



İstanbul Takas ve Saklama Bankası A.Ş.

1 JANUARY – 30 SEPTEMBER 2024

UNCONSOLIDATED

INTERIM ANNUAL REPORT

Istanbul Takas ve Saklama Bankası A.Ş. 2024 III. Interim Period Annual Report

TABLE OF CONTENTS

Title.....	Page
Evaluation of the Chairman of the Board of Directors for the Period	3-4
Evaluation of the CEO for the Period	5-6
Bank's Historical Development	7
Shareholding Structure.....	7
Branch and Personnel Information	7
Board of Directors, Auditors, CEO and Executive Vice Presidents	8
Information about the transactions conducted by the Bank with its Risk Group.....	8
Analysis of the Bank's Financial Indicators and Performance	9-12

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

The main agenda of the global economy, which started 2024 with economic and geopolitical uncertainties, was the inflation rates and the interest rate decisions to be taken accordingly in the third quarter of the year. In its latest report, the International Monetary Fund stated that global economic growth will remain stable but weak, and kept its growth forecast at 3.2% for this year. The Organization for Economic Co-operation and Development (OECD) stated that the global economy remained resilient in the first half of 2024 and inflation continued its moderate course. OECD revised its growth forecast for this year upwards by 0.1 points, increasing it to 3.2%.

In the US economy, where soft landing scenarios were discussed throughout the year, data on the employment market and inflation were followed in the third quarter. In light of these data, the US Federal Reserve (Fed) cut interest rates for the first time since 2020 at its September meeting, reducing the policy rate by 50 basis points. Thus, the policy rate decreased to the range of 4.75%-5.00%. In the decision text of the meeting, evaluations that the employment market was slowing down came to the fore. At a time when uncertainty remains high due to the impact of the presidential elections to be held in the USA in November, the Fed is expected to make another 25 basis point interest rate cut by the end of 2024.

While soft landing scenarios for the US economy are getting stronger towards the end of the third quarter, recession discussions for the Euro Zone continue. While the Eurozone economy grew at a low rate of 0.2% in the second quarter of 2024, Germany, the largest economy in the region, unexpectedly shrank by 0.1% on a quarterly basis. The European Central Bank continued its interest rate cuts, which it started in June after 5 years, in its meetings in September and October and reduced the interest rate to 3.25%.

During this period, the Chinese economy, struggling with the negative outlook in the real estate sector and the weak course of domestic demand conditions, performed below the growth target of 4.6% on an annual basis in the third quarter of the year. Demonstrating that it will support the economy with the expansionary steps it has taken, the Central Bank of China announced the most comprehensive incentive package since the pandemic to achieve the country's 5% growth target. On the other hand, the Bank of Japan (BoJ), which ended its expansionary monetary policy in March, started the third quarter of the year with an interest rate increase. At its meeting held at the end of July, BoJ increased the short-term reference interest rate from 0-0.1% to 0.25%.

Economy of Turkey grew by 2.5% on an annual basis in the second quarter of 2024. While the contribution of private consumption expenditures to growth continued to decrease in the second quarter, the contribution of investment expenditures was limited. The contribution of net exports to growth in the relevant period was 1.3 points. There was an improvement in the foreign trade balance in the third quarter. The nine-month foreign trade deficit of 2024 decreased by 31.5% to 60.1 billion dollars. In the third quarter, when inflation continued to be the main agenda in the economy, the Central Bank maintained its tight stance with the macroprudential measures it implemented. During this period, Fitch increased Turkey's credit rating by one notch to "BB-" and reduced its credit rating outlook from "positive" to "stable". Moody's stated that it increased Turkey's rating by two notches from B3 to B1 and maintained its credit rating outlook as "positive".

Takasbank effectively continued its services to our country's money and capital markets in the third quarter of 2024, and carried out an effective management in line with international examples, especially in the management of risks and guarantees arising from the markets in which it serves as a central counterparty.

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

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

With its strategic perspective and effective management policies, our Bank has achieved a pre-tax profit of TRY8.5 billion as of September 30, 2024, its asset size has reached TRY180.3 billion, and its equity has reached TRY11.5 billion. Thanks to our preparedness against risks and technical competence, our business continuity will be maintained in the coming period, and new products and services will continue to be developed in harmony with 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 a share in 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 nine months of 2024, 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 nine months of 2024, due to the increase in market transaction volumes and the expansion of Takasbank's service profile, our fee and commission income increased significantly compared to the same period last year, reaching TRY4 billion, while our pre-tax profit was TRY8.5 billion. As of September 30, 2024, Takasbank's asset size reached TRY180.3 billion, its equity capital reached TRY11.5 billion, and its total cash collateral reached TRY135 billion.

As of September 30, 2024; A total of TRY99,698.38 billion transactions were realized in the Borsa Istanbul (BİAŞ) Debt Securities Market Outright Purchases and Sales Market and Repo-Reverse Repo Market, TRY139.33 billion of which were private sector bond transactions. Regarding the transactions realized in the market; As a result of multilateral netting in the Takasbank system, TRY21,252.37 billion cash swap and TRY52,885.54 billion market value securities swap transactions were realized. A total of TRY6,234.89 billion bilateral transactions were realized in the BİAŞ Swap Market, of which TRY178.99 billion were USD and EUR transactions were 11.28 billion.

TRY26,903.89 billion of transactions were realized in the BİAŞ Equity Market, TRY991.65 billion of cash and TRY4,235.37 billion of securities swap transactions were carried out.

As of September 30, 2024, the number of open positions in the Futures and Options Market was TRY14.01 million and the value of open positions was TRY187.98 billion. The nine-month open position value in the OTC Market was TRY26.10 billion.

The transaction volume in Takasbank Money Market reached TRY7,728.3 billion in the nine-month period, with a total transaction number of 305,675. The average daily transaction volume was TRY41.9 billion, while the average transaction size was TRY25.3 million .

The transaction volume on the Turkey Electronic Fund Trading Platform (TEFAS) was TRY4,021.23 billion in the nine-month period, and the number of funds traded was 691. The average daily transaction volume was TRY21.7 billion, while the number of institutions trading was 115.

The transaction volume on the Individual Pension Fund Trading Platform (BEFAS) was TRY38.05 billion in the nine-month period, and the number of funds traded was 289. The average daily transaction volume was TRY205.7 million, while the number of institutions trading was 15.

Regarding individual retirement fund services; As of September 30, 2024, the fund asset value of 381 individual retirement investment funds was realized as TRY1.131 billion. In the same period, the total fund asset value of 1,769 investment funds was TRY3,510.33 billion, the total fund asset value of 200 real estate investment funds was TRY103.44 billion, the total fund asset value of 377 venture capital investment funds was TRY191.97 billion, the total fund asset value of 23 stock exchange investment funds was TRY94.58 billion, and the total net asset value of 10 securities investment trusts was TRY1.63 billion.

Evaluation of the CEO for the Period (Continued)

Within the scope of the cash loan service offered by Takasbank to intermediary institutions, an average of TRY2.3 billion cash loans were provided daily.

In the nine-month period of 2024, 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”.

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,

Dr. Yunus ARINCI
General Manager
Board Member

Bank's Historical Development

The Bank was originally set up as a department of the Borsa İstanbul A.S. ("BIAS") (formerly "İstanbul Menkul Kıymetler Borsası") 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 Bankası 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 İstanbul Takas ve Saklama Bankası 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 İstanbul" with the resolution of the ordinary general meeting dated 9 June 2017 and numbered 22.

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
Total	600,000	100

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 has a total of 437 employees and does not have any branches. The Bank is operating as Head Office.

Board of Directors, Auditors, CEO and Executive Vice Presidents

Chairman and Members of the Board of Directors	
Name Surname	Area of Responsibility
Dr.Mahmut Kayacık	Chairman
Korkmaz Ergun	Deputy Chairman of the Board
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)
Dr.Yunus Arıncı ⁽¹⁾	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
Dr.Yunus Arıncı ⁽¹⁾	General Manager and Board Member - Credit Committee Chair
Gökhan Elibol	Vice President – Markets and Operation
Murat Görgün	Vice President - Central Counterparty and Financial Services
Taşkın Öker	Vice President – Information Technology

⁽¹⁾ 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.

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	-	-	840,953	17,831,604	-	-
Closing Balance at the end of the Period	-	-	1,468,860	51,041,755	-	-
Received Interest and Commission Income	212,602	-	1,037,480	95,220	44,947	-

Evaluation on the Bank's Financial Indicators and Performance

ASSETS (Thousand TL)	30 September 2024
Financial Assets (net)	166,648,223
<i>Cash and Cash Equivalents</i>	164,866,876
<i>Cash and Balances with Central Bank</i>	22,004,320
<i>Banks</i>	142,962,296
<i>Money Markets</i>	-
<i>Expected Loss Reserves (-)</i>	99,740
<i>Financial Assets at Fair Value Through Profit/Loss</i>	1,754,367
<i>Financial Assets at Fair Value Through Other Comprehensive Income</i>	9,168
<i>Derivative Financial Assets</i>	17,812
Financial Assets Measured at Amortised Cost (net)	12,072,268
<i>Loans</i>	2,467,380
<i>Other Financial Assets Measured at Amortised Cost</i>	9,612,499
<i>Expected Credit Losses (-)</i>	7,611
Investments in Associates, Subsidiaries and Joint Ventures	4,825
Tangible Assets (net)	188,688
Intangible Assets and Goodwill (net)	290,427
Investment Properties (net)	244,470
Current Tax Assets	-
Deferred Tax Assets	219,076
Other Assests	613,172
Total Assets	180,281,149
LIABILITIES (Thousand TL)	30 September 2024
Loans Received	9,217,582
Payables to Money Markets	-
Funds	157,818,063
<i>Other</i>	157,818,063
Derivative Financial Liabilities	-
Lease Payables	-
Provisions	559,696
<i>Provision for Employee Benefits</i>	165,594
<i>Other Provisions</i>	394,102
Current Tax Liabilities	1,166,964
Deferred Tax Liability	-
Shareholders` Equity	11,518,844
Total Liabilities	180,281,149

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

Statement of Profit or Loss (Thousand TL)	30 September 2024
Interest Income	6,934,694
Interest Expense (-)	393,847
Net Interest Income/Expense	6,540,847
Net Fees and Commission Income/Expense	3,967,843
Dividend Income	127,866
Net Trading Income/Losses	(296,241)
Other Operating Income	68,776
Total Operating Profit	10,409,091
Expected Credit Losses (-)	-
Other Provisions (-)	416,120
Personnel Expenses (-)	986,291
Other Operating Expenses	507,220
Net Operating Profit/Loss	8,499,460
Provision for Taxes (-)	(2,434,554)
Net Income/(Loss)	6,064,906

Financial Ratios	30 September 2024
Operating Income / Total Assets	4.71
Shareholders Equity / Total Assets	6.39
Operating Income / Shareholders Equity	73.79
Net Interest Income / Operating Income	62.84

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

ASSETS (Thousand TL)	31 December 2023
Financial Assets (Net)	114,427,976
<i>Cash and Cash Equivalents</i>	<i>114,328,884</i>
<i>Cash Values and Central Bank</i>	<i>4,888,043</i>
<i>Banks</i>	<i>109,556,498</i>
<i>Receivables From Money Markets</i>	-
<i>Expected Loss Reserves (-)</i>	<i>115,657</i>
Financial Assets at Fair Value Reflected in Profit or Loss	39,647
Financial Assets at Fair Value Through Other Comprehensive Income	4,332
Derivative Financial Assets	55,113
Financial Assets Measured by Amortized Cost (Net)	5,733,328
<i>Credits</i>	<i>1,795,481</i>
<i>Other Financial Assets Measured by Amortized Cost</i>	<i>3,942,329</i>
<i>Expected Loss Reserves (-)</i>	<i>4,482</i>
Partnership Investments	4,825
Property, Plant and Equipment (Net)	149,948
Intangible Assets (Net)	202,858
Investment Properties (Net)	244,470
Current Tax Asset	-
Deferred Tax Asset	163,165
Other Assets	414,444
Total Assets	121,341,014

LIABILITIES (Thousand TL)	31 December 2023
Loans received	5,651,092
Debts to the Money Market	-
Funds	107,269,763
<i>Other</i>	<i>107,269,763</i>
Derivative Financial liabilities	-
Lease payables	80
Provisions	425,099
<i>Provision for Employee Benefits</i>	<i>93,236</i>
<i>Other provisions</i>	<i>331,863</i>
Current tax liabilities	714,218
Deferred tax liabilities	-
Shareholders' equity	7,280,762
Total Liabilities	121,341,014

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

Statement of Profit or Loss (Thousand TL)	30 September 2023
Interest Income	3,151,867
Interest Expense (-)	211,385
Net Interest Income/Expense	2,940,482
Net Fees and Commission Income/Expense	1,749,197
Dividend Income	41,000
Net Trading Income/Losses	63,256
Other Operating Income	95,576
Total Operating Profit	4,889,511
Expected Credit Losses (-)	31,937
Other Provisions (-)	183,544
Personnel Expenses (-)	482,137
Other Operating Expenses	1,077,225
Net Operating Profit/Loss	3,114,668
Provision for Taxes (-)	(854,054)
Net Income/(Loss)	2,260,614

Financial Ratios	30 September 2023
Operating Income / Total Assets	2.57
Shareholders Equity / Total Assets	4.87
Operating Income / Shareholders Equity	52.79
Net Interest Revenue / Operating Revenue	60.14

The balance sheet size, which was TRY121,341,014 as of the end of 2023, became TRY180,281,149 as of the end of September 2024. The bank account, which is seen as the highest amount in assets, was TRY142,962,296. The credit account item, which was TRY1,795,481 at the end of the previous year, increased by 37% to TRY2,467,380.

The funds received item, which holds the most important place among the bank's liabilities, increased by 47% from TRY107,269,763 at the end of the previous year to TRY157,818,063.

The balance of the bank's borrowings item, which was TRY5,651,092 at the end of the previous year, became TRY9,217,582 as of this period.

The bank made a pre-tax profit of TRY8,499,460 and a post-tax profit of TRY6,064,906 as of the end of the third quarter of 2024.

As of the end of September 2024, the interest income of TRY6,934,694 consists of TRY5,483,438 from banks, TRY541,139 from securities, TRY890,875 from loans and TRY19,242 from other interest income. The total interest expenses for this period amounted to TRY393,847.

The bank earned a commission income of TRY4,313,232 due to the services it provided and paid a commission of TRY344,888 for Turkish lira and foreign currency transactions. As of the end of September 2024, net fee and commission income was TRY3,967,843.