



**İstanbul Takas ve Saklama Bankası A.Ş.**

**1 JANUARY – 30 JUNE 2022**

**UNCONSOLIDATED**

**INTERIM ANNUAL REPORT**

## **Istanbul Takas ve Saklama Bankası A.Ş. 2022 II. Interim Period Annual Report**

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## **Evaluation of the Chairman of the Board of Directors for the Period**

Since the first quarter of 2022, the increasing supply constraints and the increase in demand, especially the high course of energy and food prices, caused an upward trend in the commodity index. The effects of the war between Russia and Ukraine, supply problems and the increase in the prices of crude oil, natural gas and coal due to the energy crisis caused by the disruption in the supply chain were the determining factors in these developments. The risk of a significant slowdown and even recession in global growth came to the fore. Possible new variants of Covid-19, China's difficulties in combating the epidemic and the war environment raise concerns for the remainder of 2022. Tightening monetary policies as part of the fight against inflation led to pricing the possibility of recession in financial markets. In this context, international organizations revised their growth expectations for 2022 and 2023 downwards. The International Monetary Fund has lowered its global growth forecasts for this year and next, warning that the world economy may be on the verge of a recession. In the updated Global Economic Outlook Report, it is reported that the world economy grew by 6.1% last year, while the economy is expected to grow by 3.2% this year and 2.9% next year.

Inflation is one of the most important agenda items of the global economy in 2022. The tightening of monetary policies by major central banks faster than expected increased the concerns about the course of economic activity. The rise in global inflation and the increase in recession concerns in advanced economies caused the global risk appetite to decline. The persistence of geopolitical risks and the volatile course of commodity prices also weakened the expectations for a recovery in the global risk appetite. It is seen that the economic sanctions against Russia and their repercussions also support the global economic disintegration, and the rise in energy, commodity and food prices becomes resistant. The announcements of the central banks of developed countries regarding interest rate hikes were followed, the Fed increased interest rates for the first time in 3 years in March, followed by the tightening moves, signing the most aggressive interest rate hike process seen since the early 1980s. In the face of record inflation, the European Central Bank also realized the first rate hike after 11 years, by 50 basis points, above the expectations.

According to the chained volume index, the Turkish economy grew by 7.3% on an annual basis in the first quarter of the year, in line with the market expectations, and maintained its strong performance throughout the past year, although it lost some momentum in the first quarter of this year. The contribution of private consumption expenditures came to the fore in the strong growth performance recorded in the first quarter of 2022. Demand, which was brought forward by the deterioration in inflation expectations, also played an important role in this development. However, the volatility in the long-term bond yields of developed countries and the course of global financial conditions keep the risks regarding portfolio flows to developing countries alive; It causes a fund outflow especially from the debt securities markets. In this process, capital flows to Turkey also moved in parallel with developing countries. In our country, the cumulative effects of the 68.47% increase in the exchange rate basket against the Turkish Lira in the last quarter of 2021 continue in 2022, the increasing energy commodity prices with the tension between Russia and Ukraine turning into a war, the global uncertainty environment, and the increases in import and international food prices, along with agricultural products around the world. Supply-side factors such as drought, ongoing disruptions in the supply process and the continued high course of transportation costs were the most important determinants of the rise in inflation. It is foreseen that the disinflationary process will begin with the re-establishment of the global peace environment, together with the steps taken to strengthen sustainable price stability and financial stability as of the beginning of 2022. In this context, it is estimated that the inflation will be 60.4% at the end of 2022, and will continue to decrease to 19.2% at the end of 2023 and to 8.8% at the end of 2024.

Takasbank effectively continued its services to the money and capital markets of our country in the first half of 2022, and carried out an effective management in line with international examples, especially in the management of risks and collaterals arising from the markets it serves as a central counterparty.

Our projects and initiatives to develop and diversify the services offered to the markets, especially the central counterparty service, are carried out in line with the demands of the sector and taking into account the needs

## **Evaluation of the Chairman of the Board of Directors for the Period (Continued)**

of our country. Efforts to strengthen our technological infrastructure continued in this period as well, in order to manage operational risks originating from IT and to continue to provide Takasbank services in a fast, effective and uninterrupted manner.

With its strategic perspective and effective management policies, our Bank has achieved a pre-tax profit of 865 million TL as of 30 June 2022, its asset size has reached 60.4 billion TL and its shareholders' equity has reached 4 billion TL. Thanks to our preparedness for risks and our technical competence, our business continuity will be maintained in the upcoming period, and new products and services will continue to be developed in harmony with the Group companies.

On behalf of myself and our Board of Directors, I would like to thank all our stakeholders, especially our employees and managers, who have contributed to the successful performance of our bank.

Best regards,

**Mahmut KAYACIK**  
Chairman of the Board of Directors

## Evaluation of the CEO for the Period

Takasbank continued to contribute to the development of Turkish capital markets and displayed a successful performance in the first six months of 2022, when an intense struggle was waged with the epidemic disease and the economic difficulties it caused in our country as well as in the rest of the world.

In the first six months of 2022, due to the increase in market transaction volumes and the widening in Takasbank's service profile, our fee and commission revenues increased significantly above the budget projections and the realizations in the same period last year and reached 530,354 million TL, and our profit before tax was 864,555. million TL. As of 30 June 2022, Takasbank's asset size has reached 60.4 billion TL, its shareholders' equity has reached 3.4 billion TL and its total cash collateral size has reached 65.5 billion TL.

Takasbank continues to operate uninterruptedly and effectively for all markets it serves.

As of 30 June 2022; In Borsa Istanbul (BİAŞ) Debt Securities Market Outright Purchases and Sales Market and Repo-Reverse Repo Market, a total of 6,589.72 billion TL transactions were realized, of which 53.28 billion TL was private sector bond transactions. Regarding the transactions in the market; As a result of multilateral netting in the Takasbank system, a total of 1,524.65 billion TL cash swap and 3,629.35 billion TL market value securities clearing transaction were realized. process.

5,527.35 billion TL transactions were realized in BİAŞ Equity Market, 189.57 billion TL cash and 767.26 billion TL securities swap transactions were realized.

As of 30 June 2022, the number of open positions in the Futures and Options Market was 14,595,861 and the open position value was 83.6 billion TL. Open position value in the OTC Market was 8.1 billion TL.

The transaction volume in Takasbank Money Market, one of the markets operated by Takasbank, reached TL 1.19 trillion in the six-month period, and the total number of transactions was 158,361. While the average daily transaction volume was 9.5 billion TL, the average transaction size was 7.5 million TL. In the Equity Lending Market, 53 different securities were traded in a six-month period, 2.14 billion transactions were realized on a unit basis, and the total transaction volume was 29.14 billion TL. The transaction volume in the Turkish Electronic Fund Trading Platform (TEFAS) was 169.3 billion in the six-month period TL, the number of funds traded was 409. While the average daily transaction volume was TL 1.4 billion, the number of transacting institutions was 91.

The transaction volume on the Private Pension Fund Trading Platform (BEFAS) was 1.1 billion TL in the six-month period, and the number of traded funds was 271. While the average daily transaction volume was TL 8.5 million, the number of transacting institutions was 15. Regarding private pension fund services; As of June 30, 2022, the fund asset value of 382 individual pension mutual funds stood at TL 299.47 billion. In the same period, total fund asset value of 1,102 mutual funds is 349.57 billion TL, total fund asset value of 105 real estate investment funds is 19.41 billion TL, total fund asset value of 168 venture capital investment funds is 24.46 billion TL, total fund asset value of 15 exchange traded funds The total net asset value of 10 securities investment trusts was 9.54 billion TL and 737.25 million TL.

Within the scope of the cash loan service offered by Takasbank to intermediary institutions, a daily average of 645.6 million TL of cash loans was extended.

In the six-month period of 2022, Takasbank continued its efforts to deepen the markets and strengthen its information technology infrastructure with its development activities for the management of financial risks, within the framework of its vision of “contributing to the development of markets with reliable and effective post-transaction services”.

## **Evaluation of the CEO for the Period (Continued)**

I would like to thank everyone, especially our employees, who contributed to the success of our Bank, which has shown a successful financial performance by maintaining its services effectively and uninterruptedly in these days when our country is going through a difficult period along with the rest of the world.

Best regards,

**Avşar R. SUNGURLU**  
General Manager  
Board Member

## Bank's Historical Development

The Bank which was originally established as a department of the Borsa İstanbul Inc. ("BİAŞ") and started its operations under the name of İMKB Takas ve Saklama A.Ş. on 12 July 1991 has been transformed to a non-deposit taking bank on 8 August 1995 with the name of İMKB Takas ve Saklama Bankası A.Ş. (ISE Settlement and Custody Bank Inc.) upon the resolution of the Council of Ministers No. 95/6551 published in the Official Gazette dated 23 March 1995. In its 18<sup>th</sup> Ordinary General Assembly dated 29 March 2013, the title of the Bank has been changed to İstanbul Takas ve Saklama Bankası A.Ş. (İstanbul Settlement and Custody Bank Inc.)

## Shareholding Structure

Takasbank's paid-in capital is 600 million TL. The Bank has 39 shareholders, and BİAŞ has 64.18%, 11 banks have 17.04% and 27 brokerage houses have 18.78% shares in its capital.

Shareholder Name	Paid-in-Capital (Thousand TL)	Percentage Share (%)
Borsa İstanbul A.Ş.	385,067	64.18
Tacirler Yatırım Menkul Değerler A.Ş.	30,000	5.00
Phillip Capital Menkul Değerler A.Ş.	30,000	5.00
Türkiye Garanti Bankası A.Ş.	29,685	4.95
Yapı Kredi Yatırım Menkul Değerler A.Ş.	26,280	4.38
Türkiye Vakıflar Bankası T.A.O.	26,235	4.37
Türkiye İş Bankası A.Ş.	26,235	4.37
Diğer (Aracı kurum)	26,397	4.40
Diğer (Banka)	20,101	3.35
<b>Total</b>	<b>600,000</b>	<b>100</b>

Names and shares of the real or legal persons holding more than 10% of the capital:

Title	Share Amount (Thousand TL)	Percentage Share (%)
Borsa İstanbul A.Ş.	385,067	64.18

Share transfer of our shareholders within the reporting period: None.

## Branch and Personnel Information

The Bank's number of employees is 310 and it does not have any branch. The Bank is operating as a Head Office

## Board of Directors, Auditors, CEO and Executive Vice Presidents

Chairman and Members of the Board of Directors	
Name Surname	Area of Responsibility
Mahmut Kayacık	President
Korkmaz Ergun	Vice President
Murat Tacir	Member (Risk Committee Chair - Audit Committee Member)
Gülseren Topuz	Member (Corporate Governance Committee Chair - Credit Committee Permanent Member)
Münevver Çetin	Member (Audit Committee Chair - Risk Committee Member)
Murat Onuk	Member (Credit Committee Permanent Member - Corporate Governance Committee Member)
Avşar R. Sungurlu	Member (General Manager - Credit Committee Chair)
Bekir Bayrakdar	Member (Remuneration Committee Chair - Credit Committee Substitute Member)
Yusuf Karaloğlu	Member (Remuneration Committee Member - Credit Committee Substitute Member)
CEO and Executive Vice Presidents	
Name Surname	Area of Responsibility
Avşar R. Sungurlu	General Manager and Board Member - Credit Committee Chair
Gökhan Elibol	Executive Vice President – Markets and Operation
Murat Görgün	Executive Vice President - Central Counterparty and Financial Services
Taşkın Öker	Executive Vice President – Information Technology

## Information Related to Transactions the Bank Performs Conducts with its Risk Group

As part of the transactions conducted with the risk group to which Takasbank belongs, the transactions executed with the Bank's major shareholder Borsa Istanbul and those conducted with the institutions in which the members of the Board of Directors of our Bank serve as general manager or board member are taken into account.

Bank's Risk Group	Subsidiaries, associates and entities under common control (Joint Venture) (Thousand TL)		Direct and indirect shareholders of the Bank (Thousands of TL)		Other real persons and legal entities included in the risk group (Thousand TL)	
	Cash	Non-Cash	Cash	Non-Cash	Non-Cash	Cash
Loans and Other Receivables						
Opening Balance at the Beginning of the Period	-	-	530,928	15,284,700	-	-
Closing Balance at the end of the Period	-	-	1,273,579	18,184,821	-	-
Received Interest and Commission Income	47		274,255	17,051	2	-



## Evaluation on the Bank's Financial Indicators and Performance

ASSETS (Thousand TL)	30 June 2022
<b>Financial Assets (net)</b>	<b>54,514,724</b>
<i>Cash and Cash Equivalents</i>	<b>54,510,392</b>
<i>Cash and Balances with Central Bank</i>	114
<i>Banks</i>	54,532,547
<i>Money Markets</i>	37,928
<i>Expected Loss Reserves (-)</i>	60,197
<i>Financial Assets at Fair Value Through Other Comprehensive Income</i>	<b>4,332</b>
<i>Derivative Financial Assets</i>	-
<b>Financial Assets Measured at Amortised Cost (net)</b>	<b>5,552,919</b>
<i>Loans</i>	1,437,563
<i>Other Financial Assets Measured at Amortised Cost</i>	4,117,537
<i>Expected Credit Losses (-)</i>	2,181
<b>Investments in Associates, Subsidiaries and Joint Ventures</b>	<b>4,825</b>
<b>Tangible Assets (net)</b>	<b>18,414</b>
<b>Intangible Assets and Goodwill (net)</b>	<b>118,757</b>
<b>Investment Properties (net)</b>	<b>46,250</b>
<b>Current Tax Assets</b>	-
<b>Deferred Tax Assets</b>	<b>22,180</b>
<b>Other Assests</b>	<b>99,208</b>
<b>Total Assets</b>	<b>60,377,277</b>
<b>LIABILITIES (Thousand TL)</b>	<b>30 June 2022</b>
<b>Loans Received</b>	<b>5,597,731</b>
<b>Payables to Money Markets</b>	<b>303,597</b>
<b>Funds</b>	<b>50,746,978</b>
<i>Other</i>	50,746,978
<b>Derivative Financial Liabilities</b>	-
<b>Lease Payables</b>	<b>1,330</b>
<b>Provisions</b>	<b>124,917</b>
<i>Provision for Employee Benefits</i>	<b>31,732</b>
<i>Other Provisions</i>	93,185
<b>Current Tax Liabilities</b>	156,354
<b>Deferred Tax Liability</b>	-
<b>Shareholders` Equity</b>	<b>3,446,370</b>
<b>Total Liabilities</b>	<b>60,377,277</b>

## Evaluation on the Bank's Financial Indicators and Performance (Continued)

Statement of Profit or Loss(Thousand TL)	30 June 2022
Interest Income	605,736
Interest Expense (-)	36,746
Net Interest Income/Expense	568,990
Net Fees and Commission Income/Expense	473,012
Dividend Income	29,446
Net Trading Income/Losses	6,736
Other Operating Income	718
Total Operating Profit	1,078,902
Expected Credit Losses (-)	22,840
Other Provisions (-)	49,175
Personnel Expenses (-)	87,674
Other Operating Expenses	54,658
Net Operating Profit/Loss	864,555
Provision for Taxes (-)	(205,886)
<b>Net profit/loss</b>	<b>658,669</b>
<b>Financial Ratios</b>	<b>30 June 2022</b>
Operating Income / Total Assets	1.43
Shareholders Equity / Total Assets	5.71
Operating Income / Shareholders Equity	25.09
Net Interest Income / Operating Income	52.74

## Evaluation on the Bank's Financial Indicators and Performance (Continued)

ASSETS (Thousand TL)	31 December 2021
<b>Financial Assets (Net)</b>	<b>38,847,283</b>
<i>Cash and Cash Equivalents</i>	<b>38,842,951</b>
<i>Cash Values and Central Bank</i>	67
<i>Banks</i>	38,852,237
<i>Receivables From Money Markets</i>	35,961
<i>Expected Loss Reserves (-)</i>	45,314
<b>Financial Assets at Fair Value Through Other Comprehensive Income</b>	<b>4,332</b>
<b>Derivative Financial Assets</b>	-
<b>Financial Assets Measured by Amortized Cost (Net)</b>	<b>5,408,398</b>
<i>Credits</i>	573,749
<i>Other Financial Assets Measured by Amortized Cost</i>	4,835,980
<i>Expected Loss Reserves (-)</i>	1,331
<b>Partnership Investments</b>	<b>4,825</b>
<b>Property, Plant and Equipment (Net)</b>	<b>7,621</b>
<b>Intangible Assets (Net)</b>	<b>116,214</b>
<b>Investment Properties (Net)</b>	<b>46,250</b>
<b>Current Tax Asset</b>	-
<b>Deferred Tax Asset</b>	<b>9,066</b>
<b>Other Assets</b>	<b>584,354</b>
<b>Total Assets</b>	<b>45,024,011</b>

LIABILITIES (Thousand TL)	31 December 2021
<b>Loans received</b>	<b>3,416,560</b>
<b>Debts to the Money Market</b>	<b>218,904</b>
<b>Funds</b>	<b>37,955,957</b>
<i>Other</i>	37,955,957
<b>Derivative Financial liabilities</b>	-
<b>Lease payables</b>	<b>2,033</b>
<b>Provisions</b>	<b>87,419</b>
<i>Provision for Employee Benefits</i>	20,409
<i>Other provisions</i>	66,740
<b>Current tax liabilities</b>	<b>106,506</b>
<b>Deferred tax liabilities</b>	-
<b>Shareholders' equity</b>	<b>3,236,902</b>
<b>Total Liabilities</b>	<b>45,024,011</b>

## Evaluation on the Bank's Financial Indicators and Performance (Continued)

Statement of Profit or Loss (Thousand TL)	30 June 2021
Interest Income	396,413
Interest Expense (-)	16,320
Net Interest Income/Expense	380,093
Net Fees and Commission Income/Expense	276,373
Dividend Income	14,463
Net Trading Income/Losses	3,520
Other Operating Income	721
Total Operating Profit	675,170
Expected Credit Losses (-)	4,962
Other Provisions (-)	23,957
Personnel Expenses (-)	44,709
Other Operating Expenses	34,087
Net Operating Profit/Loss	567,455
Provision for Taxes (-)	(136,829)
<b>Net Income/(Loss)</b>	<b>430,626</b>

Financial Ratios	30 June 2021
Operating Income / Total Assets	1.91
Shareholders Equity / Total Assets	9.33
Operating Income / Shareholders Equity	20.44
Net Interest Revenue / Operating Revenue	56.30

The size of the balance sheet which was 45,024,011 thousand TL at the end of 2021 reached 60,377,277 thousand TL as of end-June 2022. The banks account representing the highest amount in the assets increased by 40% and realized as 54,532,547 thousand TL.

While the funds item holding the most important place in the liabilities of the Bank was 37,955,957 thousand TL at the end of the previous year, it increased by 34% and reached 50,746,978 thousand TL.

On the other hand, the obtained loans item of the bank loans received from 3,416,560 thousand TL to 5,597,731 thousand TL with an increase of 64%

As of the end of second quarter of 2022, the Bank has a pre-tax profit of 864,555 thousand TL and after-tax profit of 658,669 thousand TL.

An interest income of 605,736 thousand TL is earned as of end-June 2022, where 459,221 thousand TL interest is collected from the banks, 87,997 thousand TL interest is collected from the securities and 57,931 thousand TL is collected from the loans and 587 thousand TL results from other interest income. Total interest expense for this period was realized as 36,746 thousand TL.

The Bank earned 530,354 thousand TL commission income as a result of the services it provides and paid 57,342 thousand TL commission for its Turkish Lira and foreign currency denominated transactions. As of end-June 2022, net fee and commission income was realized as 473,012 thousand TL.