every maturity period are determined based on maturity distribution analysis (Gap). In addition, a positive spread between the yield on assets and the cost of liabilities is kept while determining interest rates.

The Bank's fund utilization transactions, including TRY and foreign currency deposit transactions, repo and reverse repo transactions, securities transactions, term and demand placements, foreign exchange buy-sell transactions, and swap transactions, can be conducted with the Central Bank of the Republic of Turkey (CBRT) or other banks. These transactions, carried out by the Treasury Team, are monitored, and the Bank measures the interest rate sensitivity of its assets, liabilities, and off-balance-sheet items.

Other than securities guaranteed or issued by the Turkish Treasury, the Bank includes Government Debt Securities, Eurobonds, Lease Certificates, Venture Capital and Investment Funds and debt securities issued by Banks, which established in Turkey in its portfolio during the year 2022, 2023 and 2024. The Bank does not undertake any liability due to using derivative financial instruments attributable to its transactions in evaluating its funding resources.

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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):

SUSTAINABILITY AND CLIMATE EFFORTS

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	THOREM	1-10111113	Pionens	icuis	una over	Dearing	Total
Cash (cash in vault, effectives, cash							
in transit, cheques purchased) and							
balances with the Central Bank of the							
Republic Turkey	26.000.000	-	-	-	-	913	26.000.913
Banks ⁽²⁾	139.283.337	3.189.780	1.522.114	-	-	6.259.565	150.254.796
Financial assets at fair value through profit and loss	-	-	961.652	813.118	41.191	6.180	1.822.141
Money market placements	1.131.592	_	_	_	-	-	1.131.592
Financial assets at fair value through other comprehensive income	_	_	_	_	_	9.168	9.168
Loans ⁽³⁾	2.276.582	_	_	_	_	5.100	2.276.582
Financial assets measured at	2.27 0.302						2.2, 0.302
amortised cost ⁽⁴⁾	-	2.782.274	4.382.231	2.213.916	-	-	9.378.421
Other assets (1)	-	-	-	_	-	1.811.122	1.811.122
Total Assets	168.691.511	5.972.054	6.865.997	3.027.034	41.191	8.086.948	192.684.735
Liabilities							
Bank deposits	-	-	-	-	-	-	-
Other deposits	-	-	-	-	-	-	-
Money market funds	-	-	-	-	-	-	-
Miscellaneous payables	34.585.769	-	-	-	-	134.067.436	168.653.205
Marketable securities issued	-	-	-	-	-	-	-
Funds borrowed from other financial							
institutions	8.364.060	-	-	-	-	-	8.364.060
Other liabilities (2)	-	-	-	-	-	15.667.470	15.667.470
Total Liabilities	42.949.829	-	-	-	-	149.734.906	192.684.735
Balance sheet long position	125.741.682	5.972.054	6.865.997	3.027.034	41.191	-	141.647.958
Balance sheet short position	-	-	-	-	-	(141.647.958)	(141.647.958)
Off-balance sheet long position	-	-	-	-	-	-	-
Off-balance sheet short position		-	-	-	-		_
Total Position	125.741.682	5.972.054	6.865.997	3.027.034	41.191	(141.647.958)	_

⁽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

⁽⁴⁾ Explanations of other assets and other liabilities are provided below.

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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)

- 1 (D 1 D 1 L	Up to	1-3	3-12	1-5		Non-Interest	
End of Previous Period	1 Month	Months	Months	Years	and Over	Bearing ⁽²⁾	Tota
Assets							
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	109.440.84
Financial assets at fair value through	100.323.340	4.320.770				4.504.125	103.440.04
profit and loss	_	_	_	-	37.282	2.365	39.647
Money market placements	-	-	-	-	-	-	
Financial assets available-for-sale	-	-	-	_	-	4.332	4.332
Loans ⁽³⁾	1.793.500	-	-	_	-	-	1.793.500
Held-to-maturity investments(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	-	-	-	-	-	-	-
Funds	33.971.040	-	-	-	-	73.298.723	107.269.763
Marketable securities 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
	67.065.063	F 057 073	005400	702.605	425.672		75.046.304
Balance sheet long position	67.865.863	5.957.073	895.180	792.605	435.673	- (75.046.204)	75.946.394
Balance sheet short position	-	-	-	-	-	(75.946.394)	
Off-balance sheet long position	-	294.382	4.121.348	-	-	-	4.415.730
Off-balance sheet short position	-	296.352	4.402.383	-	425.655		4.698.735
Net Position	67.865.863	6.547.807	9.418.911	792.605	435.673	(75.946.394)	9.114.465

⁽⁵⁾ Expected credit loss provisions recognized under TFRS 9 are presented in the "Up to 1 Month" column.

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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)

Other Assets	Current Period	Prior Period
Investment properties	330.520	244.470
Intangible assets	334.063	202.858
Custody services comission rediscount	306.475	163.902
Miscellaneous receivables	298.737	202.043
Deferred tax asset	274.399	163.165
Tangible assets	184.280	149.948
Derivative financial assets	-	55.113
Temporary accounts	77.196	48.079
Subsidiaries	4.825	4.825
Stationary supplies	627	420
Total	1.811.122	1.234.823
Other Liabilities	Current Period	Prior Period
Shareholder's equity	13.727.837	7.280.762
Current tax liability	1.219.365	714.218
Provisions	720.268	425.099
Lease liabilities	-	80
Total	15.667.470	8.420.159

 $^{^{(6)}}$ Expected credit loss provisions recognized under TFRS 9 are presented in the "Up to 1 Month" column.

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INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VI. Explanations Related to Interest Rate Risk (Continued)

Average interest rates applied to monetary financial instruments (%):

Current Period End Balance	EUR	USD	TRY
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	4,75	5,87	48,52
Financial assets at fair value through profit and loss	-	-	-
Money market placements	-	-	48,57
Financial assets at fair value through other comprehensive income	-	-	-
Loans	-	-	48,50
Financial assets measured at amortized cost	5,23	6,94	17,97
Liabilities			
Bank deposits	-	-	-
Other deposits	-	-	-
Money market borrowings	-	-	-
Funds	-	-	48,17
Securities issued	-	-	-
Funds borrowed	3,01	2,17	46,75
Prior Period End Balance	EUR	USD	TRY
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	-	-	-
		-	43,00
Loans	-		40 =0
Loans Financial assets measured at amortized cost	-	7,33	12,53
	-	7,33	12,53
Financial assets measured at amortized cost	-	7,33	12,53
Financial assets measured at amortized cost Liabilities	- - -	7,33 - -	12,53
Financial assets measured at amortized cost Liabilities Bank deposits	-	7,33 - - -	12,53 - -
Financial assets measured at amortized cost Liabilities Bank deposits Other deposits	- - - -	7,33 - - - -	12,53 - - - 43,05
Financial assets measured at amortized cost Liabilities Bank deposits Other deposits Money market borrowings	- - - - -	7,33 - - - - -	- - -

Interest Rate Risk on Banking Accounts:

	Shock Applied		Gains/Equity
Type of Currency	(+/- x basis point)	Gains/(Losses)	(Losses)/Equity
TRY	(+) 500 bp	(251.778)	(0,019)
TRY	(-) 400 bp	208.585	0,015
EUR	(+) 200 bp	(12.867)	(0,001)
EUR	(-) 200 bp	13.180	0,001
USD	(+) 200 bp	(118.211)	(0,009)
USD	(-) 200 bp	123.647	0,009
Total (of negative shocks)		345.412	0,025
Total (of positive shocks)		(382.856)	(0,028)

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INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VII. Equity Share Position Risk in Banking Accounts

As of 31 December 2024, the Bank has no equity share position risk arising from the equity share and banking accounts (31 December 2023: None)

VIII. Explanations On Liquidity Risk Management and Liquidity Coverage Ratio

The Guarantee Fund received within the scope of BİAŞ Markets, BİAŞ Debt and Equity Markets, Takasbank Money Market (TPP), Over-the-Counter Derivatives Market, Takasbank Securities Lending Market (ÖPP), 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 BİAŞ Swap Market, Investor Compensation Center membership and pledge collaterals, check 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 TRY funds liquid and does not carry an open foreign currency position.

The Bank's main liquidity management strategy is effectively handling of all money market instruments and this instruments' potential risks have influence upon the Bank's balance sheet. Even in the most uncertain market conditions, the Bank maintains risk minimization through reducing risks of market instruments, diversifying instruments, matching of maturities, and obtaining optimum liquidity level. For this reason, the Bank is significantly liquid and is a fund provider in the Over-the-Counter Money Market and CB Interbank markets. Turkish Lira and foreign currency sales transactions with banks are done within the limits determined by the Board of Directors and the compliance of these transactions with limit conditions are controlled by the Internal Control Unit periodically.

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 are generated from its own equity and the amounts remaining in members free accounts, Takasbank Money Market (TPP), Over-the-Counter Derivatives Market, Securities Lending Market (ÖPP), 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, Cash collaterals received for reasons such as membership and pledge collaterals for BİAŞ Money Market and Precious Metals Market, BİAŞ Swap Market, Investor Compensation Center, check clearing, TEFAS, cash collaterals for other services related to public collateral management service are invested in other banks in the over-the-counter market at overnight, up to a week or three months maturity to manage liquidity risk

The Bank manages liquidity risk by maintaining sufficient cash and cash equivalents to meet current and prospective debt obligations, to close open market positions and to provide funding for loan obligations.

The liquidity position is assessed and managed by taking into account general market and specific factors related to the Bank. The most important of these scenarios is to maintain the net liquid assets / payables to customers ratio within the limits according to market conditions.

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.

According to the fifth section of Article 4 of the Regulation on the Calculation of Liquidity Cover Ratio of Banks, it was decided that the ratio of consolidated and unconsolidated total and foreign currency liquidity coverage ratios shall be zero percentage.

Ratios throughout the period are as below:

	Current Period (%)	Prior Period (%)
Period Average	264	266
Highest	301	304
Lowest	232	113

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INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VIII. Explanations On Liquidity Risk Management and Liquidity Coverage Ratio (Continued)

Presentation of assets and liabilities according to their remaining maturities:

Current Period	Demand	Up to 1 Month	1-3 Month	3-12 Month	1-5 Year	5 Year and Over	Unallocated ⁽¹⁾	Total
Assets								
Cash (cash in vault, foreign currency								
cash, money in transit, cheques								
purchased) and balances with the								
Central Bank of Turkey	913	26.000.000	-	-	-	-	-	26.000.913
Banks	6.259.565	139.283.337	3.189.780	1.522.114	-	-	-	150.254.796
Financial assets at fair value								
through profit and loss	6.180	-	-	961.652	813.118	41.191	-	1.822.141
Money market placements	-	1.131.592	-	-	-	-	-	1.131.592
Fair value with changes in other								
comprehensive income	9.168	-	-	-	-	-	-	9.168
Loans ⁽²⁾	-	2.276.582	-	-	-	-	-	2.276.582
Financial assets measured at								
amortized cost	-	-	2.782.274	4.382.231	2.213.916	-	-	9.378.421
Other assets (1)	-	-	-	-	-	-	1.811.122	1.811.122
Total Assets	6.275.826	168.691.511	5.972.054	6.865.997	3.027.034	41.191	1.811.122	192.684.735
Liabilities								
Bank deposits	_	_	_	_	_	_	_	_
Other deposits			_	_	_			_
Funds borrowed		8.364.060	_	_				8.364.060
Money market borrowings		0.304.000		_				0.304.000
Securities issued	-	_	_	_	_	-	_	_
Funds	134.067.436	34.585.769	_	_	_	_	_	168.653.205
Other liabilities	134.067.436		_	1 110 225	_	-	14 245 506	
Total Liabilities	134.067.436	305.739 43.255.568		1.116.225 1.116.225			14.245.506 14.245.506	15.667.470 192.684.735
Total Liabilities	134.007.430	43.233.300		1.110.223			14.245.500	132.004.733
Current Period Liquidity (Gap)/								
surplus								_
	(127.791.610)	125.435.943	5.972.054	5.749.772	3.027.034	41.191	(12.434.384)	
Net off-Balance sheet position	(127.791.610)	125.435.943	5.972.054	5.749.772	3.027.034	41.191	(12.434.364)	-
Net off-Balance sheet position Receivables from derivative	(127.791.610)		5.972.054				(12.434.364)	-
Net off-Balance sheet position Receivables from derivative financial instruments	(127.791.610) - -		5.972.054				-	-
Net off-Balance sheet position Receivables from derivative financial instruments Liabilities from derivative financial	(127.791.610) - -		5.972.054				-	-
Net off-Balance sheet position Receivables from derivative financial instruments Liabilities from derivative financial instruments	(127.791.610) - -	-	-	-			-	-
Net off-Balance sheet position Receivables from derivative financial instruments Liabilities from derivative financial	(127.791.610) - -		5.972.054 477.879				(12.434.304)	- - 106.660.998
Net off-Balance sheet position Receivables from derivative financial instruments Liabilities from derivative financial instruments	(127.791.610) - -	-	-	-			(12.434.304)	- - 106.660.998
Net off-Balance sheet position Receivables from derivative financial instruments Liabilities from derivative financial instruments Non-Cash Loans	(127.791.610) - - - - - - 4.592.778	-	-	-			1.179.710	106.660.998
Net off-Balance sheet position Receivables from derivative financial instruments Liabilities from derivative financial instruments Non-Cash Loans Prior Period	-	- - 104.033.353	- - 477.879	- - 2.149.766	-	- - -	-	
Net off-Balance sheet position Receivables from derivative financial instruments Liabilities from derivative financial instruments Non-Cash Loans Prior Period Total assets Total liabilities	4.592.778 73.298.723	- 104.033.353 107.487.995 39.781.420	- - 477.879 5.957.073 11	2.149.766 895.180 691.668	792.605	435.673	1.179.710 7.569.192	121.341.014
Net off-Balance sheet position Receivables from derivative financial instruments Liabilities from derivative financial instruments Non-Cash Loans Prior Period Total assets Total liabilities Liquidity (Gap)/surplus	4.592.778	104.033.353	- - 477.879 5.957.073	- - 2.149.766 895.180	-	- - -	1.179.710	121.341.014 121.341.014
Net off-Balance sheet position Receivables from derivative financial instruments Liabilities from derivative financial instruments Non-Cash Loans Prior Period Total assets Total liabilities Liquidity (Gap)/surplus Net off-Balance sheet position	4.592.778 73.298.723	104.033.353 107.487.995 39.781.420	- 477.879 5.957.073 11	2.149.766 895.180 691.668	792.605	435.673 435.673	1.179.710 7.569.192	121.341.014 121.341.014
Net off-Balance sheet position Receivables from derivative financial instruments Liabilities from derivative financial instruments Non-Cash Loans Prior Period Total assets Total liabilities Liquidity (Gap)/surplus Net off-Balance sheet position Receivables from derivative	4.592.778 73.298.723	104.033.353 107.487.995 39.781.420	- 477.879 5.957.073 11	2.149.766 895.180 691.668	792.605	435.673 435.673	1.179.710 7.569.192	121.341.014 121.341.014
Net off-Balance sheet position Receivables from derivative financial instruments Liabilities from derivative financial instruments Non-Cash Loans Prior Period Total assets Total liabilities Liquidity (Gap)/surplus Net off-Balance sheet position Receivables from derivative financial instruments	4.592.778 73.298.723	104.033.353 107.487.995 39.781.420	5.957.062	2.149.766 895.180 691.668	792.605	435.673 435.673	1.179.710 7.569.192	121.341.014 121.341.014 -
Net off-Balance sheet position Receivables from derivative financial instruments Liabilities from derivative financial instruments Non-Cash Loans Prior Period Total assets Total liabilities Liquidity (Gap)/surplus Net off-Balance sheet position Receivables from derivative	4.592.778 73.298.723	104.033.353 107.487.995 39.781.420	5.957.062	2.149.766 895.180 691.668	792.605	435.673 435.673	1.179.710 7.569.192	121.341.014 121.341.014 -

⁽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.

Securitization positions:

The Bank does not apply securitisation as of 31 December 2024 (31 December 2023: None).

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INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VIII. Explanations On Liquidity Risk Management and Liquidity Coverage Ratio (Continued)

Net Stable Funding Ratio:

The net stable funding ratio (NSFR), which is a complementary liquidity measurement method to the LCR that measures banks' resilience to short-term liquidity shocks and is calculated by taking maturity matching into account, was legally shared as of 1 January 2024. The BRSA has set out the principles and procedures for banks to ensure stable funding in order to prevent the deterioration of their liquidity levels due to the funding risk that they may be exposed to on a consolidated and unconsolidated basis in the long term. Pursuant to the "Regulation on Banks' Calculation of Net Stable Funding Ratio" published in the Official Gazette dated 26 May 2023 and numbered 32202, the three-month simple arithmetic average of the consolidated and unconsolidated net stable funding ratio calculated monthly as of the equity calculation periods as of March, June, September and December cannot be less than 100%.

NSFR is defined as the ratio of available stable funding (STF) to required stable funding (NSF). The book values of assets and liabilities in accordance with IFRS are taken into account and weighted by multiplying the reporting schedules published by the BRSA by the NSFR and GRF factors. Available stable funding is capital and liabilities that provide resources to the bank for more than 1 year. Required stable funding is a function of the maturity and liquidity capacity of the bank's assets and the liquidity risk arising from off-balance sheet transactions.

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INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VIII. Explanations On Liquidity Risk Management and Liquidity Coverage Ratio (Continued)

Net Stable Funding Ratio: (Continued)

		Unadjusted				
	-			6 Months to 6 Months Longer	1 Year and	Total Amount with
		Demand	Less than	than 6 Months	more than	Consideration
	Current Period	Deposit	6 Months	Less than 1 Year	1 Year	Rate Applied
	Current Stable Funding					
1	Equity Components	13.938.579	-	-	-	13.938.579
2	Paid-in Capital and Contributed Capital	13.938.579	-	-	-	13.938.579
3	Other Equity Components	-	-	-	-	-
4	Deposits from Individuals and Retail Customers/Participation Funds	-	-	-	-	-
5	Stable Deposits/Participation Funds	-	-	-	-	-
6	Low Stable Deposits/Participation Funds	-	-	-	-	-
7	Debts to Other Parties	-	170.794.574	10.617.442	-	5.308.721
8	Operational deposits/participation funds	-	-	-	-	-
9	Other Liabilities	-	170.794.574	10.617.442	-	5.308.721
10	Liabilities equivalent to interconnected assets	-	-	-	-	-
11	Other Liabilities	40.424	-	-	-	-
12	Derivative Liabilities	-	-	-	-	-
13	Other equity components and liabilities not mentioned above	40.424	-	-	-	-
14	Current Stable Funding	-	-	-	-	19.247.300
Req	uired Stable Funding					
15	High-Quality Liquid Assets	-	26.000.913	-	-	-
16	Operational Deposits/Participation Funds Deposited with					
	Credit or Financial Institutions	-	150.410.601	-	-	22.561.590
17	Current Receivables	-	3.416.777	-	11.202.811	5.320.752
18	Receivables from Credit or Financial Institutions Secured by					
	High-Quality Liquid Assets	-	-	-	-	-
19	Unsecured or Secured Receivables from Credit or Financial					
	Institutions Without High-Quality Liquid Assets	-	2.285.185	-	9.686.868	5.188.375
20	Receivables from Corporate Customers, Institutions,					
	Individuals, Retail Customers, Central Governments, Central					
	Banks, and Public Institutions Outside Credit or Financial					
	Institutions	-	1.131.592	-	1.515.943	132.377
21	Receivables with 35% or Lower Risk Weight	-	-	-	-	-
22	Receivables Secured by Residential Property Mortgages	-	-	-	-	-
23	Receivables with 35% or Lower Risk Weight	-	-	-	-	-
24	Equity securities and debt instruments traded on the stock					
	exchange that do not qualify as high-quality liquid assets	-	-	-	-	-
25	Assets equivalent to interrelated liabilities	-	-	-	-	-
26	Other Assets	1.844.589	-	-	-	1.844.589
27	Physical Commodities Including Gold	-	-	-	-	-
28	Initial margin or collateral posted to the central counterparty	-	-	-	-	-
29	Derivative Asset	-	-	-	-	-
30	Amount of Derivative Liabilities Before Deducting Collater					
	Other Assets	-	-	-	-	-
31	Not Listed Above	1.844.589	-	-	-	1.844.589
32	Off-Balance-Sheet Liabilities	_	108.922.719	_	-	5.446.136
33	Required Stable Fund	-	-	-	-	35.173.067
34	Net Stable Funding Ratio (%) (*)		-	-	-	54,72%

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INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VIII. Explanations On Liquidity Risk Management and Liquidity Coverage Ratio (Continued)

Net Stable Funding Ratio (Continued):

		Unadjusted				
	Prior Period	Demand Deposit		6 Months to 6 Months Longer than 6 Months Less than 1 Year	1 Year and	Tota Amount wit Consideratio Rate Applie
	Current Stable Fund					
	Equity Components	7.427.852	-	-	-	7.427.85
	Paid-in Capital and Contributed Capital	7.427.852	-	-	-	7.427.85
	Other Equity Components	-	-	-	-	
	Deposits from Individuals and Retail Customers/Participation					
	Funds	-	-	-	-	
	Stable Deposits/Participation Funds	-	-	-	-	
	Low Stable Deposits/Participation Funds	-	-	-	-	
	Debts to Other Parties	-	108.507.207	4.757.522	-	2.378.76
	Operational deposits/participation funds	-	-	-	-	
	Other Liabilities	-	108.507.207	4.757.522	-	2.378.76
0	Liabilities equivalent to interconnected assets	-	-	-	-	
1	Other Liabilities	43.433	4.415.730	-	-	
2	Derivative Liabilities	-	4.415.730	-	-	
3	Other equity components and liabilities not mentioned above	43.433	-	-	-	
4	Current Stable Fund					9.806.61
eai	rired Stable Funding					
5	High-Quality Liquid Assets	1.958	4.886.085	_	_	
5	Operational Deposits/Participation Funds Deposited with					
	Credit or Financial Institutions	_	109.556.497	_	_	16.433.47
7	Current Receivables	_	4.027.513	521.659	1.228.287	1.450.56
8	Receivables from Credit or Financial Institutions Secured by		110271313	3211033		
•	High-Quality Liquid Assets	_	_	_	_	
9	Unsecured or Secured Receivables from Credit or Financial					
	Institutions Without High-Quality Liquid Assets	-	2.925.791	259.633	792.605	1.360.59
0	Receivables from Corporate Customers, Institutions,					
	Individuals, Retail Customers, Central Governments, Central					
	Banks, and Public Institutions Outside Credit or Financial					
	Institutions	-	1.101.722	262.026	435.682	89.97
1	Receivables with 35% or Lower Risk Weight	-	-	-	-	
2	Receivables Secured by Residential Property Mortgages	-	-	-	-	
3	Receivables with 35% or Lower Risk Weight	-	-	-	-	
4	Equity securities and debt instruments traded on the stock					
	exchange that do not qualify as high-quality liquid assets	-	-	-	-	
5	Assets equivalent to interrelated liabilities	-	-	-	-	
6	Other Assets	1.201.029	4.698.735	-	-	5.899.76
7	Physical Commodities Including Gold	_	_	_	_	
8	Initial margin or collateral posted to the central counterparty	_	_	_	_	
9	Derivative Asset	_	4.698.735	_	_	4.698.73
0	Amount of Derivative Liabilities Before Deducting Collater					7.050.75
-	Other Assets	_	_	_	_	
1	Not Listed Above	1.201.029	_	_	_	1.201.02
2	Off-Balance-Sheet Liabilities		35.259.238	_	_	1.762.96
	OT DATABLE STILLE ENDINE		٥٧.٢٥٥.٢٥٥			1.702.30

^(°) The average net stable funding ratio for the last 3 months including the reporting period is 54,72% (December 31, 2023: 38,39%).

The Bank's Net Stable Funding Ratio was realized as 52,78% as of December 31, 2024. (December 31, 2023: 36,97%).

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INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VIII. Explanations On Liquidity Risk Management and Liquidity Coverage Ratio (Continued)

Explanations Related to Leverage Ratio:

a) Information on issues that cause differences between current period and previous period leverage ratios:

The leverage ratio calculated by the Bank in accordance with the "Regulation on Measurement and Assessment of Leverage of Banks" is 6,32% (31 December 2023: 4,90%).

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)	194.161.408	120.309.522
(Assets deducted from core capital)	(346.879)	(208.473)
Total risk amount for assets on the balance sheet	193.814.529	120.101.049
Derivative financial instruments and credit derivatives		
Renewal cost of derivative financial instruments and loan derivatives	2.292.692	10.589.679
Potential credit risk amount of derivative financial instruments and loan derivatives	-	-
Total risk amount of derivative financial instruments and loan derivatives	2.292.692	10.589.679
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	4.054.319	4.849.545
(Adjustment amount arising from multiplying by the credit conversion rate)	-	-
Total risk amount for off-balance sheet transactions	4.054.319	4.849.545
Capital and total risk		
Tier1capital	12.658.013	6.642.487
Total risk amount	200.161.540	135.540.273
Leverage ratio		
Leverage ratio (%)	6,32	4,90

⁽¹⁾ The amounts in the table are calculated by using the quarterly average amounts.

Credit Risk Mitigation Techniques

The Bank does not apply netting for on-balance sheet and off-balance sheet transactions. For cash loans, the Bank does not use equity shares, government domestic debt securities, letters of guarantee, cash blockage (TRY/FX), equity umbrella fund shares, debt securities umbrella fund shares, money market umbrella fund shares, Borsa Istanbul A.Ş. shares, asset-backed securities with collateral conditions determined by the Bank, exchange-traded gold, Eurobonds issued by the Republic of Turkey Ministry of Treasury and Finance, bank bonds and bills, lease certificates issued by the Republic of Turkey Treasury Asset Leasing Company, and exchange-traded fund shares.

Takasbank Money Market (TMM) transactions are classified as non-cash loans due to the Bank's guarantorship in TMM. In the Futures and Options Market (VIOP), Borsa Istanbul Money Market, Borsa Istanbul Equity Market, Borsa Istanbul Debt Securities Market, BİAŞ Swap Market, and the over-the-counter (OTC) derivatives market, transactions are considered non-cash loans since the Bank acts as a central counterparty, and services are provided within the scope of guarantees.

In Takasbank Money Market (TMM), the following are accepted as collateral: cash (TRY, USD, EUR), letters of guarantee, treasury bills, government debt securities, investment bond participation certificates, shares traded on the stock exchange and designated by Takasbank, Eurobonds, bank bonds and bills issued by the Ministry of Treasury and Finance, lease certificates issued by the Republic of Turkey Treasury Asset Leasing Company, and exchange-traded gold.

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INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VIII. Explanations On Liquidity Risk Management and Liquidity Coverage Ratio (Continued)

Credit Risk Mitigation Techniques (Continued)

As transaction collateral in the Securities Lending Market (SLM), the following are accepted as collateral: cash (TRY, USD, EUR, GBP), convertible foreign currencies (USD, EUR, GBP), government domestic debt securities, Eurobonds issued by the Republic of Turkey Ministry of Treasury and Finance, lease certificates issued by the Republic of Turkey Treasury Asset Leasing Inc., standard gold traded on the stock exchange, fund units in the Equity Umbrella Fund and Debt Securities Umbrella Fund, mortgage-backed securities, asset-backed securities, equity securities included in the BIST 100 Index, Borsa Istanbul A.Ş. shares, and commodity certificates (gold-based) issued by the General Directorate of Mint and Stamp Printing House of the Ministry of Treasury and Finance of the Republic of Turkey.

As transaction collateral in the Over-the-Counter (OTC) market, the following are accepted: cash (TRY, USD, EUR, GBP), government domestic debt securities, Eurobonds issued by the Ministry of Treasury and Finance, lease certificates issued by the Republic of Turkey Treasury Asset Leasing Inc., domestic debt securities issued by Germany and the USA, mortgage-backed securities, and asset-backed securities.

At the end of each day, Takasbank evaluates the collateral at the prices listed below. As a result of the daily collateral valuation, if the depreciation of the collateral exceeds the limits set by the Bank, a margin call is issued to restore the collateral to the required initial level.

- 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,
- ç) 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+0 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
- g) 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) For exchange-traded certificates: The last transaction price on the exchange before the calculation time during the day, and the last transaction price at the end of the session at the end of the day.

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INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VIII. Explanations On Liquidity Risk Management and Liquidity Coverage Ratio (Continued)

Collaterals in terms of risk categories:

		Financiai	Otner/Physical	Guarantees and
Exposure classifications - Current Period	Amount	Collaterals	Collaterals	Credit Derivatives
Conditional and unconditional receivables from central				
governments or central banks	30.103.632	51.203.649	-	-
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	159.626.165	48.338.990	-	-
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	227.853	-	-	-
Securities collateralised by mortgages	-	-	-	-
Securitisation positions	-	-	-	-
Short-term receivables from banks, stockbrokers				
and corporates	-	-	-	-
Investments of natured collective investment enterprise	-	-	-	-
Other receivables	3.324.206	-	-	-
Total	193.281.856	99.542.639	-	-

Other/Physical

Guarantees and

		Financial	Other/Physical	Guarantees and
Exposure classifications - Prior Period	Amount	Collaterals	Collaterals	Credit Derivatives
Conditional and unconditional receivables from central				
governments or central banks	5.434.678	4.659.710	-	-
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	-	

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INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

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 (ICAAP) 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 ICAAP, 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 and below the minimum and the maximum levels stated in the regulations published by the BRSA and below the risk appetite confirmed by the Board of Directors.

The risk capacity of the Bank is decided in accordance with its capital adequacy policy. When doing capital and liquidity planning, the current and under-stress liquidity requirements of the Bank as well as its risk appetite and capacity, are considered together.

The fund management strategy of the Bank is designed to avoid any liquidity problems, to sustain optimization of the risk-income 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 quarterly periods in accordance with the related communiqué, have not been presented as of 31 December 2024 as the standard approach is used in the calculation of Bank's capital adequacy.

- Risk Weighted Assets (RWA) flow statements of credit risk under internal rating-based (IRB) approach
- RWA flow statements of Counterparty Credit Risk (CCR) exposures under the Internal Model Method (IMM)
- RWA flow statements of market risk exposures under an internal model approach (IMA)
- Internal model approach for trading account
- Comparison of VaR estimates with profit / loss
- IRB Credit risk exposures by portfolio and PD range
- Impact of credit derivatives used as CRM techniques on RWA
- IRB (specialized lending and equities under the simple risk weight method)
- IRB Retrospective test of default probabilities in each risk class
- CVA capital charge
- IRB CCR exposures by portfolio and PD scale
- Credit Derivatives
- Exposures to central counterparties (CCPs)
- 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

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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
- 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.

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, ISO 27001- Information Security Management System Certificate and ISO 20000-1 Information Technology Service 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.

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.

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- 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):

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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 lines 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 risks undertaken due to CCP (Central Counterparty) activities are managed within the framework of a comprehensive risk management structure. This risk management framework is defined under the "İstanbul Takas ve Saklama Bankası A.Ş. Merkezi Karşı Taraf Yönetmeliği". The said Regulation sets out a detailed risk management framework, covering areas such as membership types and transaction limits, collateralization and guarantee fund, stress testing, risk management practices, model validation and backtesting, the role of internal system units within the 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, monitored by the Internal Control Department, and audited by the Internal Audit Department.

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.

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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)
- 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): (Continued)

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.

Within the scope of self-assessment studies, mutual meetings are held with all departments under the coordination of the Risk Management Department and the Internal Control Department. In these meetings, the risks contained in sub-services and the controls established against these risks are reviewed and updated. The risks of all departments are also made available to the Internal Audit Department and the Internal Control Department for use in audit and control activities.

In accordance with the Takasbank Organization and Duties Directive, as well as the provisions of the Banking Law, the Capital Markets Law, and other relevant legislation, the procedures and principles have been established to ensure that activities are carried out in a timely and appropriate manner, to define the organizational structure and the duties and authorities of each department, and to ensure coordination among departments.

Pursuant to the Takasbank Risk Management Regulation, signal value breaches are reported via e-mail by the Risk Management Department to the Audit Committee, Senior Management, and the managers of the units executing the relevant processes within the business line management. Furthermore, in the event of breaches of the allocated risk appetites and risk limits, the Risk Management Department provides written notification to the Audit Committee to inform the Senior Management and the Board of Directors so that necessary measures can be taken

In accordance with the Banking Ethical Principles published by the Banks Association of Turkey (TBB), the Takasbank Directive on Ethical Principles and Social Media Policy has been approved by the Board of Directors, and all Bank personnel are obliged to act in compliance with the principles stated in the directive. In addition, the Takasbank Conflict of Interest Policy Directive has been established and approved by the Board of Directors to set out the procedures and principles regarding the Bank's conflict of interest policy. Furthermore, the Takasbank Gift Policy Procedure, approved by the General Manager, regulates the procedures and principles aimed at preventing any disputes or conflicts of interest that may arise between employees, clients, stakeholders, other institutions, and the Bank in relation to gift exchanges and other relevant matters

At the Asset and Liability Committee meetings held on a monthly basis with the participation of Senior Management and relevant department managers, all Bank activities are discussed, and necessary actions are taken accordingly.

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.

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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)
- d) 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.

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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.

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.

e) 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.

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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)

f) Qualitative 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.

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

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 İSTANBUL TAKAS VE SAKLAMA BANKASI A.S.

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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)
- h) 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 (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
- 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 has been established with the objectives of avoiding any liquidity issues, ensuring optimization in the risk-return balance, and utilizing resources at the highest yield levels by taking a reasonable level of risk. The Bank's securities portfolio includes government domestic debt securities (GDDS) issued by the Republic of Turkey Ministry of Treasury and Finance, debt securities and lease certificates issued by banks established in Turkey, debt securities issued by the Türkiye Wealth Fund (TWF) and companies fully owned by the TWF, and lease certificates for which the TWF or its wholly owned companies act as the originator. In addition, the portfolio includes asset-backed securities (ABS) originated by banks domiciled in Turkey, as well as TRY-denominated debt securities issued abroad by supranational institutions domiciled outside Turkey. Derivative instruments may be used for the purposes of protection and liquidity management within the Bank's portfolio. Furthermore, derivative instruments may also be utilized for risk mitigation related to the positions undertaken as part 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.

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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)
- 1.2 Overview of risk management and RWA

	Risk Weighted Amounts		Minimum Capital
	Current Period	Prior Period	Current Period
Credit risk (excluding counterparty credit risk)	40.320.638	24.007.472	3.225.651
Standardised approach	40.320.638	24.007.472	3.225.651
Internal rating-based approach	-	-	-
Counterparty credit risk	33	-	3
Standardised approach for counterparty credit risk	33	-	3
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-mandate-based			
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	2.193.108	627.406	175.449
Standardised approach	2.193.108	627.406	175.449
Internal model approaches	-	-	-
Operational risk	7.324.471	3.279.694	585.958
Basic Indicator approach	7.324.471	3.279.694	585.958
Standard approach	-	-	-
Advanced measurement approach	-	-	-
The amount of the discount threshold under the equity(subject to a 250%			
risk weight)	-	-	-
Floor adjustments	-	-	-
Total	49.838.250	27.914.572	3.987.061

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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		Subject to		Not subject to capital		
	under scope		counterparty	Subject to the	requirements or		
	of regulatory	Subject of credit	credit risk	market risk	subject to deduction		
		risk framework	framework	framework	from capital		
Assets							
Cash and balances at central bank	26.000.913	26.000.913	-	-	-		
Financial assets held for trading	-	-	-	-	-		
Financial assets at fair value through profit or loss	1.822.141	-	-	1.780.979	-		
Banks	150.254.796	150.280.363	-	28.534.244			
Receivables from money markets	1.131.592	-	130.239	-			
Financial assets available for sale (net)	9.168	9.168	_	5.497			
Loans and receivables	2.276.582	2.279.005	-	_	-		
Factoring receivables	_	_	_	_			
Held-to-maturity investments (net)	9.378.421	9.375.998	_	8.454.657			
Investments in associates (net)	5.57 6. 121	5.57 5.550	_	0.151.057			
Investments in subsidiaries (net)	4.825	_	_	_	4.825		
Investments in joint ventures (net)	7.023			_	7.025		
Leasing receivables	_	_		_			
Derivative financial assets held for hedges	_			_			
Tangible assets (net)	184.280	184.280		_			
Intangible assets (net)	334.063	104.200	_	_	334.063		
Investment properties (net)	330.520	330.520	-	-	334.003		
		330.520	-	-	774 700		
Tax assets	274.399	-	-	-	274.399		
Assets held for sale and discontinued operations (net)	-	-	-	45.003	-		
Other assets	683.035	683.035	420.220	15.902			
Total assets Liabilities	192.684.735	189.143.282	130.239	38.791.279	613.287		
Deposits	-	-	-	-	-		
Derivative financial liabilities	0.364.060	-	-	0.020.625	-		
Loans	8.364.060	-	-	8.028.625	-		
Debts to money markets	-	-	-	-	-		
Issued securities	450 553 305	-	-	-	-		
Funds	168.653.205	-	-	30.258.905	-		
Miscellaneous debts	-	-	-	-	-		
Other liabilities	-	-	-	-	-		
Factoring debts	-	-	-	-	-		
Debts from leasing transactions	-	-	-	-	-		
Derivative financial liabilities	-	-	-	-	-		
Provisions	720.268	-	-	-			
Tax liability	1.219.365	-	-	-	-		
Liabilities for assets held for sale and discontinued							
operations (net)	-	-	-	-	-		
Subordinated loans	-	-	-	-	-		
Equity	13.727.837	-	-	-	24.299		
Total liabilities	192.684.735	-	-	38,287,530	24.299		

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.

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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 (Continued)

Prior Period	Carrying values of items in accordance with TAS					
	Carrying values		Subject to		Not subject to capital	
	under scope		counterparty	Subject to the	requirements or	
	of regulatory	Subject of credit	credit risk	market risk	subject to deduction	
	consolidation	risk framework	framework	framework	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 or loss	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		55.115	_	
Intangible assets (net)	202.858	-		_	202.858	
Investment properties (net)	244.470	244.470		_	202.030	
Tax assets	163.165	244.470			163.165	
Assets held for sale and discontinued operations (net)		_			00.100	
Other assets	414.444	384.279	_	30.165		
Total assets	121.341.014			33.488.526	370.848	
Liabilities	121.341.014	120.300.030		33.400.320	370.040	
Deposits	_	_		_	_	
Derivative financial liabilities	_			_	_	
Loans	5.651.092			5.521.256		
Debts to money markets	3.031.032	_		3.321.230		
Issued securities	_	_	_	-		
Funds	107.269.763	-	-	31.666.594	-	
	107.263.763	-	-	31.000.334	-	
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 discontinued						
operations (net)	-	-	-	-	-	
Subordinated loans	-	-	-	-	-	
Equity	7.280.762	-	-	-	16.987	
Total liabilities	121.341.014	-	-	37.187.850	16.987	

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.

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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 risk exposures and carrying values in financial statements under TAS

Current Period	Total	Items subject to credit risk framework	Items subject to counterparty credit risk framework	Items subject to market risk framework
Asset carrying value amount under scope of				
regulatory consolidation	191.553.143	189.143.282	-	-
Liability carrying value amount under scope of regulatory consolidation	191.553.143	-	_	-
Total net amount under regulatory scope of				
consolidation	191.553.143	189.143.282	130.239	2.193.108
Off-balance sheet amounts	109.150.572	109.150.572	-	-
Differences in valuations	-	_	-	-
Differences due to different netting rules (except placed row 2)				
Differences due to consideration of provisions	•	-	-	-
Differences due to consideration of provisions Differences due to prudential filters	•	-	-	-
·	•	-	-	-
Exposure amounts considered for regulatory purposes	295.017.603	292.694.256	130.239	2.193.108
Prior Period	Total	Items subject to credit risk framework	Items subject to counterparty credit risk framework	Items subject to market risk framework
Asset carrying value amount under scope of	Total	Humework	nsk maniework	Humework
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				

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 shall disclose the sources of differences between the carrying values of assets and liabilities under TAS as shown in template B2 and the amounts considered for risk exposure purposes.
- 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 mark-to-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).

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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 extended to brokerage houses. In addition, cash loans may also be granted to members who fail to fulfill their cash obligations on the value date under the Turkey Electronic Fund Trading Platform and Pension Fund Trading Platform, i.e., defaulting members. In the Takasbank Money Market, the Bank acts as a guarantor (up to its allocated and committed capital) for the mutual obligations of the members; thus, such transactions are considered as non-cash loans in accordance with banking regulations. The Bank operates as a central counterparty (CCP) in the Securities Lending Market, Futures and Options Market, Borsa Istanbul Money Market, Borsa Istanbul Equity Market, Borsa Istanbul Debt Securities Market, Borsa Istanbul Swap Market, and the Over-the-Counter (OTC) Derivatives Market. Accordingly, the obligations arising from these markets are also considered as non-cash loans for the Bank. Furthermore, within the limits defined for this purpose, clearing loans with a maximum overnight maturity may be granted to Borsa Istanbul Equity Market participants to meet their short-term funding needs that may arise during the completion of collateral requirements for risks originating from the said market. In addition, the Bank may also be exposed to credit risk due to treasury transactions executed as part of its fund management activities and transactions carried out within the scope of its collateral management function.

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.

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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:

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- 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.

A Central Counterparty (CCP) Risk Committee has been established by the Bank, authorized and responsible for providing advisory recommendations to the Board of Directors regarding the management of CCP risks. The Committee discusses matters that may affect CCP risk management, such as changes in risk models used in CCP risk management, default procedures, membership admission criteria, the clearing of new types of capital market instruments, or the use of insurance or outsourcing in transactions.

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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)

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.
- Transaction margin adequacy is monitored to include intraday price movements and position changes.
- 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.

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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)

d) Relationships between the credit risk management, risk control, compliance and internal audit functions: (Continued)

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.

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.

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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)
- 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 (Continued)

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 Director.

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.

	Α	В	C	D
	Gross amount v	alued in		
Current Period	accordance wit	h TMS	Provisions	Net values (a+b-c)
		Non-defaulted		
	Defaulted	exposures		
Loans	-	2.279.005	2.423	2.276.582
Debt securities	-	9.386.850	8.429	9.378.421
Off-balance sheet exposures	-	106.660.998	10.706	106.650.292
Total	-	118.326.853	21.558	118.305.295

Prior Period	accordance with	h TMS	Provisions	Net values
		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

3.1.3 Changes in stock of default loans and debt securities

	Current Period	Prior Period
Defaulted loans and debt securities at end of the previous reporting period	-	-
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	-	-

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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 amount: 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 writeoffs, 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 off-balance 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.

The foreign currency amounts (USD, Euro) deposited to Takasbank one business day in advance for transaction and membership collaterals, guarantee funds obtained from the serviced markets, collateral management services, and foreign currency obligations of the Borsa Istanbul Swap Market constitute the assets held at the Bank and managed by the Bank on a best-effort basis. The cash amounts other than transaction collaterals, guarantee funds, and other funds are invested in the Central Bank of the Republic of Türkiye, in the Repo-Reverse Repo Market segment under the Borsa Istanbul Debt Securities Market, the Borsa Istanbul Money Market, public banks, and large-scale banks. In determining the investment maturities, the structure and usage requirements of the foreign currency amounts (USD, Euro) deposited to Takasbank one business day in advance for collaterals, guarantee funds, or foreign currency obligations of the Borsa Istanbul Swap Market are taken into consideration. In order to limit the potential volatility on the cash flows of the banks in which the placements are made, maturity distribution and amount size are considered in the investment decision. Additionally, investments are made, limited to the liability amount, in investment funds that are required to be acquired in accordance with the legislation.

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INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

- IX. Risk management objectives and policies (Continued)
- 3.2 Credit risk mitigation (Continued)
- 3.2.1 Qualitative disclosure requirements related to credit risk mitigation techniques (Continued)
- 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)

In credit risk mitigation, liquid assets considered as collateral include cash collateral in TRY, government domestic debt securities (DİBS) issued by the Republic of Turkey Ministry of Treasury and Finance, eurobonds issued by the Republic of Turkey Ministry of Treasury and Finance, and lease certificates issued by the Republic of Turkey Treasury Asset Leasing Company.

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	2.276.582	-	-	-	-	-	-
Debt securities	9.378.421	_	-	-	-	-	-
Total	11.655.0031	-	-	-	-	-	-
Of which 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	1.793.500 3.939.828	-	-	-	-	-	-
Total Of which defaulted	5.733.328	-	-	-	-	-	- -

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INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

- IX. Risk management objectives and policies (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 2024, 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.

3.3.2 Credit risk exposure and credit risk mitigation effects

	Exposure	es before	Exposur	es post-		
Current Period	CCF an	d CRM	CCF an	d CRM	RWA and	RWA density
	On-balance	Off-balance	On-balance	Off-balance	Risk	Concentration
	sheet	sheet	sheet	sheet	weighted	of risk weighted
Risk classes	amount	amount	amount	amount	amount	amount
Exposures to sovereigns and their central banks	30.103.632	-	30.103.632	51.203.649	-	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	152.507.806	106.660.998	200.846.796	7.118.359	34.148.464	84,7%
Exposures to corporates	-	-	-	-	-	-
Retail exposures	-	-	-	-	-	-
Exposures secured by residential property	-	-	-	-	_	-
Exposures secured by commercial property	-	-	-	-	_	-
Past-due items	-	-	-	-	_	-
Exposures in high-risk categories	-	227.853	-	227.853	2.848.163	7,1%
Exposures in the form of mortgage-backed securities	-	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-
Exposures in the form of collective						
investment undertakings	-	-	-	-	-	-
Other exposures	1.062.485	2.261.721	1.062.485	2.261.721	3.324.044	8,2%
Equity share investments	-	-	-	-	-	-
Total	183.673.923	109.150.572	232.012.913	60.811.582	40.320.671	100,0%

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- IX. Risk management objectives and policies (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		
Risk classes	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	Risk weighted amount	Concentration of risk weighted amount	
Exposures to sovereigns and their central	amount	aniount	aniount	aniount	aniount	aillouilt	
banks	5.434.678		5.434.678	4.659.710	_	0.0%	
Exposures to regional and local governments	3.434.070		3.737.070	4.055.710	_	0,070	
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 mortgage-backed		13.247		13.247	103.300	0,7 70	
securities	_	_	_	_	_	_	
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%	

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INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

- IX. Risk management objectives and policies (Continued)
- 3.3 Credit risk under standardised approach (Continued)
- 3.3.3 Standardised Approach Exposures by Risk Classes and Risk Weights

Current Period:

Exposures to corporates Retail exposures Exposures secured by residential property Exposures secured by residential property Exposures secured by residential property Exposures secured by residential property Exposures secured by residential property Exposures secured by residential property Exposures secured by residential property Exposures secured by residential property Exposures secured by residential property Exposures secured by residential property Exposures secured by residential property Exposures secured by residential property Exposures in the form of covered bonds 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 Figure 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1	Total credit risk exposure amount (after CCF and CRM)	Other risk weights	200%	150%	100% ⁽¹⁾	75%	50% ⁽¹⁾	20% ⁽¹⁾	10%	0%	Asset Classes / Risk Weights
governments or central banks											Evnosures to central
Exposures to regional governments or local authorities	81.307.281	_	_	_	-	_	-	-	_	81.307.281	
Exposures to public sector entities Reposures to multilateral development banks Exposures to international organisations Exposures to brokerage houses and banks 48.338.990 Alexand Salan S											_
Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	_	
Exposures to multilateral development banks											Exposures to public sector
Exposures to international organisations	-	-	-	-	-	-	-	-	-	-	entities
Exposures to international organisations Exposures to brokerage houses and banks 48.338.990 7 152.215.393 7.410.772 8 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2											
organisations - <	-	-	-	-	-	-	-	-	-	-	•
Exposures to brokerage houses and banks 48.338.990											
and banks 48.338.990 - 152.215.393 7.410.772	-	-	-	-	-	-	-	-	-	-	_
Exposures to corporates	207065455						7 440 770	452 245 202		40 330 000	
Retail exposures -	207.965.155	-	-	-	-	-	7.410.772	152.215.393	-	48.338.990	
Exposures secured by residential property	-	-	-	-	-	-	-	-	-	-	
property	-	-	-	-	-	-	-	-	-	-	•
Exposures secured by commercial real estate											
Commercial real estate	_		_	_		_			_	_	
Past-due loans Higher-risk categories by the Agency Board	_	_	_	_	_	_	_	_	_	_	
Higher-risk categories by the Agency Board	_	_	_	_	_	_	_	_	_	_	
Agency Board 227.853 Exposures in the form of covered bonds											
Exposures in the form of covered bonds	227.853	227.853	_	_	_	_	_	-	_	-	
covered bonds											<i>-</i>
corporates with a short-term credit assessment	-	-	-	-	-	-	-	_	-	-	
short-term credit assessment											Exposures to institutions and
Exposures in the form of units or shares in collective investment undertakings (CIUs)											corporates with a
or shares in collective investment undertakings (CIUs)	-	-	-	-	-	-	-	-	-	-	short-term credit assessment
investment undertakings (CIUs)											•
Investments in equity shares											
	-	-	-	-	-	-	-	-	-	-	_
		-	-	-	-	-	-	-	-	-	
Other assets 162 3.324.044	3.324.206	-	-	-	3.324.044	-	-	-	-	162	Uther assets
Total 129.646.433 - 152.215.393 7.410.772 - 3.324.044 227.853 2	292.824.495	227.853	_		3.324.044	_	7.410.772	152.215.393		129.646.433	Total

⁽¹⁾ It refers to unrated exposures.

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- IX. Risk management objectives and policies (Continued)
- 3.3 Credit risk under standardised approach (Continued)
- 3.3.3 Standardised Approach Exposures by Risk Classes and Risk Weights (Continued)

Prior Period:

									Other risk	
Asset Classes / Risk Weights	0%	10%	20%(1)	50%(1)	75%	100% (1)	150%	200%	weights	and CRM)
Evacuus ta control										
Exposures to central governments or central banks	10.094.388									10.094.388
Exposures to regional	10.034.300	_	_	_	_	_	_	_	-	10.034.300
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	20.440.237		103.303.728	2.034.133				_	_	133.210.100
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	_	_	_	_	_	_	_	_	13.247	13.24/
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	36.540.772	-	103.909.728	2.854.135	-	1.632.871	-	-	13.247	144.950.753

⁽¹⁾ It refers to unrated exposures.

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 counterparty credit risk as of 31 December 2024.

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.

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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

Current Period	Replacement cost	Potential future exposure	EEPE ⁽¹⁾	Alpha used for computing regulatory EAD	EAD post CRM	Risk Weighted Amounts
Standardised approach-CCR (for derivatives)	-	-		1,4	-	-
Internal Model Method (for derivative						
transactions and securities financing						
transactions)			-	-	-	-
Simple Financial Collateral Method used for KRA (for securities financing transactions)					166	33
Comprehensive Financial Collateral Method used						
for KRA (for securities financing transactions)					-	-
Exposure at Risk for Securities Financing						
Transactions					-	_
Total						33

(1) Effective Expected Positive Exposure

Prior Period	Replacement cost	Potential future exposure	EEPE ⁽¹⁾	Alpha used for computing regulatory EAD	EAD post CRM	Risk Weighted Amounts
Standardised approach-CCR (for derivatives)	-	-		1,4	-	-
Internal Model Method (for derivative						
transactions and securities financing						
transactions)			-	-	-	-
Simple Financial Collateral Method used for KRA						
(for securities financing transactions)					-	-
Comprehensive Financial Collateral Method used						
for KRA (for securities financing transactions)					-	-
Exposure at Risk for Securities Financing						
Transactions					-	-
Total						-

⁽¹⁾ Effective Expected Positive Exposure

4.2 Capital Requirement for KDA

Non

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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

Current period:

									Total credit
Risk Weight/Regulatory portfolio	0%	10%	20%(1)	50% ⁽¹⁾	75%	100%	150%	Others	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		-	166	-	-	-	-	-	166
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 mortgage-backed									
securities		-	-	-	-	-	-	-	-
Short term exposures to banks, brokerage houses									
and corporates		-	-	-	-	-	-	-	-
Exposures in the form of collective investment									
undertaking		-	-	-	-	-	-	-	-
Equity share investments		-	-	-	-	-	-	-	-
Other exposures		-	-	-	-	-	-	-	-
Other assets		-	-	-	-	-	-	-	-
Exposures to sovereigns and their central banks		-	-	-	-	-	-	-	-
Total		-	166	-	-	-	-	-	166

⁽¹⁾ It refers to unrated exposures.

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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 mortgage-backed									
securities	-	-	-	-	-	-	-	-	-
Short term exposures to banks, brokerage houses									
and corporates	-	-	-	-	-	-	-	-	-
Exposures in the form of collective investment									
undertaking	-	-	-	-	-	-	-	-	-
Equity share investments	-	-	-	-	-	-	-	-	-
Other exposures	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-
Exposures to sovereigns and their central banks	-	-	-	-	-	-	-	-	-
Total	_	_		-	_	_	_	_	-

⁽¹⁾ It refers to unrated exposures.

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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

Current Period	Со	llateral for deriva	Collateral for other transactions			
	Collatera	l received	Collater	al given	Collateral	Collateral given
	Segregated	Unsegregated	Segregated	Unsegregated	received	
Cash-domestic currency	-	-	-	-	-	-
Cash-foreign currency	-	-	-	-	-	-
Government bonds/bills -						
Treasury/CBRT	-	-	-	-	130.073	-
Government bonds/bills - other	-	-	-	-	-	-
Government agency debts	-	-	-	-	-	-
Corporate debts	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	-	-	-	-	130,073	_

Prior Period	Co	llateral for deriva	Collateral for other transactions			
	Collatera	l received	Collater	al given	Collateral	Collateral given
	Segregated	Unsegregated	Segregated	Unsegregated	received	
Cash-domestic currency	-	-	-	-	-	-
Cash-foreign currency	-	-	-	-	-	-
Government bonds/bills -						
Treasury/CBRT	-	-	-	-	-	-
Government bonds/bills - other	-	-	-	-	-	-
Government agency debts	-	-	-	-	-	-
Corporate debts	-	_	-	-	-	_
Equity securities	-	_	-	-	-	_
Other collateral	-	-	-	-	-	-
Total	-	-	-	-	-	

4.5 Credit derivatives

None (31 December 2023: None).

4.6 Central counterparty risk

None (31 December 2023: 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.

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INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

- IX. Risk management objectives and policies (Continued)
- 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 implemented fund management strategy, treasury operations are carried out in accordance with the procedures and principles outlined in the Fund Management Strategy Implementation Principles Procedure. Cash amounts other than transaction collateral, guarantee funds, and other funds are directed to investment at the Central Bank of the Republic of Turkey, in the Reverse Repo Market under the BIST Debt Securities Market, in the BIST Money Market, in public banks, and in large-scale banks. The Bank's securities portfolio includes government bonds and Eurobonds issued by the Ministry of Treasury and Finance of the Republic of Turkey, as well as debt securities issued by banks established in Turkey and lease certificates. Derivative products may be used for the Bank's portfolio for hedging and liquidity management purposes. Additionally, derivative products may also be used for risk-mitigating transactions related to positions undertaken as a result of CCP services. Furthermore, investments in mutual funds required by legislation are made, provided they are limited to the obligation.

In the balance sheet structure, attention is paid to ensuring asset-liability equality based on maturity and currency. Only highly liquid instruments are included in the securities portfolio. The upper limit for the open foreign exchange position arising from speculative transactions in the foreign exchange markets is restricted to the net general position in foreign currency. The capital requirement for exchange rate risk is calculated based on the net position amount both on and off the balance sheet in foreign currency. Additionally, a capital requirement for interest rate risk is calculated for the securities in the Bank's trading portfolio. Market risk is measured by the Bank in accordance with the Capital Adequacy Regulation and its related 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.

The Board of Directors has established the market risk appetite, which is reviewed at least once a year. Additionally, the Board has set limits and signal values to ensure that the market risk appetite is not exceeded. Market Risk Limits are monitored daily by the Risk Management Linit

When the signal value established for market risk is reached by the Risk Management Unit, an email notification is sent to the Audit Committee, Senior Management, and the relevant unit managers executing the process within the business line management. In the event of an exceedance of the allocated market risk limit and market risk appetite, the Risk Management Unit provides written information to the Audit Committee to notify Senior Management and the Board of Directors to take the necessary measures.

Details regarding the risk management activities and actions carried out within the scope of market risk are included in the Board of Directors' approved Settlement Bank Restructuring Plan.

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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;

- In the business line management, risks are identified by the Treasury Team, Middle Office Team, and Payment and Transfer Services
 Department. Risks and controls are defined on a service and sub-service basis, and appropriate actions are ensured by informing Senior
 Management.
- 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.

Activities related to market risk are maintained by business units with a risk-focused perspective. In the first phase, the distribution of the bank's portfolio based on maturity and instruments, as well as developments in the markets, is continuously monitored by the Treasury Team, Middle Office Team, and Senior Management. This strategy is reviewed at least once a year, taking into account factors such as the volume of the bank's business and operations and the scope of activities. The principle of segregation of duties is applied in front office, middle office, and back office practices at the level of authority and responsibility.

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.

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, quarterly 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.

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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)
- c) Scope and nature of risk reporting and/or measurement systems:

According to the Regulation on the Measurement and Assessment of Banks' Capital Adequacy and its subordinate regulations, market risk is measured monthly using the standard method and reported to the Banking Regulation and Supervision Agency (BRSA). Additionally, in order to inform Senior Management, the exposure to market risk, internal market risk capital requirement, and market risk limit are calculated daily using the internal method specified in the relevant regulations. The results are reported by the Risk Management Unit to Senior Management and relevant unit managers.

Reports containing information on the core market risk amount of the bank, compliance with market risk appetite, market risk limits and signal values, treasury operations, the development of the net foreign currency general position/equity standard ratio, internal model results for market risk, stress tests, scenario analyses, internal capital requirements, and exposure to market risk are provided monthly to the Audit Committee and Senior Management by the Risk Management Unit and quarterly to Senior Management. Backtesting is conducted to assess the conceptual robustness of the internal model used and to ensure that all significant risks are covered by the model, and the results are reported to Senior Management.

Furthermore, specific stress tests related to market risk conducted by the Risk Management Unit are reported daily to Senior Management and the relevant unit managers responsible for risk, and monthly to Senior Management. Additionally, the overall stress test and scenario analysis results are included in the Stress Test Report and the ISEDES Report, which are presented annually to Senior Management by the Risk Management Unit and, after approval by the Board of Directors, reported to the BRSA.

	Risk Weighted	Amount
	Current Period	Prior Period
Outside the conduction		
Outright products		
Interest rate risk (general and specific)	1.738.258	5.756
Equity risk (general and specific)	-	-
Foreign exchange risk	454.850	621.650
Commodity risk	-	-
Options	-	-
Simplified approach	-	-
Delta-plus method	-	-
Scenario approach	-	-
Securitization	-	-
Total	2.193.108	627.406

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 2024 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

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INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations on the Fair Value Measurement of Financial Assets and Liabilities

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, loans and funds borrowed from other financial institutions and sundry creditors reflect their fair values since they are short-term.

The table below shows the book value and the fair value of the financial assets and liabilities.

Current Period	Book Value	Fair Value
	31 December 2024	31 December 2024
Financial Assets	165.039.358	165.125.165
Financial assets at fair value through profit/loss	1.822.141	1.822.141
Money market placements	1.131.592	1.131.592
Banks	150.410.602	150.410.602
Financial assets at fair value through other comprehensive income	9.168	9.168
Financial assets at fair value through amortized cost	9.386.850	9.472.657
Loans	2.279.005	2.279.005
Financial Liabilities	177.017.265	177.017.265
Bank deposits	-	-
Other deposits	-	-
Payables to money market	-	-
Funds borrowed from other financial institutions	8.364.060	8.364.060
Securities issued	-	-
Other liabilities	168.653.205	168.653.205
Prior Period	Book Value	Fair Value
	31 December 2023	31 December 2023
Financial Assets	115.338.287	115.435.587
Financial assets at fair value through profit/loss	39.647	39.647
Money market placements	-	-
Banks	109.556.498	109.556.498
Financial assets at fair value through other comprehensive income	4.332	4.332
Financial assets at fair value through amortized cost	3.942.329	4.039.629
Loans	1.795.481	1.795.481
Financial Liabilities	112.920.855	112.920.855
Bank deposits	-	-
Other deposits	-	-
Payables to money market	-	-
·	- 5.651.092	5.651.092
Payables to money market	- 5.651.092 -	5.651.092 -

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

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INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations on the Fair Value Measurement of Financial Assets and Liabilities (Continued)

Current Period	Level 1	Level 2	Level 3	Total
Financial Assets	83.883	1.738.258	-	1.822.141
Government Bonds	83.883	-	-	83.883
Financial Assets at Fair Value Through				
Profit or Loss	-	1.738.258	-	1.738.258
Financial Derivative Assets for Trading	-	-	-	-
Financial Liabilities				
Financial Derivative Liabilities Held for Cash Flow Hedges	-	-	-	-
Financial Derivative Liabilities for Trading	-	-	-	-
Prior Period	Level 1	Level 2	Level 3	Total
Financial Assets	37.291	55.113	-	92.404
Government Bonds	37.291	-	-	37.291
Financial Assets at Fair Value Through Other Comprehensive				
Income	-	-	-	-
Financial Derivative Assets for Trading	-	55.113	-	55.113
Financial Liabilities	-	-	-	-
Financial Derivative Liabilities Held for Cash Flow Hedges	-	-	-	-
Financial Derivative Liabilities for Trading	-	-	-	-

XI. Explanations on Transactions Conducted on Behalf and Account 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, TRY 7.264 (31 December 2023: TRY 5.102) consists of sales and securities which are traded on BİAŞ. 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.

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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	-	-	26.000.913	-	26.000.913
Financial Assets At Fair Value Through Profit/Loss (Net)	-	-	1.822.141	-	1.822.141
Banks	-	-	150.254.796	-	150.254.796
Money Markets	-	-	1.131.592	-	1.131.592
Financial Assets At Fair Value Through Other					
Comprehensive Income	-	-	-	9.168	9.168
Loans ⁽¹⁾	-	2.276.582	-	-	2.276.582
Financial Assets At Fair Value Through Amortized Cost ⁽²⁾	-	-	9.378.421	-	9.378.421
Subsidiaries	-	-	-	-	-
Joint Ventures (Net)	-	-	4.825	-	4.825
Tangible Assets (Net)	-	-	-	184.280	184.280
Intangible Assets (Net)	-	-	-	334.063	334.063
Investment Properties (Net)	-	-	-	330.520	330.520
Tax Assets	-	-	-	274.399	274.399
Financial Derivative Assets for Trading	-	-	-	-	-
Other Assets	306.475	-	-	376.560	683.035
Total Assets	306.475	2.276.582	188.592.688	1.508.990	192.684.735
Funds Borrowed	-	-	8.364.060	-	8.364.060
Debts to the Money Markets	-	-	-	-	-
Funds	150.194.336	35.001	-	18.423.868	168.653.205
Lease Liability	-	-	-	-	-
Derivative Financial Liability	-	-	-	-	-
Provisions	-	10.706	-	709.562	720.268
Tax Liability	-	-	-	1.219.365	1.219.365
Shareholder's Equity	-	-	-	13.727.837	13.727.837
Total Liabilities	150.194.336	45.707	8.364.060	34.080.632	192.684.735

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INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

XII. Explanations on Segment Reporting (Continued)

	Custody,				
Prior Period	Clearing and Operation	Loans and MM	Treasury	Undistributed	Total
Cash and Balances with Central Bank	Operation	IMIM -	4.888.043	ondistributed	4.888.043
Financial Assets At Fair Value Through Profit/Loss (Net)	-	_	4.000.043	39.647	39.647
Banks	-	-	109.440.841	39.04/	109.440.841
	-	-	109.440.841	-	103.440.841
Money Markets	-	-	-	-	-
Financial Assets At Fair Value Through Other Comprehensive Income			4.332		4.332
Loans ⁽¹⁾	_	1.793.500	4.552	_	1.793.500
	-	1./33.300	3.939.828	_	3.939.828
Financial Assets At Fair Value Through Amortized Cost ⁽²⁾ Subsidiaries	-	-	3.333.828	-	3.333.828
	-	-	4.025	-	4.025
Joint Ventures (Net)	-	-	4.825	140.040	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
Financial Derivative Assets for Trading	-	-	55.113	-	55.113
Other Assets	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
Total Liabilities	89.054.071	11.126.579	5.651.092	15.509.272	121.341.014

 $^{^{\}scriptsize (1)}\textsc{Expected}$ loss provisions set aside within the scope of TFRS 9 are given

⁽²⁾ Expected loss provisions set aside within the scope of TFRS 9 are given.

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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	-	1.205.073	7.482.486	-	8.687.559
Net fees and commissions income and other operating					
income	5.578.774	-	-	-	5.578.774
Dividend income	-	-	127.866	-	127.866
Trading profit/loss	-	-	(96.549)	-	(96.549)
Other operating receivables	-	-	-	140.461	140.461
Impairment provision for loans and other receivables	-	(56.340)	-	_	(56.340)
Other operating expenses ⁽¹⁾	_	-	-	(2.766.328)	(2.766.328)
Profit before taxes	5.578.774	1.148.733	7.513.803	(2.625.867)	11.615.443
Tax provision	-	-	-	(3.341.492)	(3.341.492)
Net profit for the period	5.578.774	1.148.733	7.513.803	(5.967.359)	8.273.951
	Custody,				
	Clearing and	Loans and	Treasury		
Prior 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	-	-	-	(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)

2.652.610

946.035

3.536.421

(3.495.937)

3.639.129

Net profit for the period

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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 Period	Current Period		iod
	TRY	FC	TRY	FC
CBRT	26.000.751	-	1.871	4.886.085
Cash/foreign currency	162	-	87	-
Other	-	-	-	-
Total	26.000.913	-	1.958	4.886.085

1.b) T Information related to the account of the Central Bank of Turkey:

	Current Period		Prior Per	iod
	TRY	FC	TRY	FC
Unrestricted demand deposit	26.000.751	-	1.871	-
Unrestricted time deposit	-	-	-	4.886.085
Restricted time deposit	-	-	-	-
Total	26.000.751	-	1.871	4.886.085

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.) Explanations on Mandatory Securities Establishment:

With the regulation numbered 2024/24, the regulation on the establishment of securities has been abolished as of May 9, 2024. (December 31, 2023: None.)

2. Information on financial assets at fair value through profit and loss (net):

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Derivative financial assets held for trading				
Forward transactions	83.883	-	37.291	-
Swap transactions				
Futures transactions	-	-	-	-
Options transactions	-	-	-	-
Other	6.180	1.732.078	2.356	
Total	90.063	1.732.078	39.647	-

 $^{{\}mathfrak m}$ Personnel expenses are included in the other operating expenses.

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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 Period		Prior Per	riod
	TRY	FC	TRY	FC
Banks				
Domestic	121.839.896	22.314.648	84.459.507	20.514.574
Foreign	36.462	6.219.596	19	4.582.398
Branches and overseas head office	-	-	-	-
Total	121.876.358	28.534.244	84.459.526	25.096.972

As of 31 December 2024, the Expected Loss Provision balance reserved for the Banks account is TRY 155.806 (31 December 2023: TRY 115.657).

3.b) Information on foreign banks account:

	Unrestricted	Unrestricted amount		mount	
	Current Period	Prior Period	Current Period	Prior Period	
European Union Countries	6.198.152	4.490.379	-	-	
USA, Canada	57.906	92.037	-	-	
OECD countries	-	-	-	-	
Off-shore banking regions	-	-	-	-	
Other	-	-	-	-	
Total	6.256.058	4.582.416	-	-	

3.c) Information on receivables from money markets

As of December 31, 2024, receivables from money markets amount to TRY 1.131.592 and this balance consists of a reverse repos transaction (31 December 2023: None).

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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 F	Period	Prior Period	
Name	Acquired On	Amount	Ratio (%)	Amount	Ratio (%)
Borsa İstanbul A.S	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	5,175	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		9.168		4.332	

	Current Period	Prior Period
Debt securities	-	-
Quoted on a stock exchange	-	-
Not quoted on a stock exchange	-	-
Share certificates	9.168	4.332
Quoted on a stock exchange	-	-
Not quoted on a stock exchange	9.168	4.332
Impairment provision(-)	-	-
Total	9.168	4.332

5. Information on derivative financial assets:

- a) i. Information on the portion of derivative financial assets whose fair value difference is reflected in profit or loss: None (31 December 2023: TRY55.113).
- a) ii. Information on derivative financial assets at fair value through other comprehensive income: None (31 December 2023: None).

6. Information on loans:

a) Information on all types of loans and advances given to shareholders and employees of the Bank:

	Current Period		Prior Period	
	Cash	Non-Cash	Cash	Non-Cash
Direct loans granted to shareholders	1.080.253	59.941.822	840.953	17.831.604
Corporate shareholders	1.080.253	59.941.822	840.953	17.831.604
Real person shareholders	-	-	-	-
Indirect loans granted to shareholders	-	-	-	-
Loans granted to employees	-	-	-	-
Total	1.080.253	59.941.822	840.953	17.831.604

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Notes Related to The Assets (Continued)

6. Information on loans: (Continued)

b) Information on loans with standard qualifications and close monitoring followed by restructured loans:

		Loans under Fol		
Cash Loan	Performing Loan	Non restructured	Restructured	I
Current Period			Revised Contract Terms	Refinanced
Non-specialized loans	2.279.005	-	-	-
Business loans	-	-	-	-
Export loans	-	-	-	-
Import loans	-	-	-	-
Loans given to financial sector	2.279.005	-	-	-
Consumer loans	-	-	-	-
Credit cards	-	-	-	-
Other	-	-	-	-
Specialized loans	-	-	-	-
Other receivables	-	-	-	-
Total	2.279.005	-	-	-

Cash Loan	Performing Loan	Non restructured	Restructured	1
Prior Period			Revised 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	-	-	-

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Notes Related to The Assets (Continued)

6. Information on loans: (Continued)

- c) Information on consumer loans, individual credit cards, and personnel loans and personnel credit cards: None (31 December 2023: None).
- d) Information on commercial loans with instalments and corporate credit cards: None (31 December 2023: None).
- e) Loans according to borrowers:

	Current Period	Prior Perioa
Private	2.279.005	1.795.481
Public	-	-
Total	2.279.005	1.795.481
f) Domestic and foreign loans:		
	C 10 1 1	

	Current Period	Prior Period
Domestic loans	2.279.005	1.795.481
Foreign loans	-	-
Total	2.279.005	1.795.481

- g) Loans granted to subsidiaries and associates: None (31 December 2023: None).
- h) Information on non-performing loans (Net): None (31 December 2023: None).
- i) Information on non-performing loans (Net):
- i.1) Information on loans and other receivables included in non-performing loans which are restructured or rescheduled: None (31 December 2023: None).
- i.2) Information on movement of non-performing loans: None (31 December 2023: None).
- i.3) Information on foreign currency non-performing loans and other receivables: None (31 December 2023: None).
- j) Expected loss provision

	Current Period		Current Pe	urrent Period Prior Period	Prior Period	
	Standard Loans	Loans Under Close Monitoring	Standard Loans	Loans Under Close Monitoring		
12 Month expected credit losses Significant increase in credit risk	2.423	-	1.981	-		
Total	2.423	-	1.981	-		

k) Information on write-off policy: Not prepared according to the 25th provisional clause of "Communiqué on Publicly Announced Financial Statements, Explanations and Notes to These Financial Statements".

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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	1.331.356	1.863.706
Government Debt Securities	2.696.341	717.471
Other (*)	5.359.153	1.361.152
Total	9.386.850	3.942.329

7.a) ii. Information on government debt instruments:

	Current Period	Prior Period
Debt securities	9.386.850	3.942.329
Quoted on a stock exchange	9.386.850	3.942.329
Not quoted on a stock exchange	-	-

Total 9.386.850 3.942.32

7.a) iii. Movement of financial assets measured at amortised cost:

	Current Period	Prior Period	
Beginning balance	3.942.329	2.901.106	
Purchases during year	8.721.337	7.269.155	
Disposals through sales and redemptions (1)	(4.889.105)	(5.727.789)	
Effect of valuation (2)	1.612.289	(500.143)	
Total	9.386.850	3.942.329	

⁽¹⁾ All of disposals through sales and redemptions amount is from redemptions.

^{7.}b) Information on expected credit loss provisions for financial assets

	Current Period	Prior Period
T	455.005	115 657
Treasury Loan	155.806	115.657
Miscellaneous Receivables	9.079	5.489
Total	164.885	121.146
	Current Period	Prior Period
Other Financial Assets Measured by Amortized Cost	8.429	2.501
Total	8.429	2.501

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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.c) Information on other financial assets: None. (31 December 2023: 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 2023: None).).
- 8.b) Information on the unconsolidated associates: None (31 December 2023: None).).
- 8.c) Explanations of consolidated associates: None (31 December 2023: None).
- 8.d) Information on sector information on consolidated associates: None (31 December 2023: None).
- 8.e) Consolidated associates which are quoted on the stock exchange: None (31 December 2023: None).

9. Information on subsidiaries (Net):

9.a) Information on the unconsolidated subsidiaries:

Although the bank holds 65% of the shares in the Central Registry Agency, Inc. (MKK), the voting rights are 2/7 according to the articles of association, and therefore, control over the subsidiary is not established. As a result, this subsidiary has not been consolidated. The subsidiary has been recorded in the financial statements at its cost of 4.825 thousand TRY.

	Address	Bank's share percentage-	Bank risk group's
Description	(City/ Country)	If different voting percentage (%)	share percentage (%)
Merkezi Kayıt Kuruluşu A.Ş.	İstanbul / Türkiye	28,57	65

				Income from Marketable			
	Shareholder's	Total Fixed	Interest	Securities	Current Period	Prior Period	
Total Assets (1)	Equity	Assets	Income	Portfolio	Profit/Loss	Profits / Losses	Fair Value
1.975.491	1.287.438	586.213	415.889	317.82	934.808	322.906	-

⁽¹⁾ Current period financial statements are obtained from unreviewed financial statements prepared as of 31 December 2024 in accordance with the TAS.

	31 December 2024	31 December 2023
Paid-in capital	100.000	100.000
Legal reserves	59.577	41.482
Other reserves	-	-
Profit/loss	1.148.338	417.566
Prior periods profit/loss	213.530	94.660
Current period net profit/loss	934.808	322.906
Intangible Assets (-)	(296.444)	(105.889)
Total Core Capital	1.011.471	453.159
Supplementary Capital	-	-
Capital	1.011.471	453.159
Net Usable Equity	1.011.471	453.159

The subsidiary does not have an internal capital adequacy assessment approach.

Paid-in capital refers to the amount of capital specified in the articles of association as Turkish currency and is registered in the trade registry. Legal reserves are the retained earnings allocated from annual profits in accordance with Article 466, Paragraph 1 and the third clause of Paragraph 2, and Article 467 of the Turkish Commercial Code No. 6762, as well as the provisions of the incorporation laws.

^(*) Securities and investment funds received from other private banks are included

⁽²⁾ Includes changes in interest discounts.

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I. Explanations and Notes Related to The Assets (Continued)

9. Information on subsidiaries (Net): (Continued)

- 9.b) Information on the consolidated subsidiaries:
- i. Information on the consolidated subsidiaries: None (31 December 2023: None).
- ii. Information on movement of consolidated subsidiaries: None (31 December 2023: None).
- iii. Sector information regarding consolidated subsidiaries: None (31 December 2023: None)
- iv. Consolidated subsidiaries quoted on the stock exchange: None (31 December 2023: None).
- 10. Information on entities under common control (joint ventures): None (31 December 2023: None).
- 11. Information on finance lease receivables (Net): None (31 December 2023: None).

12. Information on investment property:

As of December 31, 2024, the Bank has investment property balance measured at fair value amounting to TRY330.520 (December 31, 2023: TRY244.470).

As of 31 December 2024, the Bank has no rental income from investment properties.

13. Information on tangible assets

	Prior Year			Closing Year
	31 December 2023	Additions	Disposals	31 December 2024
Cost:				
Vehicles	39.443	5.723	-	45.166
Securities	163.631	84.267	(7.553)	240.345
Total Cost	203.074	89.990	(7.553)	285.511
	31 December 2023	Charge for the Year	Disposals	31 December 2024
Accumulated Depreciation:				
Vehicles	(1.903)	(8.516)	-	(10.419)
Securities	(51.223)	(45.238)	5.649	(90.812)
Total Accumulated Depreciation	(53.126)	(53.754)	5.649	(101.231)
Net Book Value	149.948	36.236	(1.904)	184.280
	Prior Year			Closing Year
	31 December 2022	Additions	Disposals	31 December 2023
Cost:				
Vehicles	-	39.986	(543)	39.443
Securities	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:				
Vehicles	-	(1.903)	-	(1.903)
Securities	(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

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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 2023: None).

There is no impairment accounted related to property and equipment in the current period (31 December 2023: 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 2023: None).

14. Information on intangible assets:

	Prior Year			Current Year
	31 December 2023	Additions	Disposals	31 December 2024
Cost:				
Leasehold improvements	-	-	-	-
Other intangible assets	307.813	174.438	-	482.251
Total Cost	307.813	174.438	-	482.251
	31 December 2023	Charge for the Year	Disposals	31 December 2024
Accumulated Amortization:				
Leasehold improvements	-	-	-	-
Other intangible assets	(104.955)	(43.233)	-	(148.188)
Total Accumulated Amortization	(104.955)	(43.233)	-	(148.188)
Net Book Value	202.858	131.205	-	334.063
	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

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Notes Related to The Assets (Continued)

14. Information on tangible assets (Continued)

- 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 2023: None).
- b) Disclosure for intangible assets acquired through government grants and accounted for at fair value at initial recognition: None (31 December 2023: 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 2023: None).
- d) The book value of intangible assets that are pledged or restricted for use: None (31 December 2023: None).
- e) Amount of purchase commitments for intangible assets: None (31 December 2023: None).
- f) Information on revalued intangible assets according to their types: None (31 December 2023: None).
- g) Amount of total research and development expenses recorded in income statement within the period if any: None (31 December 2023: None).
- h) Positive or negative consolidation goodwill on entity basis: None (31 December 2023: None).
- i) Information on goodwill: None (31 December 2023: None).
- j) Movements on goodwill in the current period: None (31 December 2023: None).

15. Information on assets held for sale and discontinued operations:

None (31 December 2023: 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.

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:

	Current Period	Prior Period
Custody and fee accruals	306.475	163.902
VIOP Guarantees	260.686	161.158
Prepaid expenses	77.196	48.079
Invoices payables	35.034	40.358
Stationary supplies	2.890	318
Cash guarantees given	627	420
Other	127	209
Total	683.035	414.444

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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 Turkey.
- 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 2023: None).
- a) ii. Derivative financial liabilities at fair value through other comprehensive income: None (31 December 2023: None).

3. Informations on funds borrowed:

a) Information on banks and other financial institutions:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Loans from Central Bank of Turkey	-	-	-	-
From domestic banks and institutions	335.435	8.028.625	129.836	5.521.256
From foreign banks, institutions and funds	-	-	-	-
Total	335.435	8.028.625	129.836	5.521.256

b) Information on money markets debts:

None (31 December 2023: None).

c) Maturity analysis of Funds borrowed:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Short-term Medium and long-term	335.435 -	8.028.625	129.836	5.521.256
Total	335.435	8.028.625	129.836	5.521.256

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.

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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 2023: 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	
	TRY	FC	TRY	FC
Cash collaterals	130.600.591	16.440.007	70.601.301	18.023.778
Members' receivables	3.463.073	13.818.898	2.690.273	13.642.816
State Contribution for Individual Pension System	3.819.369		1.839.966	
Capital Markets Board Share	-	-	-	-
Dividend Receivables from Shareholders	-	-	-	-
Expense accruals	40.424	-	43.433	-
Other ⁽¹⁾	470.843	-	428.196	-
	138.394.300	30.258.905	75.603.169	31.666.594

⁽¹⁾ The "Other" item consists of margin call accounts, pool accounts and guarantee fund accounts.

5. Explanations on financial lease liabilities (net):

- a) Explanation on finance lease payables: None (31 December 2023: None).
- b) Explanations regarding operational leases:

Current Period		Prior Period	
Gross	Net	Gross	Net
_	_	_	_
-	-	980	80
-	-	-	-
		000	80
	Gross - -		980

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 June 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 TRY41.828.42 (31 December 2023: TRY23.489.83) (full TRY) which is the maximum amount of employment termination benefits.

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:

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and Notes Related to Liabilities (Continued)

6. Information on provisions (Continued)

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 2024, 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 2023: 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.

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	Current Period	Prior Period
Total liabilities of employee terminations (Undiscounted)	108.446	58.472
Provision for employee termination (Presented in financial statements)	61.550	42.405
The ratio of provision to undiscounted total liabilities (%)	56,76	72,52

As of 31 December 2024, the Bank provided a reserve of TRY 100.624 (31 December 2023: TRY 50.831) for the unused vacation which classified under Reserve for Employee Benefits in the financial statements.

a.1) Movement of employee termination benefits:

	Current Period	Prior Period
As of January 1	42.405	22.380
Paid during the year	(12.746)	(1.387)
Actuarial (gain)/loss	10.446	13.295
Charge for the year	21.445	8.117
Service charge	6.144	3.771
Interest charge	15.301	4.346
Total	61.550	42.405

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Unused vacation provision	100.624	50.831
Total	100.624	50.831

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and Notes Related to Liabilities (Continued)

6. Information on provisions (Continued)

- b) Information on other provisions:
- b.1) Liabilities for pension funds established in accordance with "Social Security Institution": None (31 December 2023: None).
- b.2) Breakdown of the subsidiary accounts if other provisions exceed 10% of the grand total of provisions:

	Current Period	Prior Period
	100.000	
Provision for employee benefits (3)	428.833	241.150
Provisions for CMB's Share Fee (2)	114.152	83.659
Expected Credit Losses (1)	10.706	4.474
Provision for litigation	4.403	2.580
Total	558.094	331.863

⁽¹⁾ Consists of 12 months expected credit loss provisions for non-cash loans.

 $[\]ensuremath{^{(3)}}$ Includes bonus provisions provided to employees as of the period-end.

	Current Period	Prior Period
Provision for litigation beginning balance	2.580	4.062
Additions	2.362	23
Payments (-)	-	-
Cancellations (-)	(539)	(1.505)
Provisions for cases year end	4.403	2.580

- c) Liabilities Resulting from Retirement Benefits: None (31 December 2023: None.)
- c.1) Liabilities for pension funds established in accordance with "Social Security Institution": None (31 December 2023: None).
- c.2) Liabilities resulting from all kinds of pension funds, foundations, which provide post-retirement benefits for the employees: None (31 December 2023: None).

STRATEGY, VALUE CREATION AND SUSTAINABILITY AND CLIMATE EFFORTS STAKEHOLDER RELATIONS

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and Notes Related to Liabilities (Continued)

7. Explanations on taxes payable:

- a) Information on current tax liability:

a.1) Corporate tax:		
	Current Period	Prior Period
Provision for corporate taxes	3.449.592	1.510.430
Prepaid taxes (-)	2.495.542	912.068
Corporate Income Tax Payable	954.050	598.363
a.2) Information on taxes payable:		
	Current Period	Prior Period
Corporate taxes payable	954.050	598.363
Taxation on securities	111.785	54.443
Banking insurance transaction tax (BITT)	45.426	17.455

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85.212

Current Period

15.612

Prior Period

Total	1.198.935	689.764
Other	2.462	3.891

a.3) Information on premiums: (3 months)

Value added tax payable

Total	20.430	24.454
Unemployment insurance-employee	645	760
Unemployment insurance-employer	1.298	1.527
Social security premiums-employee	9.030	10.647
Social security premiums-employer	9.457	11.520

⁽²⁾ According to the related article of the Bank's Capital Markets Law, the board share to be paid to the Capital Markets Board in 2024 consists of an expense accrual (CMB Board Share).

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II. Explanations and Notes Related to Liabilities (Continued)

7. Explanations on taxes payable (Continued):

b) Explanations on deferred tax liabilities:

Distribution of deferred tax assets / (liabilities):

	Current Period		Prior Pe	riod
	Accumulated Temporary Differences	Deferred tax asset / (liability)	Accumulated Temporary Differences	Deferred tax asset / (liability
Descriptions for sociorance may	C1 FF0	18.465	42.405	12.722
Provisions for severance pay	61.550 529.457	158.837	42.405 291.981	87.594
Vacation pay liability				
CMB Board share provision - other provision Internal yield and market value differences of financial	114.152	34.246	83.659	25.098
assets and government securities measured at amortized				
cost	46.494	13.948	31.006	9.302
TFRS 9 provision for expected losses	186.443	55.933	130.103	39.031
Lawsuits and bonus	4.403	1.321	2.580	774
Interest accruals	5.379	1.614	121	36
TERS 16 Leases	-	_	67	20
Differences between the book value of fixed assets and tax				
value	4.950	1.485	4.431	1.329
Financial instruments fair value change - from swap				
transactions	-	-	20.594	6.178
Deferred tax asset	952.828	285.849	606.947	182.084
Differences between the book value of fixed assets and tax				
value	(38.167)	(11.450)	(63.062)	(18.919)
Deferred tax liability	(38.167)	(11.450)	(63.062)	(18.919)
Deferred tax assets / (liability), net:		274.399		163.165
Deferred tax asset transaction table:				
			Current Period	Prior Period
As of January 1 (Previous period balance)			163.165	43.267
Deferred tax income / (expense)			108.100	115.910
Deferred tax recognized under equity			3.134	3.988
Deferred tax asset			274.399	163.165

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

- II. Explanations and Notes Related to Liabilities (Continued)
- 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 September 2024, the Bank has totally 6,000,000,000 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 2023: 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 2023: None).
- d) Information on share capital increases from capital reserves during the current period: None (31 December 2023: 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 2023: 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.

g) Summary of the privileges granted to the shares representing the capital:

None (31 December 2023: None).

h) Information on marketable securities valuation reserve:

None (31 December 2023: None).

i) Information on extraordinary reserves:

	Current Period	Prior Period
Reserves appropriated by the General Assembly	4.007.944	2.451.602
Retained Earnings	-	-
Accumulated Losses	-	-
Foreign Capital Exchange Difference	-	-
Total	4.007.944	2.451.602

j) Information on past year profit distribution:

A decision was made at the General Assembly meeting held on June 6, 2024, to pay a dividend of 1.819.564 TRY to the shareholders. The dividend payments were made on June 26, 2024.

k) Information on minority shares:

None (31 December 2023: None).

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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 2023: 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.

	Current Period	Prior Period
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)	106.660.998	34.383.116
Total Non-Cash Loans	106.660.998	34.383.116

⁽¹⁾ These are the guarantees provided for Takasbank, Borsa Istanbul Futures and Options Market, Borsa Istanbul Money Market, Borsa Istanbul Swap Market, Securities Lending Market, Over-the-Counter Derivatives Market, Equity Market, and Debt Securities Market transactions.

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Information on sectorial risk breakdown of non-cash loans:

	Current Period			Prior Period				
	TRY	(%)	FC	(%)	TRY	(%)	FC	(%)
Agricultural	_	_	-	_	_	_	-	_
Farming and Livestock	-	-	-	-	-	-	-	-
Forestry	-	-	-	-	-	-	-	-
Fishery	-	-	-	-	-	-	-	-
Industry	-	-	-	-	-	-	-	-
Mining and Quarry	-	-	-	-	-	-	-	-
Manufacturing Industry	-	-	-	-	-	-	-	-
Electric, Gas and Water	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Services	106.660.998	100	-	-	34.383.116	100	-	-
Wholesale and Retail Trade	-	-	-	-	-	-	-	-
Hotel, Food and Beverage Services	-	-	-	-	-	-	-	-
Transportation and								
Telecommunication	-	-	-	-	-	-	-	-
Financial Institutions	106.660.998	100	-	-	34.383.116	100	-	-
Real Estate and Renting Services	-	-	-	-	-	-	-	-
Self-employment Services	-	-	-	-	-	-	-	-
Education Services	-	-	-	-	-	-	-	-
Health and Social Services	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total	106.660.998	100	_	_	34.383.116	100	_	_

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

III. Explanations and Notes Related to the Off-Balance Sheet Accounts (Continued)

1. Information on off-balance sheet liabilities: (Continued)

Information on Group I and II non-cash loans:

	Group I	Group I		Group II	
	TRY	FC	TRY	FC	
Non-cash loans	106.660.998	_	_	-	
Letters of Guarantee	-	-	-	-	
Aval and Acceptance Credits	-	-	-	-	
Letters of Credit	-	-	-	-	
Endorsements	-	-	-	-	
Purchase Guarantees for Securities Issuance	-	-	-	-	
Factoring Commitments	-	-	-	-	
Other Commitments and Contingencies	106.660.998	-	-	-	

- b.2) Guarantees, temporary guarantees, collateral and other warranties: None (31 December 2023: None).
- b.3) Explanation of irrevocable commitments:

Other Irrevocable Commitments:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Capital commitment for the Futures and Options Market (as the Bank is the Central Counterparty) Capital commitment for the Securities Lending Market (as the Bank is the Central Counterparty)	725.828	-	110.933	-
counterparty services)	5.002	-	2.778	-
Capital commitment for the Money Market (as the Bank is the Central Counterparty) counterparty				
services (CCP))	802	-	237	-
Capital commitment for the Equity Market (as the Bank is the Central Counterparty)	46.012	-	6.568	-
Capital commitment for the Debt Securities Market (as the Bank is the Central Counterparty) (Bank is				
central counterparty services)	259.944	-	26.649	-
Capital commitment for the Swap Market (as the Bank is the Central Counterparty)	275.782	-	56.971	-
Capital commitment for the Over-the-Counter Market (as the Bank is the Central Counterparty)	5.294	-	1.597	-
Capital commitment for the Takasbank Payment System Market	147.729	-	3.158	-
Total	1.466.393	_	208.891	

c) Disclosure of Allocations:

	Current Period		Prior Period	od
	TRY	FC	TRY	FC
Capital commitment for the Futures and Options Market (as the Bank is the Central Counterparty) Capital commitment for the Securities Lending Market (as the Bank is the Central Counterparty)	393.669	-	354.341	-
counterparty services)	2.713	-	8.875	-
Capital commitment for the Money Market (as the Bank is the Central Counterparty) counterparty				
services (CCP))	435	-	757	-
Capital commitment for the Equity Market (as the Bank is the Central Counterparty)	24.955	-	20.978	-
Capital commitment for the Debt Securities Market (as the Bank is the Central Counterparty) (Bank is				
central counterparty services)	140.986	-	85.119	-
Capital commitment for the Swap Market (as the Bank is the Central Counterparty)	149.576	-	181.972	-
Capital commitment for the Over-the-Counter Market (as the Bank is the Central Counterparty)	2.871	-	5.100	-
Capital commitment for the Takasbank Payment System Market	80.123	-	10.089	-
Total	795.328	-	667.231	

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

III. Explanations and Notes Related to the Off-Balance Sheet Accounts (Continued)

1. Information on off-balance sheet liabilities: (Continued)

d) Explanation related to Guarantees

The total valuation of the market collateral in the markets where the Bank is the Central Counterparty is TRY 209.256.041 Thousand (31 December 2023: TRY 89.055.168), the total of the valuated guarantee fund is TRY 13.560.022 Thousand (31 December 2023: TRY 6.252.008 Thousand).

e) Explanations Regarding Non-Cash Loans:

Takasbank guarantees transactions in the Borsa Istanbul Futures and Options Market, Borsa Istanbul Money Market, Borsa Istanbul Swap Market, Securities Lending Market, Over-the-Counter Derivatives Market, Equity Market, and Debt Securities Market as the central counterparty.

In the Borsa Istanbul Futures and Options Market, Borsa Istanbul Money Market, Borsa Istanbul Swap Market, Securities Lending Market, Over-the-Counter Derivatives Market, Equity Market, and Debt Securities Market, Takasbank sets limits for members, and there is a continuous collateral obligation for these limits. These collaterals are held by the bank as multiples of credit limits, determined based on their convertibility into cash.

f) Information related to investment securities held in custody:

The investment securities held in custody, TRY 10.253.417.976 (31 December 2023: TRY 7.029.357.526) of the TRY 10.253.192.566 (31 December 2023: TRY 7.029.132.092) balance of investment securities held in custody are investment funds as the other TRY 225.411 (31 December 2023: TRY 225.434) balance consists of share certificate held in custody

IV. Explanations and notes related to statement of profit or loss

1. Information on interest on loans:

a) Information on interest on loans:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Short-term loans	1.180.091	-	966.702	-
Medium/long-term loans	-	-	-	-
Interest on loans under follow-up	-	-	-	-
Premiums received from resource utilisation support fund	-	-	-	-
Total	1.180.091	-	966.702	-

b) Information on interest received from banks:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Central Bank of Turkey	11.095	-	84.816	1.915
Domestic banks	5.543.654	1.703.352	2.596.028	932.201
Foreign banks	-	3.292	-	3.521
Branches and head office abroad	-	-	-	-
Total	5.554.749	1.706.644	2.680.844	937.637

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations and Notes Related to the Statement of Profit or Loss (Continued)

1. Information on interest on loans (Continued)

c) Interest received from marketable securities portfolio

	Current Period		Prior Period	
	TRY	FC	TRY	FC
From financial assets at fair value through profit or loss	-	-	-	-
From financial assets at fair value through other comprehensive income	82.288	53.556	13.750	-
From financial assets measured at amortised cost	267.959	400.724	92.659	271.758
Total	350.247	454.280	106.409	271.758

d) Information on interest income received from associates and subsidiaries:

None (31 December 2023: None).

e) Other information:

None (31 December 2023: None).

2. Information on interest expense:

a) Information on interest paid on funds borrowed and repo transactions:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Banks	70.872	513.926	101.287	171.116
The Central Bank of Turkey	-	-	-	-
Domestic banks	70.872	513.926	101.287	171.116
Foreign banks	-	-	-	-
Branches and head office abroad	-	-	-	-
Other financial institutions	4	-	223	-
Total	70.876	513.926	101.510	171.116

b) Information on interest expense to associates and subsidiaries:

None (31 December 2023: None).

c) Information on interest expense to marketable securities issued:

None (31 December 2023: None).

d) Distribution of interest expense on deposits based on maturity of deposits:

None (31 December 2023: None).

3. Information on dividend income:

	Current Period	Prior Period
Financial assets at fair value through profit or loss	_	_
Financial assets at fair value through other comprehensive income	7.190	1.346
Other(MKK)	120.676	41.000
Total	127.866	42.346

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations and Notes Related to the Statement of Profit or Loss (Continued)

4. Information on net trading income:

	Current Period	Prior Period
Income	660.837	2.527.820
Gains on capital market operations	26.941	1.220
Foreign exchange gains	374.212	513.668
Gains on derivative financial instruments	259.684	2.012.932
Losses (-)	(757.386)	(2.757.773)
Losses on capital market operations	-	(22.724)
Foreign exchange losses	(596.164)	(2.680.009)
Losses on derivative financial instruments	(161.222)	(55.040)
Total (Net)	(96.549)	(229.953)

5. Information on other operating income:

Current Period	Prior Period
86.050	102.840
43.322	20.761
7.595	67.163
1.455	500
1.400	-
639	7.531
140.461	198.795
	86.050 43.322 7.595 1.455 1.400 639

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 2023: None).

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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	56.340	27.807
12 month expected credit loss (Stage 1)	56.340	27.807
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	56.340	27.807

7. Information on other operating expenses:

	Current Period	Prior Period
Personnel expenses ⁽¹⁾	1.435.397	685.977
Severance Pay Provision	21.445	8.117
Bank Social Assistance Fund Asset Deficit Provision	-	-
Tangible Asset Impairment Expenses	-	-
Tangible Fixed Asset Depreciation Expenses	53.754	26.698
Intangible Assets Impairment Expenses	-	-
Goodwill Impairment Expense	-	-
Intangible Assets Depreciation Expenses	43.233	25.889
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	501.683	244.976
Lease expenses related to TFRS 16 exceptions (2)	16.647	10.149
Maintenance and Repair Expenses	2.679	2.934
Advertising and Advertisement Expenses	48.877	26.194
Other expenses (4)	433.480	205.699
Losses from the Sale of Assets	336	68
Other (3)	710.480	1.308.486
Total	2.766.328	2.300.211

^{(1) &}quot;Personnel Expenses", which is a separate item in the profit or loss statement, is also included table above.

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^{(2) 31} December 2024 amounts include all operating lease expenses.

⁽³⁾ Other operating expenses consists of provisions for capital market board's share fee, legal claims and unused vacation.

⁽⁴⁾ The insurance expenses, heating, lighting expenses, communication, computer usage, auditing consulting, printed paper expenses, and other expenses are included.

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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:

a) The Bank presents deferred tax asset and the resulting deferred tax benefit in its financial statements.

	(2.440.502)	(4 540 430)
Current income tax charge	(3.449.592)	(1.510.430)
Deferred tax charge	108.100	115.910
Total	(3.341.492)	(1.394.521)
b) Deferred tax on temporary differences:		
	Current Period	Prior Period
CMB Provision	9.148	11.560
Provision for Severance Pay	5.743	7.127
Permit Provision	71.243	69.627
Litigation and Premium Provision	547	(241)
TFRS 9 Expected Loss Provisions	16.902	(1.329)
Internal Yield and Market Value Differences of Financial		
Assets Measured at Amortized Cost	4.646	10.024
Derivative Financial Asset	(6.178)	6.178
Differences Between Carrying Value of Fixed Assets and		
Tax Value	7.469	17.169
Interest Discounts	1.578	(126)
Deferred tax expense recognized under equity	(3.134)	(3.988)
Financial Leasing TFRS16	(20)	(91)
Financial Leasing-TFRS16	156	-
Total	108.100	115.910

Current Period

Prior Period

Reconciliation of tax provision:

	Current Period	Prior Period
Profit before tax	11.615.443	5.033.650
Corporate tax rate	30%	30%
Calculated tax	(3.484.633)	(1.510.095)
Additions	1.025.112	1.456.039
Deductions	(881.971)	(1.340.465)
Tax expense	(3.341.492)	(1.394.521)

9. Information on net profit/loss from continued and discontinued operations:

As of 31 December 2024, net profit after tax of the Bank is TRY8.273.951 (31 December 2023: TRY3.639.129)

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 2023: 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 2023: 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 2023: None).

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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:

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	Current Period	Prior Period
Other fees and commissions		
Commissions on options exchange	2.223.199	707.543
Service commisions	1.363.268	614.938
Custody commissions	904.409	489.460
Customer account maintenance commissions	291.466	151.928
Transfer commissions	76.202	46.722
Swift comissions	97.733	53.873
Bank transfer transactions	80.488	44.098
Funds transactions	41.165	20.012
Code Allocation/Inquiry Transactions	22.090	7.718
Other	345.118	161.583
Total	6.056.187	2.941.482

12. Information on Fees and Commissions Paid:

	Current Period	Prior Period	
C	470.054	112.010	
Commissions Paid to Banks	170.054	113.910	
Commissions Paid to Central Securities Depository	180.707	90.303	
Commissions Paid to Borsa İstanbul (BIST)	110.579	77.936	
Commissions Paid for EFT (Electronic Fund Transfer)	14.289	8.241	
Other commissions	1.784	904	
Fees and commissions expense	477.413	291.294	

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 2023: None).

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 TRY (1.613.659) (31 December 2023: TRY 84.195) 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 TRY 62.197.635 (31 December 2023: TRY 31.318.176) 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 TRY (323.704) (31 December 2023: TRY (38.871) consists of changes in sundry debtors and other assets.

The effect of changes in foreign currencies on cash and cash equivalents is TRY 203.648 (31 December 2023: TRY (107.194))

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

V. Explanations and Notes Related To Statement of Cash Flows (Continued)

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:

	Current Period	Prior Period
Beginning of the Period		
Cash	4.888.043	1.029.858
Cash in TRY/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
Receivables from Money Market	-	-
Total Cash and Cash Equivalents	114.444.541	79.463.164
Accruals (-)	(507.126)	(150.209)
Total cash and cash equivalents in cash flow statement	113.937.415	79.312.955
Closing of the Period	Current Period	Prior Period
Cash	26.000.913	4.888.043
Cash in TRY/Foreign Currency	162	87
Central Bank - Unrestricted amount	26.000.751	4.887.956
Other	-	-
Cash equivalents	151.542.194	109.556.498
Banks	150.410.602	109.556.498
Receivables from Money Market	1.131.592	-
Total Cash and Cash Equivalents	177.543.107	114.444.541
Accruals (-)	(593.128)	(507.126)
Total cash and cash equivalents in cash flow statement	176.949.979	113.937.415

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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:

	and entities un	Subsidiaries, associates and entities under common control (Joint Ventures)		The bank's direct and indirect shareholders		Other individuals and legal entities included in the risk group	
Bank's Risk Group	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash	
Loans and other receivables							
Balance at beginning of the period	-	-	840.953	17.831.604	-	-	
Balance at end of the period	-	-	1.080.253	59.941.822	-	-	
Interest and commission income	294.965	-	1.148.517	680.176	87.853	-	

b) Prior Period:

	Subsidiaries, associates and entities under common control (Joint Ventures)		The bank's direct and indirect shareholders		Other individuals and legal entities included in the risk group	
Bank's Risk Group	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and other receivables						
Balance at beginning of the period (1)	-	-	2.107.175	34.398.499	-	-
Balance at end of the period (1)	-	-	840.953	17.831.604	-	-
Interest and commission income	171.684	_	497.657	30.568	23.850	-

^{(1) 31} December 2023 amounts are expressed.

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 2023: None).
- b) Besides the structure of relationship, nature of the transaction, amount and ratio to the volume of transactions, amount of major items and ratio to all items, pricing policies and other factors: None (31 December 2023: None).
- c) In cases whereby separate disclosure is not necessary, the total of similar items in order to present the total impact on the financial statements: None (31 December 2023: None)
- d) Transactions accounted for under the equity method: None (31 December 2023: 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 2023: None).

c) Information on deposits belonging to the Bank's risk group The Bank is not authorised to accept deposits and there are no deposits belonging to the Bank's risk group as of the balance sheet date: None (31 December 2023: None).

d) Information on forward and option agreements and other similar agreements made with related parties: None (31 December 2023: None

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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			
Domostis hypnshas	1				
Domestic branches	<u> </u>	442			
			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

None.

SECTION SIX

I. Other Explanations and Notes

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 2024 were reviewed by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. and Independent Auditors' Report dated February 20, 2024 is presented in the introduction of this report.

II. Other Footnotes and Explanations Prepared by Independent Auditors

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.

	Current Period	Prior Period
Independent audit fee for the reporting period	3.176	1.552
Fee for other assurance services	2.477	1.391

⁽¹⁾ Amounts excluding VAT.





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