

**İSTANBUL TAKAS VE SAKLAMA BANKASI
ANONİM ŞİRKETİ**

**INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS OF
31 MARCH 2024 TOGETHER WITH INDEPENDENT AUDITOR'S
REVIEW REPORT**

**(Convenience translation at publicly announced unconsolidated
financial statements and related disclosures originally issued in
Turkish)**



AUDITOR'S REVIEW REPORT ON INTERIM FINANCIAL INFORMATION

Convenience translation of the independent auditor's review report originally issued in Turkish, See Note I of Section Three)

To the General Assembly of İstanbul Takas ve Saklama Bankası Anonim Şirketi;

Introduction

We have reviewed the accompanying unconsolidated balance sheet of İstanbul Takas ve Saklama Bankası Anonim Şirketi ("the Bank") at 31 March 2024 and the related unconsolidated statement of profit or loss, unconsolidated statement of profit or loss and other comprehensive income, unconsolidated statement of changes in shareholders' equity, unconsolidated statement of cash flows and a summary of significant accounting policies and other explanatory notes to the unconsolidated financial statements for the three-month period then ended. The Bank Management is responsible for the preparation and fair presentation of interim financial information 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 Accounting Standard 34 "Interim Financial Reporting" for those matters not regulated by the aforementioned regulations. Our responsibility is to express a conclusion on these interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, "Limited Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial reporting process, and applying analytical and other review procedures. A review of interim financial information is substantially less in scope than an independent audit performed in accordance with the Independent Auditing Standards and the objective of which is to express an opinion on the financial statements. Consequently, a review of the interim financial information does not provide assurance that the audit firm will be aware of all significant matters which would have been identified in an audit. Accordingly, we do not express an opinion.



Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated financial information does not present fairly in all material respects the unconsolidated financial position of İstanbul Takas ve Saklama Bankası Anonim Şirketi at 31 March 2024 and its unconsolidated financial performance and its unconsolidated cash flows for the three-month period then ended in accordance with the BRSA Accounting and Financial Reporting Legislation.

Report on other regulatory requirements arising from legislation

Based on our review, nothing has come to our attention that causes us to believe that the financial information provided in the accompanying interim activity report in Section Seven, is not consistent with the reviewed unconsolidated financial statements and disclosures in all material respects.

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 March 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.

Zeynep Uras, SMMM
Independent Auditor

Istanbul, 14 May 2024

**CONVENIENCE TRANSLATION
OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH,
SEE NOTE I OF SECTION THREE**

**THE THREE MONTHS UNCONSOLIDATED FINANCIAL REPORT OF
İSTANBUL TAKAS VE SAKLAMA BANKASI A.Ş. AS OF 31 MARCH 2024**

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The unconsolidated financial report for the three month period ended prepared in accordance with the "Communiqué on the Financial Statements and Related Policies and Disclosures to be Publicly Announced" as regulated by the Banking Regulation and Supervision Agency, is consist of the section listed below:

- 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
- LIMITED REVIEW REPORT
- INTERIM ACTIVITY REPORT

The accompanying unconsolidated financial statements and notes to these financial statements for the three month period ended which are expressed, unless otherwise stated, in thousands of Turkish Lira have been prepared and presented based on the accounting books of the Bank in accordance with the Regulation on the Principles and Procedures Regarding Banks' Accounting and Keeping of Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards, and related appendices and interpretations of these, and have been independently reviewed.

Mahmut KAYACIK
Chairman of the Management Board

Münevver ÇETİN
Head of the Audit Committee

Murat TACİR
Member of the Audit Committee

Avşar R. SUNGURLU
General Manager
Board Member

Murat GÖRGÜN
Executive Vice President

Oya DEMİRDAĞ
Director

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

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**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024**

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

SECTION ONE

GENERAL INFORMATION

I. Bank's establishment date, start-up statute, history about the changes in this mentioned statute:

The Bank was originally set up as a department of the Borsa İstanbul A.Ş. ("BİAŞ") (formerly "İstanbul Menkul Kıymetler Borsası") and reorganized under a separate company named İMKB Takas ve Saklama A.Ş. on 12 July 1991, was transformed into a non-deposit taking bank on 8 August 1995 with the name İMKB Takas ve Saklama Bankası A.Ş., as published in the Official Gazette dated 23 March 1995 with the decision of the Council of Ministers No. 95/6551. According to the decision made in 18th Ordinary Meeting of the Bank General Assembly dated 29 March 2013, title of the Bank has been changed into Istanbul Takas ve Saklama Bankası A.Ş. (Here in after referred to as "Takasbank" or the "Bank") and this title change was approved in 11 April 2013. The name of the Bank has been renovated as "Takasbank" or "Takas İstanbul" 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 March 2024 and 31 December 2023, the shareholders' structure and their respective ownerships are summarized as follows:

No Name of Shareholders	Current Period			Prior Period		
	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 Bankası 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 BİAŞ. BİAŞ was established on the date of the entry into force of the Law to carry out stock market activities in accordance with Article 138 of the Capital Markets Law No. 6362, which was published in the Official Gazette on 30 December 2012 and entered into force. BİAŞ shall ensure that capital market instruments, foreign exchange and precious metals and precious stones and other contracts, documents and valuables deemed appropriate by the Capital Markets Board can be bought and sold in a transparent, effective, competitive, honest and stable environment easily and safely under the conditions of free competition markets, platforms and systems and other organized market places to facilitate the gathering of these orders and to determine and announce the prices that are formed and to establish and establish and maintain these and other stock exchanges or other market places is an institution with private legal entity established on the basis of the Capital Markets Law No. 6362 to manage and/or operate the markets of the stock exchanges.

Dividend payment

As of the report date, no dividend payment has been made since the Bank's Ordinary General Assembly meeting has not yet been held.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024**

(Amounts expressed in Thousands of Turkish Lira (TL) 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:

Chairman and Members of the Board of Directors

Name Surname	Area of Responsibility	Education Status
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 Marmara University / Institute of Social Sciences / History of Economics / PhD
Avşar R. Sungurlu	Member (General Manager -Chairman of the Credit Committee)	Middle East Technical University / Faculty of Engineering / Aerospace Engineering / Bachelor's Degree Middle East Technical University / Institute of Natural and Applied Sciences / Aeronautical Engineering / Master's Degree Long Island University / Graduate School / Business Administration / Master's Degree
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 (Member of the Remuneration Committee – Reserve Member of the Credit Committee)	Istanbul University / Faculty of Political Sciences / Public Administration / Undergraduate Duke University / Development Policy/Master's Degree
Yusuf Karaloğlu	Member (Member of the Remuneration Committee – Reserve Member of the Credit Committee)	Uludag University / Faculty of Economics and Administrative Sciences / Business Administration / Bachelor's Degree Erzincan University / Institute of Social Sciences / Public Law / 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

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024**

(Amounts expressed in Thousands of Turkish Lira (TL) 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 Assistant General Managers

Name-Surname	Area of Responsibility	Education Status
Avşar R. Sungurlu	General Manager Chairman of the Credit Committee	Middle East Technical University / Faculty of Engineering / Aerospace Engineering / Bachelor's Degree Middle East Technical University / Institute of Natural and Applied Sciences / Aeronautical Engineering / Master's Degree Long Island University / Graduate School / Business Administration / Master's Degree
Gökhan Elibol	Vice President – Markets and Operations	Ankara University / Faculty of Political Sciences / Finance / Bachelor's Degree Beykent University / Faculty of Law / Law / Bachelor's Degree
Murat Görgün	Vice President – Central Counterparty and Financial Services	Middle East Technical University / Faculty of Economics and Administrative Sciences / International Relations / Bachelor's Degree Marmara University / Institute of Banking and Insurance / Banking / Master's Degree
Taşkın Öker	Vice President – Information Technologies	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:

In accordance with the Bank's Articles of Association, the shareholding of shareholders other than BİAŞ cannot exceed 5%. The share of BİAŞ is 64.18%. The Bank has no preferred shares as of March 31, 2024 (December 31, 2023: None).

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. The existing or potential, actual or legal obstacles on immediate transfer of equity or reimbursement of liabilities between the bank and its subsidiaries:

None (31 December 2023:None).

SECTION TWO

UNCONSOLIDATED FINANCIAL STATEMENTS

- I. Balance Sheet (Statement of Financial Position)
- II. Statement of Off-balance Sheet Commitments
- 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

UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) AT 31 MARCH 2024
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION TWO

I. BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)

ASSETS	Note	Reviewed Current Period			Audited Prior Period		
		31 March 2024			31 December 2023		
		TL	FC	Total	TL	FC	Total
I. FINANCIAL ASSETS (NET)		103,120,341	49,914,333	153,034,674	84,444,258	29,983,718	114,427,976
1.1 Cash and Cash Equivalents		103,063,403	49,043,614	152,107,017	84,345,827	29,983,057	114,328,884
1.1.1 Cash and Balances with Central Bank	I-(1)	8,000,173	-	8,000,173	1,958	4,886,085	4,888,043
1.1.2 Banks	I-(3)	95,212,614	49,043,614	144,256,228	84,459,526	25,096,972	109,556,498
1.1.3 Money Markets	I-(3)	-	-	-	-	-	-
1.1.4 Expected Loss Provision (-)	I-(3)	149,384	-	149,384	115,657	-	115,657
1.2 Financial Assets at Fair Value Through Profit or Loss	I-(2)	41,675	870,058	911,733	39,647	-	39,647
1.2.1 Government Debt Securities		39,320	-	39,320	37,291	-	37,291
1.2.2 Equity Instruments		-	-	-	-	-	-
1.2.3 Other Financial Assets		2,355	870,058	872,413	2,356	-	2,356
1.3 Financial Assets at Fair Value Through Other Comprehensive Income	I-(4)	3,671	661	4,332	3,671	661	4,332
1.3.1 Government Debt Securities		-	-	-	-	-	-
1.3.2 Equity Instruments		3,671	661	4,332	3,671	661	4,332
1.3.3 Other Financial Assets		-	-	-	-	-	-
1.4 Derivative Financial Assets	I-(5)	11,592	-	11,592	55,113	-	55,113
1.4.1 Derivative Financial Assets at Fair Value Through Profit or Loss		11,592	-	11,592	55,113	-	55,113
1.4.2 Derivative Financial Assets at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
II. FINANCIAL ASSETS MEASURED AT AMORTISED COST (Net)		2,848,409	4,292,685	7,141,094	2,353,445	3,379,883	5,733,328
2.1 Loans	I-(6)	2,285,076	-	2,285,076	1,795,481	-	1,795,481
2.2 Lease Receivables	I-(11)	-	-	-	-	-	-
2.3 Factoring Receivables		-	-	-	-	-	-
2.4 Financial Assets Measured at Amortised Cost	I-(7)	570,232	4,292,685	4,862,917	562,446	3,379,883	3,942,329
2.4.1 Government Debt Securities		501,662	416,196	917,858	499,958	1,363,748	1,863,706
2.4.2 Other Financial Assets		68,570	3,876,489	3,945,059	62,488	2,016,135	2,078,623
2.5 Expected Loss Provision (-)		6,899	-	6,899	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)		149,914	-	149,914	149,948	-	149,948
VI. INTANGIBLE ASSETS (Net)		240,295	-	240,295	202,858	-	202,858
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		240,295	-	240,295	202,858	-	202,858
VII. INVESTMENT PROPERTY (Net)	I-(12)	244,470	-	244,470	244,470	-	244,470
VIII. CURRENT TAX ASSET		-	-	-	-	-	-
IX. DEFERRED TAX ASSET	I-(14)	163,321	-	163,321	163,165	-	163,165
X. OTHER ASSETS (NET)	I-(15)	514,962	11,468	526,430	384,279	30,165	414,444
TOTAL ASSETS		107,286,537	54,218,486	161,505,023	87,947,248	33,393,766	121,341,014

The accompanying explanations and notes form an integral part of these unconsolidated financial statements.

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.
UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) AT 31 MARCH 2024

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

I. BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)

LIABILITIES	Note	Reviewed Current Period			Audited Prior Period		
		31 March 2024			31 December 2023		
		TL	FC	Total	TL	FC	Total
I. FUNDS COLLECTED							
II. FUNDS BORROWED	II-(2)	-	8,481,044	8,481,044	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)	96,105,787	46,249,806	142,355,593	75,603,169	31,666,594	107,269,763
5.1 Borrower Funds		-	-	-	-	-	-
5.2 Other		96,105,787	46,249,806	142,355,593	75,603,169	31,666,594	107,269,763
VI. FINANCIAL 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)	23	-	23	80	-	80
X. PROVISIONS	II-(5)	323,276	-	323,276	425,099	-	425,099
10.1 Restructuring Provisions		-	-	-	-	-	-
10.2 Reserve for Employee Benefits		143,190	-	143,190	93,236	-	93,236
10.3 Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4 Other Provisions		180,086	-	180,086	331,863	-	331,863
XI. CURRENT TAX LIABILITY	II-(6)	1,415,614	-	1,415,614	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)	8,929,473	-	8,929,473	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		(22,401)	-	(22,401)	(16,987)	-	(16,987)
16.4 Accumulated Other Comprehensive Income or Loss Reclassified Through Profit or Loss		-	-	-	-	-	-
16.5 Profit Reserves		2,999,537	-	2,999,537	2,999,537	-	2,999,537
16.5.1 Legal Reserves		324,163	-	324,163	324,163	-	324,163
16.5.2 Status Reserves		-	-	-	-	-	-
16.5.3 Extraordinary Reserves		2,451,602	-	2,451,602	2,451,602	-	2,451,602
16.5.4 Other Profit Reserves		223,772	-	223,772	223,772	-	223,772
16.6 Income or (Loss)		5,316,057	-	5,316,057	3,661,932	-	3,661,932
16.6.1 Prior Periods' Income or (Loss)		3,661,932	-	3,661,932	22,803	-	22,803
16.6.2 Current Period Income or (Loss)		1,654,125	-	1,654,125	3,639,129	-	3,639,129
16.7 Share Premium		-	-	-	-	-	-
TOTAL LIABILITIES AND EQUITY		106,774,173	54,730,850	161,505,023	84,153,164	37,187,850	121,341,014

The accompanying explanations and notes form an integral part of these unconsolidated financial statements.

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.
UNCONSOLIDATED OFF-BALANCE SHEET COMMITMENTS AS OF 31 MARCH 2024

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

II. OFF-BALANCE SHEET COMMITMENTS

OFF-BALANCE SHEET COMMITMENTS	Notes	Reviewed Current Period			Audited Prior Period		
		31 March 2024		Total	31 December 2023		Total
		TL	FC		TL	FC	
A. OFF-BALANCE SHEET COMMITMENTS (I+II+III)		53,229,100	1,291,416	54,520,516	39,957,973	4,415,730	44,373,703
I. GUARANTEES AND WARRANTIES	III-(1)	50,948,249	-	50,948,249	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		-	-	-	-	-	-
1.3. Letters of Credit		-	-	-	-	-	-
1.3.1. Documentary Letters of Credit		-	-	-	-	-	-
1.3.2. Other Letters of Credit		-	-	-	-	-	-
1.4. Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5. Endorsements		-	-	-	-	-	-
1.5.1. Endorsements to the Central Bank of the Republic of Turkey		-	-	-	-	-	-
1.5.2. Other Endorsements		-	-	-	-	-	-
1.6. Other Guarantees		-	-	-	-	-	-
1.7. Other Collaterals		-	-	-	-	-	-
1.8. Import Letter of Acceptance		50,948,249	-	50,948,249	34,383,116	-	34,383,116
1.9. Other Bank Acceptances		-	-	-	-	-	-
II. COMMITMENTS	III-(1)	876,122	-	876,122	876,122	-	876,122
2.1. Irrevocable Commitments		876,122	-	876,122	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 Commitments		-	-	-	-	-	-
2.1.9. Commitments for Credit Card Limits		-	-	-	-	-	-
2.1.10. Commitments for Credit Cards and Banking Services Promotions		-	-	-	-	-	-
2.1.11. Receivables from Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.12. Payables for Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.13. Other Irrevocable Commitments		876,122	-	876,122	876,122	-	876,122
2.2. Revocable Commitments		-	-	-	-	-	-
2.2.1. Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2. Other Revocable Commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS		1,404,729	1,291,416	2,696,145	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		-	-	-	-	-	-
3.2. Trading Derivative Financial Instruments		1,404,729	1,291,416	2,696,145	4,698,735	4,415,730	9,114,465
3.2.1. Forward Foreign Currency Buy/Sell Transactions		-	-	-	-	-	-
3.2.1.1. Forward Foreign Currency Transactions-Buy		-	-	-	-	-	-
3.2.1.2. Forward Foreign Currency Transactions-Sell		-	-	-	-	-	-
3.2.2. Swap Transactions Related to Foreign Currency and Interest Rates		1,404,729	1,291,416	2,696,145	4,698,735	4,415,730	9,114,465
3.2.2.1. Foreign Currency Swap-Buy		-	1,291,416	1,291,416	-	4,415,730	4,415,730
3.2.2.2. Foreign Currency Swap-Sell		1,404,729	-	1,404,729	4,698,735	-	4,698,735
3.2.2.3. Interest Rate Swap-Buy		-	-	-	-	-	-
3.2.2.4. Interest Rate Swap-Sell		-	-	-	-	-	-
3.2.3. Foreign Currency, Interest rate and Securities Options		-	-	-	-	-	-
3.2.3.1. Foreign Currency Options-Buy		-	-	-	-	-	-
3.2.3.2. Foreign Currency Options-Sell		-	-	-	-	-	-
3.2.3.3. Interest Rate Options-Buy		-	-	-	-	-	-
3.2.3.4. Interest Rate Options-Sell		-	-	-	-	-	-
3.2.3.5. Securities Options-Buy		-	-	-	-	-	-
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. Foreign Currency Futures-Sell		-	-	-	-	-	-
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)		7,707,436,328	13,448,401	7,720,884,729	7,278,296,671	17,124,137	7,295,420,808
IV. ITEMS HELD IN CUSTODY	III-(1)	7,413,761,182	-	7,413,761,182	7,029,364,128	-	7,029,364,128
4.1. Customer Fund and Portfolio Balances		5,924	-	5,924	5,102	-	5,102
4.2. Investment Securities Held in Custody		7,413,753,758	-	7,413,753,758	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		293,675,146	13,448,401	307,123,547	248,932,543	17,124,137	266,056,680
5.1. Marketable Securities		35,037,507	13,035,800	48,073,307	22,490,207	17,015,113	39,505,320
5.2. Guarantee Notes		-	-	-	-	-	-
5.3. Commodity		-	-	-	-	-	-
5.4. Warranty		-	-	-	-	-	-
5.5. Properties		-	-	-	-	-	-
5.6. Other Pledged Items		258,637,639	412,601	259,050,240	226,442,336	109,024	226,551,360
5.7. Pledged Items-Depository		-	-	-	-	-	-
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		-	-	-	-	-	-
TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)		7,760,665,428	14,739,817	7,775,405,245	7,318,254,644	21,539,867	7,339,794,511

The accompanying explanations and notes form an integral part of these unconsolidated financial statements.

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.
UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE PERIOD ENDED 31 MARCH 2024

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

III. STATEMENT OF PROFIT OR LOSS

INCOME/EXPENSE ITEMS		Note	Current Period 01/01/2024-31/03/2024	Prior Period 01/01/2023-31/03/2023
I.	INTEREST INCOME		2,255,133	653,839
1.1	Interest on Loans	IV-(1)	281,474	124,202
1.2	Interest Received from Reserve Requirements		-	-
1.3	Interest Received from Banks	IV-(1)	1,822,300	480,968
1.4	Interest Received from Money Market Transactions		-	6
1.5	Interest Received from Marketable Securities Portfolio	IV-(1)	147,948	47,944
1.5.1	Financial Assets at Fair Value Through Profit or Loss		-	-
1.5.2	Financial Assets at Fair Value Through Other Comprehensive Income		9,540	2,357
1.5.3	Financial Assets Measured at Amortized Cost	IV-(1)	138,408	45,587
1.6	Financial Lease Income		-	-
1.7	Other Interest Income		3,411	719
II.	INTEREST EXPENSE	IV-(2)	114,038	54,570
2.1	Interest on Deposits		-	-
2.2	Interest on Funds Borrowed		114,035	53,689
2.3	Interest Expense on Money Market Transactions		-	787
2.4	Interest on Securities Issued		-	-
2.5	Lease Interest Expenses		3	94
2.6	Other Interest Expenses		-	-
III.	NET INTEREST INCOME (I - II)		2,141,095	599,269
IV.	NET FEES AND COMMISSIONS INCOME/EXPENSE		1,129,464	491,021
4.1	Fees and Commissions Received		1,238,659	544,816
4.1.1	Non-cash Loans		-	-
4.1.2	Other	IV-(11)	1,238,659	544,816
4.2	Fees and Commissions Paid		109,195	53,795
4.2.1	Non-cash Loans		-	-
4.2.2	Other		109,195	53,795
V.	DIVIDEND INCOME	IV-(3)	-	-
VI.	TRADING INCOME / LOSS (Net)	IV-(4)	(279,971)	(14,680)
6.1	Trading Gains/ Losses on Securities		(186)	(3,272)
6.2	Trading Gains/ Losses on Derivative Financial Instruments		44,797	21,063
6.3	Foreign Exchange Gains/ Losses		(324,582)	(32,471)
VII.	OTHER OPERATING INCOME	IV-(5)	45,042	96,121
VIII.	TOTAL OPERATING INCOME (III+IV+V+VI+VII)		3,035,630	1,171,731
IX.	EXPECTED CREDIT LOSS (-)	IV-(6)	34,677	-
X.	OTHER PROVISION EXPENSES (-)	IV-(7)	139,226	80,283
XI.	PERSONNEL EXPENSES (-)	IV-(7)	299,026	121,145
XII.	OTHER OPERATING EXPENSES (-)	IV-(7)	254,811	855,216
XIII.	NET OPERATING INCOME/ LOSS (VIII+...+XII)		2,307,890	115,087
XIV.	EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER		-	-
XV.	INCOME/ LOSS FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD		-	-
XVI.	INCOME/ LOSS ON NET MONETARY POSITION		-	-
XVII.	INCOME/ LOSS BEFORE TAX FROM CONTINUING OPERATIONS (XIII+...+XVI)		2,307,890	115,087
XVIII.	TAX PROVISION FOR CONTINUING OPERATIONS (±)	IV-(8)	(653,765)	(23,752)
18.1	Current Tax Provision		(651,600)	-
18.2	Deferred Tax Income Effect (+)		(62,898)	(26,151)
18.3	Deferred Tax Expense Effect (-)		60,733	2,399-
XIX.	NET INCOME/ LOSS FROM CONTINUING OPERATIONS (XVII±XVIII)	IV-(9)	1,654,125	91,335
XX.	INCOME FROM DISCONTINUED OPERATIONS		-	-
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		-	-
XXI.	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		-	-
XXII.	INCOME/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XX-XXI)		-	-
XXIII.	TAX PROVISION FOR DISCONTINUED OPERATIONS (±)		-	-
23.1	Current Tax Provision		-	-
23.2	Deferred Tax Income Effect (+)		-	-
23.3	Deferred Tax Expense Effect (-)		-	-
XXIV.	NET PROFIT/ LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)		-	-
XXV.	NET PROFIT/LOSS (XIX+XXIV)	IV-(9)	1,654,125	91,335
25.1	Group's profit/loss		1,654,125	91,335
25.2	Minority shares profit/loss (-)		-	-
	Earnings / (Loss) Per Share in (Full TL)		2.7569	0.1522

The accompanying explanations and notes form an integral part of these unconsolidated financial statements.

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.

**UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2024**
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

IV. STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Reviewed	Reviewed
		Current Period	Prior Period
		1 January- 31 March 2024	1 January- 31 March 2023
I.	CURRENT PERIOD INCOME/LOSS	1,654,125	91,335
II.	OTHER COMPREHENSIVE INCOME	(5,414)	(6,113)
2.1	Not Reclassified Through Profit or Loss	(5,414)	(6,113)
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	(7,735)	(8,150)
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	2,321	2,037
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)	1,648,711	85,222

The accompanying explanations and notes form an integral part of these unconsolidated financial statements.

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.

UNCONSOLIDATED CHANGES IN SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED 31 MARCH 2024

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

V. STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

Changes in shareholders' equity																	
Accumulated Other Comprehensive Income or Expense Not Reclassified through Profit or Loss																	
Accumulated Other Comprehensive Income or Expense Reclassified through Profit or Loss																	
Income/expenses from valuation and/or reclassification of financial assets measured at FVOCI																	
Prior Period Profit or (Loss)																	
Current Period Profit or (Loss)																	
Total Equity Except from Minority Interest																	
Minority Interest																	
Total Shareholders' Equity																	
Reviewed	Paid-in Capital	Share Premiums	Share Cancellation Profits	Other Capital Reserves	Revaluation surplus on tangible and intangible assets	Defined benefit plans' actuarial gains/losses	Other	Translation differences	Other	Profit Reserves	Prior Period Profit or (Loss)	Current Period Profit or (Loss)	Minority Interest	Minority Interest	Total Shareholders' Equity		
Current Period																	
1 January 2023-31 March 2024																	
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 Made According to TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2.1	Effects of Corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2.2	Effects of the Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
III.	Adjusted Beginning Balance (I+II)	600,000	33,019	-	3,261	-	(16,987)	-	-	-	2,999,537	3,661,932	-	7,280,762	-	7,280,762	
IV.	Total Comprehensive Income	-	-	-	-	-	(5,414)	-	-	-	-	-	1,654,125	1,648,711	-	1,648,711	
V.	Capital Increase by Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VI.	Capital Increase by Internal Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VII.	Paid-in capital inflation adjustment difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VIII																	
.	Convertible Bonds to Shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
IX.	Subordinated Debt Instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
X.	Increase/Decrease by Other Changes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XI.	Profit Distribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11.1	Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11.2	Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Period-End Balance (III+IV+...+X+XI)		600,000	33,019	-	3,261	-	(22,401)	-	-	-	2,999,537	3,661,932	1,654,125	8,929,473	-	8,929,473	

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.

UNCONSOLIDATED CHANGES IN SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED 31 MARCH 2024

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

V. STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

Changes in shareholders' equity					Accumulated Other Comprehensive Income or Expense Not Reclassified through Profit or Loss				Accumulated Other Comprehensive Income or Expense Reclassified through Profit or Loss									

The accompanying explanations and notes form an integral part of these unconsolidated financial statements.

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.
**UNCONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2024**

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

VI. STATEMENT OF CASH FLOWS

	Note	Reviewed	Reviewed
		Current Period	Prior Period
		1 January – 31 March 2024	1 January – 31 March 2023
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating Profit/ (Loss) Before Changes in Operating Assets and Liabilities		2,063,273	(40,341)
1.1.1 Interest Received		2,189,178	593,849
1.1.2 Interest Paid		(114,474)	(54,422)
1.1.3 Dividend Received		-	-
1.1.4 Fees and Commissions Received		1,011,129	422,354
1.1.5 Other Income		45,042	96,121
1.1.6 Collections from Previously Written-off Loans and Other Receivables		-	-
1.1.7 Payments to Personnel and Service Suppliers		(306,602)	(122,122)
1.1.8 Taxes Paid		719,102	(39,906)
1.1.9 Other		(1,480,102)	(936,215)
1.2 Changes in Operating Assets and Liabilities		35,949,135	(1,763,796)
1.2.1 Net increase/decrease in Financial Assets at Fair Value Through Profit or Loss		-	-
1.2.2 Net (increase) / decrease in Due from Banks and Other Financial Institutions		(114,247)	47,396
1.2.3 Net (increase) / decrease in Loans		(483,541)	(2,850,897)
1.2.4 Net (increase) / decrease in Other Assets		115,544	(85,693)
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 Assets at Fair Value Through Profit or Loss		(872,086)	181,676
1.2.8 Net increase/(decrease) in Funds Borrowed		2,830,388	(5,443,999)
1.2.9 Net increase/(decrease) in Payables		-	-
1.2.10 Net increase/(decrease) in Other Liabilities		34,473,077	6,387,721
I. Net Cash Provided from Banking Operations		38,012,408	(1,804,137)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net Cash Provided from Investing Activities		(979,133)	(2,052,605)
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		(11,024)	(39,343)
2.4 Disposals of Property and Equipment		111	18
2.5 Purchase of Financial Assets at Fair Value Through Other Comprehensive Income		-	-
2.6 Sale of Financial Assets at Fair Value Through Other Comprehensive Income		-	-
2.7 Purchase of Financial Assets Measured at Amortised Cost		(3,455,688)	(2,887,696)
2.8 Sale of Financial Assets Measured at Amortised Cost		1,959,888	233,928
2.9 Other		527,580	640,488
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net Cash Provided from Financing Activities		(3,246)	17,733
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		-	-
3.5 Payments for Leases		3	94
3.6 Other		(3,249)	17,639
IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents		897,488	12,867
V. Net Decrease in Cash and Cash Equivalents (I+II+III+IV)		37,927,517	(3,826,142)
VI. Cash and Cash Equivalents at Beginning of the Period		113,707,510	79,312,955
VII. Cash and Cash Equivalents at End of the Period		151,635,027	75,486,813

The accompanying explanations and notes form an integral part of these unconsolidated financial statements.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
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(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION THREE

EXPLANATIONS ON ACCOUNTING POLICIES

I. Basis of Presentation

Presentation of financial statements

The Bank prepared its financial statements in accordance with the "Regulation on Principles and Procedures Regarding Banks' Accounting Applications and Safeguarding of Documents" published in the Official Gazette dated November 1, 2006 and numbered 26333 and other regulations published by the Banking Regulation and Supervision Agency regarding the accounting and record keeping of banks as well as Banking Regulation and Supervision Agency's "Regulation on Accounting Applications for Banks and Safeguarding of Documents". "BRSA Accounting and Financial Reporting Legislation" and "BRSA Accounting and Financial Reporting Legislation" and "Financial Statements and Related Disclosures and Footnotes to be Publicly Announced by Banks" published in the Official Gazette dated June 28, 2012 and numbered 28333, and "Financial Statements and Related Disclosures and Footnotes to be Publicly Announced by Banks" published in the Official Gazette dated June 28, 2012 and numbered 28333; "BRSA Accounting and Financial Reporting Legislation" and the amendments dated February 1, 2019 to the "Communiqué on Financial Statements and Related Disclosures and Footnotes to be Publicly Announced by Banks" published in the Official Gazette dated June 28, 2012 and numbered 28337.

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 June 28, 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 ("TL") unless otherwise stated.

The accounting policies and valuation principles applied in the preparation of these financial statements

The accounting policies and valuation principles used in the preparation of the financial statements are determined in accordance with the regulations, communiqués, explanations and circulars published by the BRSA on accounting and financial reporting principles and the principles set out in TFRS and TAS 34 (collectively "BRSA Accounting and Financial Reporting Legislation") promulgated by POA for the matters not regulated by these regulations.

Financial Reporting in Hyperinflationary Economies ("TAS 29") addresses hyperinflationary economies, defines the threshold for determining whether an economy is subject to hyperinflation and explains how the financial statements of entities whose functional currency is the currency of a hyperinflationary economy should be adjusted for inflation. The following standards are issued by the Public Oversight, Accounting and Auditing Standards Authority (POA)

In the Announcement dated 23 November 2023 on the Inflation Adjustment of Financial Statements of Companies Subject to Independent Audit, institutions or organizations authorized to regulate and supervise in their fields were given the freedom to set different transition dates for the application of inflation accounting. In this context, BRSA has determined the transition date of banks, financial leasing, factoring, financing, savings financing and asset management companies to TAS 29 as January 1, 2025 with the decision numbered 10825 and dated January 11, 2024, and no inflation adjustment has been made according to TAS 29 while preparing the financial statements as of March 31, 2024.

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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 Option Contracts and Derivative Instruments

The Bank's derivative transactions mainly consist of swap transactions within the scope of balance sheet management. The Bank does not have any derivative products separated from the articles of association.

Liabilities and receivables arising from the derivative instruments are followed in the off-balance sheet accounts at their contractual values.

Derivative instruments are remeasured at fair value after initial recognition. In accordance with the classification of the derivative instrument, if the fair value of a derivative financial instrument is positive, it is recorded to the account "Derivative Financial Assets Measured at Fair Value Through Profit and Loss" or "Derivative Financial Assets Measured at Fair Value Through Other Comprehensive Income"; if the fair value difference is negative, it is disclosed in "Derivative Financial Liabilities Measured at Fair Value Through Profit and Loss" or "Derivative Financial Liabilities Measured at Fair Value Through Other Comprehensive Income". Differences in the fair value of trading derivative instruments are accounted as income/loss from derivative financial transactions under "trading income/loss" item in the income statement.

Explanations on Derivative Financial Instruments Held for Trading

Within the scope of balance sheet management, currency swap transactions are carried out for liquidity management and protection of the portfolio. As of March 31, 2024, the Bank has a derivative liability arising from swap transactions with the Central Bank of the Republic of Turkey and recognized as "Derivative Financial Liabilities at Fair Value Through Profit or Loss".

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

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 or financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become 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 provides custody, clearing, collateral management services, market operation, gold transfer, crowdfunding trustee, biga platform, securities and cash transfer, numbering, data broadcasting, cash correspondence, cash loan, leveraged trading transactions, collects fees and commissions from its customers for exchange traded fund and private pension fund transactions, Interbank Card Center (ICC) Collateral Storage, account transactions, TEFAS and BEFAS services and other services, and collects fees and commissions on an accrual basis on a monthly basis. It is accounted under the commission income account line.

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. 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.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VII. Explanations and Disclosures on Financial Assets (Continued)

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

If the financial asset is held within a business model whose objective is to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, the financial asset is classified as a financial asset measured at amortized cost.

Financial assets measured at amortized cost are initially recognized at acquisition cost including the transaction costs which reflect the fair value of those instruments and subsequently recognized at amortized cost by using effective interest rate method. Interest income obtained from financial assets measured at amortized cost is accounted in income statement.

d. Loans

Loans are financial assets which have fixed payment terms and are not traded in an active market.

The Bank provides cash loans to the brokerage houses at maximum one month maturity however mostly overnight maturity in order to provide efficiency and convenience in capital market transactions within the limits determined by the Board of Directors. Moreover, The Bank provides swap loan, which is a loan with a maximum maturity of O / N (overnight) provided to Borsa Istanbul Equity Market participants to meet the short-term fund needs that may arise during the completion of the requested collaterals in order to cover the risks arising from their positions in the market. Cash loans are classified under the heading “financial assets measured at amortized cost” in the context of “being held for the purpose of obtaining contractual cash flows” and “contractual cash flows representing interest only on principal and principal balance” criteria.

Loans recognized at cost and are valued at amortized cost using the effective interest method.

Explanations on the Impairment of Financial Assets Recognition of Financial Statements of Expected Credit Losses

In accordance with the “Regulation on Procedures and Principles for the Classification of Loans and Provisions to be Issued” published in the Official Gazette dated 22 June 2016 and numbered 29750, the Bank calculates the expected credit loss provision in accordance with TFRS 9 and indicates in its financial statements. Expected credit losses related to cash and cash equivalents under financial assets, other receivables, loans and non-cash loans are calculated and accounted.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VII. Explanations and Disclosures on Financial Assets (Continued)

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.

A lifetime expected credit loss allowance is calculated and allocated for purchased or originated credit-impaired financial assets. For these financial assets, the effective interest rate is applied over the net book value.

The definition of default is included in the Communiqué on the calculation of the credit risk amount based on the internal rating approach. It is assumed that the debtor defaults in the event that the debtor is unable to fully pay the debts to the Bank without applying for collateral or if the debtor has delayed more than 90 days to fulfill his significant liabilities to the Bank.

Expected credit losses for financial assets, other receivables and loans under the title Cash and cash equivalents are recognized under "Expected loss reserves (-)" on the asset side of the balance sheet. The 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.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VIII. Explanations on Impairment of Financial Assets

At each balance sheet date, the Bank assesses whether there is objective evidence that a financial asset or a group of financial assets has suffered an impairment and whether it meets the classification requirements in accordance with TFRS 9. The Bank determines the amount of the impairment if such indicator exist as mentioned. Related accounting policy is explained in footnote VII.

IX. Explanations on Offsetting of Financial Assets and Liabilities

Financial assets and liabilities are offset when the Bank has a legally enforceable right to set off, and when the Bank has the intention of collecting or paying the net amount of related assets and liabilities or when the Bank has the right to offset the assets and liabilities simultaneously. Otherwise, no offsetting is made with respect to financial assets and liabilities.

X. Explanations on Sales and Repurchase Agreements and Lending of Securities

Securities subject to repurchase agreements are classified into the relevant portfolio according to the purpose for which they are held in the portfolio and are subject to valuation according to the principles of the portfolio to which they belong.

Reverse repurchase agreements are recognized under "Receivables from Reverse Repurchase Agreements" in the balance sheet. Income accrual is calculated for the difference between the purchase and resale prices determined by the reverse repurchase agreements according to the effective interest rate method. The calculated income accrual is recognized as a liability under other liabilities in liabilities when it belongs to problematic members. As of March 31, 2024, there are no reverse repo and securities lent transactions.

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.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XII. Explanations on Goodwill and Other Intangible Assets

As of the balance sheet date, there is no goodwill in the accompanying un-consolidated financial statements of the Bank.

The intangible assets which have been bought before 1 January 2005 are amortized based on historical cost which has been revised according to inflation effects dated 31 December 2004 and the items which have been bought in the following dates are amortized based on purchase cost with the allocation of accumulated depreciation and impairments. The intangible assets are amortized based on straight line amortization regarding useful life periods. The amortization method and period are revised periodically every year.

Intangible assets of the Bank are basically software license costs. Useful lives of other intangible assets are determined by the consideration of items as; useful life of asset, maintenance costs incurred to obtain expected economic benefit from assets and technical, technological or any other type of obsolescence. Amortization method used in the current period is not subject to any change. Depreciation period is 5 years (20% annual depreciation rate) for establishment/formation expenses for other intangible assets with uncertain leasing period or leasing period over five years and depreciation rate is proportional with period for those with certain leasing period. Economic useful lives determined are in accordance with the criteria stated in the Turkish Accounting Standards-TAS 38-Intangible Assets. Computer programs widely used in the Bank are generated within the Bank by the personnel of the Bank and the expenses related to those assets are not capitalized. Computer software is only purchased in case of urgent need and special projects.

Within the scope of the agreement made between Borsa İstanbul and NASDAQ, new BISTECH technology, which was developed under Borsa İstanbul'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 Years
Plant machinery and equipment	4 Years
Vehicles	-
Flooring and fixtures	5 Years
Special Costs	5 Years
Rights	3 Years
Development costs	5 Years

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 Bank measures the operational lease liabilities based on the present value of the lease payments that have not been paid at the date lease is actually started, in accordance with TFRS 16. Lease payments are discounted by using the Bank's alternative incremental borrowing rate.

After the date lease actually started, the Bank increases book value to reflect the interest on lease liability, decreases book value to reflect lease payments that is made and remeasures to reflect the changes made in lease or revised fixed lease payments.

The interest on the lease liability for each period of the lease term, is the amount calculated by charging a fixed periodic interest rate on remaining balance of lease liability.

After the date lease actually started, net book value of lease liability is increased by reflecting the interest on lease liability, decreased by reflecting lease payments that is made and remeasures to reflect the changes made in lease or revised fixed lease payments.

The Bank applies a discount rate that reflects the changes in the interest rate in a scenario where the Bank used purchase option at the initial lease term.

The Bank remeasures the lease liability by discounting the revised lease payments using a revised discount rate for a lease modification that is not accounted for as a separate lease, at the effective date of the lease modification. The revised discount rate is determined as the alternative borrowing interest rate at the effective date of the modification. The Bank decreases carrying amount of the right-of-use asset to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease. Any gain or loss relating to the partial or full termination of the lease is recognized in profit or loss. A corresponding adjustment to the right-of-use asset is made for all other lease modifications.

XV. Explanations on Provisions and Contingent Liabilities

Provisions and contingent liabilities are accounted in accordance with "Turkish Accounting Standard for Provisions, Contingent Liabilities and Contingent Assets" ("TAS 37").

Provisions on financial statements, if an existing obligation resulting from past events, it is probable that the obligation will be met and the obligation can be reliably measured. Provisions are calculated based on the Bank management's best estimate of the expenditure required to settle the obligation at the balance sheet date and are discounted to the fair value where the effect is material.

XVI. Explanations on Liabilities Regarding Employee Benefits

Obligations related to employment termination and vacation rights "Turkey Accounting Standards Regarding Employee Benefits" ("TAS 19") are accounted for in accordance with the provisions.

Defined Benefit Plans

In accordance with existing social legislation in Turkey, the Bank is required to make lump-sum termination indemnities over a 30 day salary to each employee who has completed over one year of service, whose employment is terminated due to retirement or for reasons other than resignation or misconduct, and due to marriage, female employees terminating their employments within a year as of the date of marriage, or male employees terminating their employments due to their military service. The Bank is also required to make a payment for the period of notice calculated over each service year of the employee whose employment is terminated for reasons other than resignation or misconduct. Total benefit is calculated in accordance with TAS No: 19 "Turkish Accounting Standard on Employee Benefits".

Such benefit plans are unfunded since there is no funding requirement in Turkey. The cost of providing benefits to the employees for the services rendered by them under the defined benefit plan is determined by independent actuaries annually using the projected unit credit method.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XVI. Explanations on Liabilities Regarding Employee Benefits (Continued)

In calculating the related liability to be recorded in the financial statements for these defined benefit plans, the Bank uses independent actuaries and also makes assumptions and estimation relating to the discount rate to be used, turnover of employees, future change in salaries/limits, etc. These estimations are audited annually. The carrying value of provision for employee termination benefits as of 31 March 2024 is TL 35,058.58 (31 December 2023: TL 23,489.83).

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 March 2024, actuarial gain after deferred tax effect amounting to TL 7,735 (31 December 2023: TL 13,295 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.

The Bank has adjusted its statutory financial statements with inflation accounting as of 1 January 2004 in accordance with Law No. 298.

Some modifications have been made in the tax legislation with Law 4842 published in the Official Gazette number 25088 on 24 April 2003. Under these modifications, investment and development banks, which are not allowed to accept deposit, are allowed to deduct loan loss provisions from the tax base in accordance with item 2 of the article 20 of Banking Law and the amendment introduced by the article 35 of the Law numbered 4842.

In the deferred tax calculation as of 31 March 2024, 30% tax rate is used for temporary differences that are expected to be realized/closed within 2024 and after 2024.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XVII. Explanations on Taxation (Continued)

Current Tax

As of March 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 10% 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 15.07.2023, 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 Turkish tax legislation, financial losses shown on the declaration can be deducted from the period corporate income for a period not exceeding 5 years. However financial losses can not be offsetted from last year's profits.

In Turkey, there is no practice of reaching an agreement with the tax authority regarding the taxes to be paid. Corporate tax returns are submitted to the relevant tax office by the evening of the last day of the fourth month following the month in which the accounting period closes. However, the authorities authorized for tax inspection may examine the accounting records within five years, and if incorrect transactions are detected, the tax amounts to be paid may change.

Current tax effects related to transactions directly recognized in equity are also shown in equity.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XVII. Explanations on Taxation (Continued)

Corporate tax returns are submitted to the tax office by the end of the fourth month following the close of the accounting period and the accrued tax is paid by the end of the same month. However, the tax authorities may examine the accounting records until the end of the following fifth year and if any incorrect transaction is detected, the amount of tax to be paid will be re-assessed. On the other hand, within the framework of the provision of the Tax Procedure Law's duplicate Article 298/A, the conditions required for inflation adjustment in the calculation of corporate tax as of the end of the calendar year 2021 have been realized. However, with the "Law on Amendments to the Tax Procedure Law and Corporate Tax Law" numbered 7352 published in the Official Gazette dated January 29, 2022 and numbered 31734, temporary article 33 has been added to the Tax Procedure Law numbered 213 and the accounting periods of 2021 and 2022, including the temporary tax periods (including the temporary tax periods for the accounting periods ending in 2022 and 2023 for those who are assigned a special accounting period) and in the temporary tax periods of the 2023 accounting period, the financial statements will not be subject to inflation adjustment, regardless of whether the conditions for inflation adjustment within the scope of repeating Article 298 are met, 31 December 2023 dated financial statements will be subject to inflation adjustment regardless of whether the conditions for inflation adjustment are met or not, and the profit/loss differences arising from the inflation adjustment will be shown in the retained earnings account and will not be added to the corporate tax base. According to Article 17 of the Law No. 7491 on Amendments to Certain Laws and Decree Laws published in the Official Gazette dated 28 December 2023 and numbered 32413, banks, companies within the scope of the Financial Leasing, Factoring, Financing and Savings Finance Companies Law dated 21 November 2012 and numbered 6361, payment and electronic money institutions, Profit/loss differences arising from inflation adjustments to be made by authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies in the 2024 and 2025 accounting periods, including the temporary tax periods, will not be taken into account in the determination of earnings. The President is authorized to extend the periods determined within the scope of this paragraph by one accounting period, including the temporary tax periods. With the VUK General Communiqué numbered 560 published in the Official Gazette dated 30.04.2024 and numbered 32532, it has been declared that it is appropriate not to make inflation adjustment in the first provisional tax period of the 2024 accounting period.

With the regulation made in the Tax Procedure Law, Repeated 298/Ç and Provisional Article 32, companies have been given the opportunity for permanent and temporary revaluation. Accordingly, as of the beginning of the 2022 accounting period, our Bank -firstly brought the fixed assets recorded in its assets to their current values in accordance with the Provisional Article 32 of the Tax Procedure Law and then revalued them in accordance with Article 298/Ç of the Tax Procedure Law. As a result of these transactions, the VUK depreciation figures to be subject to corporate tax will be calculated over the revalued current amounts. In accordance with the relevant legislation, the value increase amounts are recognized in a special fund account under shareholders' equity.

Deferred Tax

The Bank 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 March 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 March 31, 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.

The calculated deferred tax asset and deferred tax liability are netted in the unconsolidated financial statements.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XVII. Explanations on Taxation (Continued)

However, with the regulation made by the Law No. 7491 on the Amendment of Certain Laws and Decree Laws, it has been regulated that the profit / loss difference arising from the inflation adjustment to be made by the banks in the 2024 and 2025 accounting periods, including the provisional tax periods, will not be taken into account in the determination of earnings. With the Tax Procedure Law General Communiqué numbered 560 published in the Official Gazette dated 30.04.2024 and numbered 32532, it has been declared that it is appropriate not to make inflation adjustment in the first provisional tax period of the 2024 accounting period. In accordance with the Provisional Article 33 of the Tax Procedure Law, the tax effects arising from the inflation adjustment of the financial statements as of March 31, 2024 in accordance with TPL are included in the deferred tax calculation as of March 31, 2024.

XVIII. Additional Explanations on Funds Borrowed

The Bank has not issued any convertible bonds.

The Bank has not also issued any borrowing instruments.

Cash Warrants Received

Guarantee Fund purchased 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), Forward 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, BİAŞ 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.

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.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XXIV. Cash and Cash Equivalents

For the purposes of the preparation of statement of cash flows, “Cash” includes cash, effectives, and cash in transit, purchased cheques and demand deposits including balances with the Central Bank; and “Cash equivalents” include interbank money market placements and time deposits at banks with original maturity periods of less than three months.

XXV. Investment Properties

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. Reclassification

None.

XXVII. Explanations on TFRS 16 Leases standards

The Bank has put TFRS 16 Leases standard into use starting from January 2019 for operational leasing transactions that the Bank is a counterparty. For the transactions the Bank is lessee, the Bank used the model the standard projects except for the low value assets and short term leasings (1 year or less).

TFRS 16 Leases standard removes the dual accounting model currently applied for lessees through recognizing finance leases in the balance sheet whereas not recognizing operational lease. Instead, it is set forth a single model similar to the present accounting of finance leases which is balance sheet based, singular accounting model. For lessors, the accounting stays almost the same. The Bank has started to apply the TFRS 16 Leases standard as of 1 January 2019. As of 31 March 2024, the Bank's right of use asset, which is classified in the tangible assets, is TL 980 and the lease liability is TL 23 as of 31 March 2024.

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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 December 31, 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 provision 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 current period equity capital is TL 8,849,133 (31 December 2023: TL 7,203,182), capital adequacy standard ratio is 21.76 % (31 December 2023: 25.80%). The Bank's capital adequacy standard ratio is above the minimum rate defined by legislation.

Summary information related to the capital shareholders' equity:

	Current Period	Prior Period
COMMON EQUITY TIER 1 CAPITAL		
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	3,002,798	3,002,798
Gains recognized in equity as per TAS	-	-
Profit	5,316,057	3,661,932
Current Period Profit	1,654,125	3,639,129
Prior Period Profit	3,661,932	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	8,951,874	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	22,401	16,987
Improvement costs for operating leasing	-	-
Goodwill (net of related tax liability)	-	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	240,295	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 4th clause of the 56th 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 2nd 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	267,521	224,670
Total Common Equity Tier 1 Capital	8,684,353	7,073,079

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INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

I. Explanations Related to Components of Shareholders' Equity (Continued)

	Current Period	Prior Period
ADDITIONAL TIER I CAPITAL		-
Preferred Stock not Included in Common Equity and the Related Share Premiums	-	-
Debt instruments and premiums approved by BRSA	-	-
Debt instruments and premiums approved by BRSA(Temporary Article 4)	-	-
Additional Tier I Capital before Deductions	-	-
Deductions from Additional Tier I Capital	-	-
Direct and indirect investments of the Bank in its own Additional Tier I Capital	-	-
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% 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)	8,684,353	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)	-	-
Debt instruments and share issue premiums deemed suitable by the BRSA	164,780	130,103
Tier II Capital Before Deductions	164,780	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	164,780	130,103

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INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

I. Explanations Related to Components of Shareholders' Equity (Continued)

	Current Period	Prior Period ¹
Total Capital (The sum of Tier I Capital and Tier II Capital)	8,849,133	7,203,182
Deductions from Total Capital	8,849,133	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	-	-
Items That Will Continue to Be Deducted from Tier I and Tier II Capital During the Transition Period	-	-
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)	8,849,133	7,203,182
Total risk weighted amounts	40,663,580	27,914,572
CAPITAL ADEQUACY RATIOS		
Core Capital Adequacy Ratio (%)	21.36	25.34
Tier 1 Capital Adequacy Ratio (%)	21.36	25.34
Capital Adequacy Ratio (%)	21.76	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)	164,780	130,103
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	164,780	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	-	-

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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 in 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.

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INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. 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 TL 779,052 (31 December 2023: TL621,646) for the net position between assets and liabilities in foreign currency, and recognised it in the amount basis to market risk.

Recognizing FX transactions of the Bank, the risk management policy that is also regarded in TL transactions is used and asset liability is managed so as not to be exposed to foreign exchange risk in transactions that affect FX assets and liabilities.

The Bank's foreign CBRT exchange bid rates as of the date of the financial statements and five working days prior to that date:

Current Period	1 USD	1 EUR	1 GBP	100 JPY
Current Exchange Rate on Balance Sheet				
Date	32.2854	34.8023	40.6665	21.2798
1 st Business Day's Current Exchange Rate	32.2596	34.8189	40.6169	21.2554
2 nd Business Day's Current Exchange Rate	32.1650	34.8285	40.5370	21.1802
3 rd Business Day's Current Exchange Rate	32.1005	34.8336	40.5489	21.1645
4 th Business Day's Current Exchange Rate	32.0592	34.6819	40.3768	21.1337
5 th Business Day's Current Exchange Rate	31.9675	34.5875	40.2028	21.0514
Simple arithmetic averages for last 31 days	31.9454	34.7178	40.5226	21.2781

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**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
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(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations Related to 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	10,438,844	38,371,921	232,849	49,043,614
Financial assets at fair value through profit and loss	870,058	-	-	870,058
Money market placements	-	-	-	-
Financial assets at fair value through other comprehensive income	661	-	-	661
Loans	-	-	-	-
Investments in associates, subsidiaries and joint ventures	-	-	-	-
Financial assets measured at amortised cost	872,373	3,420,312	-	4,292,685
Hedging derivative financial assets	-	-	-	-
Tangible assets	-	-	-	-
Intangible assets	-	-	-	-
Other assets	1,186	10,282	-	11,468
Total Assets	12,183,122	41,802,515	232,849	54,218,486
Liabilities				
Bank deposits	-	-	-	-
Foreign currency deposits	-	-	-	-
Money market funds	-	-	-	-
Funds provided from other financial institutions	522,286	7,958,758	-	8,481,044
Securities issued	-	-	-	-
Funds	11,361,973	34,655,425	232,408	46,249,806
Hedging derivative financial liabilities	-	-	-	-
Other liabilities	-	-	-	-
Total Liabilities	11,884,259	42,614,183	232,408	54,730,850
Net Balance Sheet Position	298,863	(811,668)	441	(512,364)
Net Off-Balance Sheet Position	-	1,291,416	-	1,291,416
Financial derivative assets	-	1,291,416	-	1,291,416
Financial derivative liabilities	-	-	-	-
Non-cash loans	-	-	-	-
Prior Period				
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)

III. 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.

To evaluate its funding resources, the Bank enters into foreign currency and TL depot transactions, repurchase agreements, time and demand deposit transactions and foreign exchange transactions with the Central Bank of Turkey or other banks. At the same time, securities transactions can be carried out through the broker's trading terminals. The related transactions undertaken by the Fund Management Department are made with the banks having transaction limits designated by the Board of Directors under the regulations set out in "Treasury Transaction Limits".

Government Domestic Debt Securities issued by the Republic of Turkey Ministry of Treasury and Finance, Eurobonds issued by the Treasury and debt securities issued by banks established in Turkey were included in the Bank's portfolio in 2022, 2023 and 2024. The Bank has derivative liabilities arising from swap transactions with the Central Bank of the Republic of Turkey in transactions for the evaluation of fund resources.

Information related to the interest rate sensitivity of assets, liabilities and off-balance sheet items (based on reprising dates):

End of Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing ⁽²⁾	Total
Assets							
Cash (cash in vault, effectives, cash in transit, cheques purchased) and balances with the Central Bank of the Republic Turkey	-	-	-	-	-	8,000,173	8,000,173
Banks ⁽²⁾	133,567,667	302,983	1,005,540	-	-	9,230,654	144,106,844
Financial assets at fair value through profit and loss	-	-	870,058	-	39,319	2,356	911,733
Money market placements	-	-	-	-	-	-	-
Financial assets at fair value through other comprehensive income	-	-	-	-	-	4,332	4,332
Loans ⁽³⁾	2,282,537	-	-	-	-	-	2,282,537
Financial assets measured at amortised cost ⁽⁴⁾	318,093	94,609	3,045,527	1,400,328	-	-	4,858,557
Other assets ⁽¹⁾	239,122	-	-	-	-	1,101,725	1,340,847
Total Assets	136,407,419	397,592	4,921,125	1,400,328	39,319	18,339,240	161,505,023
Liabilities							
Bank deposits	-	-	-	-	-	-	-
Other deposits	-	-	-	-	-	-	-
Money market funds	-	-	-	-	-	-	-
Miscellaneous payables	50,032,221	-	-	-	-	92,323,372	142,355,593
Marketable securities issued	-	-	-	-	-	-	-
Funds borrowed from other financial institutions	8,481,044	-	-	-	-	-	8,481,044
Other liabilities ⁽²⁾	-	-	-	-	-	10,668,386	10,668,386
Total Liabilities	58,513,265	-	-	-	-	102,991,758	161,505,023
Balance sheet long position	77,894,154	397,592	4,921,125	1,400,328	39,319	-	84,652,518
Balance sheet short position	-	-	-	-	-	(84,652,518)	(84,652,518)
Off-balance sheet long position	-	1,291,416	-	-	-	-	1,291,416
Off-balance sheet short position	-	1,404,729	-	-	-	-	1,404,729
Total Position	77,894,154	3,093,737	4,921,125	1,400,328	39,319	(84,652,518)	2,696,145

⁽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⁾ Expected credit loss provisions recognized under TFRS 9 are presented in the "1-3 Month" column.

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INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

III. Explanations Related to Interest Rate Risk (Continued)

End of Previous Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing ⁽²⁾	Total
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	109,440,841
Financial assets at fair value through 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
Financial assets measured at amortised cost ⁽⁴⁾	423,349	1,430,303	895,180	792,605	398,391	-	3,939,828
Other assets ⁽¹⁾	55,113	-	-	-	-	1,179,710	1,234,823
Total Assets	107,487,995	5,957,073	895,180	792,605	435,673	5,772,488	121,341,014
Liabilities							
Bank deposits	-	-	-	-	-	-	-
Other deposits	-	-	-	-	-	-	-
Money market funds	-	-	-	-	-	-	-
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
Balance sheet long position	67,865,863	5,957,073	895,180	792,605	435,673	-	75,946,394
Balance sheet short position	-	-	-	-	-	(75,946,394)	(75,946,394)
Off-balance sheet long position	-	294,382	4,121,348	-	-	-	4,415,730
Off-balance sheet short position	-	296,352	4,402,383	-	-	-	4,698,735
Net Position	67,865,863	6,547,807	9,418,911	792,605	435,673	(75,946,394)	9,114,465

⁽¹⁾ Explanations of other assets and other liabilities are provided below.

⁽²⁾ Expected credit loss provisions recognized under TFRS 9 are presented in the "Up to 1 Month" column.

⁽³⁾ Expected credit loss provisions recognized under TFRS 9 are presented in the "Up to 1 Month" column.

Other Assets	Current Period	Prior Period
Miscellaneous receivables	242,566	202,043
Investment properties	244,470	244,470
Intangible assets	240,295	202,858
Custody services comission rediscount	227,909	163,902
Deferred tax asset	163,321	163,165
Tangible assets	149,914	149,948
Derivative financial assets	11,592	55,113
Temporary accounts	55,466	48,079
Subsidiaries	4,825	4,825
Stationary supplies	489	420
Total	1,340,847	1,234,823

Other Liabilities	Current Period	Prior Period
Shareholder's equity	8,929,473	7,280,762
Current tax liability	1,415,614	714,218
Provisions	323,276	425,099
Lease liabilities	23	80
Total	10,668,386	8,420,159

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.

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INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

III. Explanations Related to Interest Rate Risk (Continued)

Interest rate risk on banking accounts:

Type of Currency	Shock Applied (+/- x basis point)	Gains/ (Losses)	Gains/Equity (Losses)/Equity
TRY	(+) 500 bp	(159,004)	(0.018)
TRY	(-) 400 bp	131,374	0.015
EUR	(+) 200 bp	(21,664)	(0.002)
EUR	(-) 200 bp	22,345	0.003
USD	(+) 200 bp	(80,774)	(0.009)
USD	(-) 200 bp	86,014	0.010
Total (of negative shocks)		239,733	0.027
Total (of positive shocks)		(261,442)	(0.030)

Average interest rates applied to monetary financial instruments (%):

Current Period End Balance	EUR	USD	JPY	TL
Assets				
Cash (cash in vault, foreign currency cash, money in transit, cheques purchased) and balances with the Central Bank of Turkey	-	-	-	-
Due from other banks	5.22	6.97	-	51.96
Financial assets at fair value through profit and loss	-	-	-	-
Money market placements	-	-	-	-
Financial assets at fair value through other comprehensive income	-	-	-	-
Loans	-	-	-	53.00
Financial assets measured at amortized cost	3.38	6.99	-	12.53
Liabilities				
Bank deposits	-	-	-	-
Other deposits	-	-	-	-
Money market borrowings	-	-	-	-
Funds	-	-	-	51.86
Securities issued	-	-	-	-
Funds borrowed	4.33	5.48	-	-
Prior Period End Balance	EUR	USD	JPY	TL
Assets				
Cash (cash in vault, foreign currency cash, money in transit, cheques purchased) and balances with the Central Bank of Turkey	-	-	-	-
Due from other banks	4.97	6.97	-	42.84
Financial assets at fair value through profit and loss	-	-	-	-
Money market placements	-	-	-	-
Financial assets at fair value through other comprehensive income	-	-	-	-
Loans	-	-	-	43.00
Financial assets measured at amortized cost	-	7.33	-	12.53
Liabilities				
Bank deposits	-	-	-	-
Other deposits	-	-	-	-
Money market borrowings	-	-	-	-
Funds	-	-	-	43.05
Securities issued	-	-	-	-
Funds borrowed	4.16	5.49	-	41.00

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INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

IV. Equity share position risk in banking accounts

As of 31 March 2024, the Bank has no equity share position risk arising from the equity share and banking accounts (31 December 2023: None).

V. Explanations on liquidity risk management, liquidity coverage ratio and net stable funding ratio

The Bank has received the Guarantee Fund 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 In order to meet the risks that may arise from the exchange, Turkey Electronic Fund Trading Platform (TEFAS), Private Pension Fund Trading Platform (BEFAS), public guarantee management service and other transactions, it pays attention to work within guarantees and to keep most of the TL funds liquid. does not hold a 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, its own funds and the amounts remaining in the free accounts of the members, Takasbank Money Market (TPP), Over-the-Counter Derivatives Market, Equity Lending Market (ÖPP), Renewable Energy Resource Guarantee Market (YEK-G), Forward Natural Gas Market(VGP), Natural Gas Market, BİAŞ Futures and Options Market (VIOP), Electricity Market, Electricity Futures Market, BİAŞ Money Market and Precious Metals Market, BİAŞ Swap Market, Investor Compensation Center membership and pledge guarantees, check clearing, TEFAS, public Cash collaterals received for reasons such as cash collateral for other services related to the collateral management service are evaluated at other banks in the over-the-counter market in overnight terms to manage the liquidity risk.

The Bank manages its liquidity risk by having enough cash and cash equivalent resources in order to meet present and probable debt obligations, by being able to close short positions and by being able to fund loan requirements.

Liquidity position is assessed and managed considering the market-wide and Bank-specific factors. The most important scenario among these scenarios is to maintain the ratio of net liquid assets/payables to clients in limits.

According to the Decree of the Banking Regulation and Supervision Board dated 24 December 2015 and numbered 6613, for development and investment banks, it has been decided to apply the total and foreign currency liquidity adequacy ratios related to the first and second maturity brackets according to the first paragraph of Article 13 of the Regulation Regarding the Measurement and Evaluation of Banking Liquidity Adequacy and to continue to report to the Authority.

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INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

**V. Explanations on liquidity risk management, liquidity coverage ratio and net stable funding ratio
(Continued)**

Net Stable Funding Ratio:

In accordance with the fifth paragraph of Article 4 of the Regulation on Liquidity Coverage Ratio Calculation of Banks, it has been decided to apply the consolidated and unconsolidated total and foreign currency liquidity coverage ratios for development and investment banks as zero percent until otherwise determined by the BRSA. In this context, the Bank reports to the BRSA, but compliance with the legal ratio is not required.

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	Undistributed ⁽¹⁾	Total
Assets								
Cash (cash in vault, foreign currency cash, money in transit, cheques purchased) and balances with the Central Bank of Turkey	8,000,173	-	-	-	-	-	-	8,000,173
Banks	9,230,654	133,567,667	302,983	1,005,540	-	-	-	144,106,844
Financial assets at fair value through profit and loss	2,356	-	-	870,058	-	39,319	-	911,733
Money market placements	-	-	-	-	-	-	-	-
Fair value with changes in other comprehensive income	4,332	-	-	-	-	-	-	4,332
Loans ⁽²⁾	-	2,282,537	-	-	-	-	-	2,282,537
Financial assets measured at amortized cost	-	318,093	94,609	3,045,527	1,400,328	-	-	4,858,557
Other assets ⁽¹⁾	-	239,122	-	-	-	-	1,101,725	1,340,847
Total Assets	17,237,515	136,407,419	397,592	4,921,125	1,400,328	39,319	1,101,725	161,505,023
Liabilities								
Bank deposits	-	-	-	-	-	-	-	-
Other deposits	-	-	-	-	-	-	-	-
Funds borrowed	-	8,481,044	-	-	-	-	-	8,481,044
Money market borrowings	-	-	-	-	-	-	-	-
Securities issued	-	-	-	-	-	-	-	-
Funds	92,323,372	50,032,221	-	-	-	-	-	142,355,593
Other liabilities	-	192,761	1,249,964	143,213	-	-	9,082,448	10,668,386
Total Liabilities	92,323,372	58,706,026	1,249,964	143,213	-	-	9,082,448	161,505,023
Current Period Liquidity (Gap)/surplus	(75,085,857)	77,701,393	(852,372)	4,777,912	1,400,328	39,319	(7,980,723)	-
Net off-Balance sheet position								
Receivables from derivative financial instruments	-	-	1,291,416	-	-	-	-	1,291,416
Liabilities from derivative financial instruments	-	-	1,404,729	-	-	-	-	1,404,729
Non-Cash Loans	-	50,526,969	89,664	331,616	-	-	-	50,948,249
Prior Period								
Total assets	4,592,778	107,487,995	5,957,073	895,180	792,605	435,673	1,179,710	121,341,014
Total liabilities	73,298,723	39,781,420	11	691,668	-	-	7,569,192	121,341,014
Liquidity (Gap)/surplus	(68,705,945)	67,706,575	5,957,062	203,512	792,605	435,673	(6,389,482)	-
Net off-Balance sheet position								
Receivables from derivative financial instruments	-	-	294,382	4,121,348	-	-	-	4,415,730
Liabilities from derivative financial instruments	-	-	296,352	4,402,383	-	-	-	4,698,735
Non-Cash Loans	-	33,224,169	637,511	521,436	-	-	-	34,383,116

(1) Asset accounts such as fixed assets, investments in associates and subsidiaries, cash and cash equivalents and prepaid expenses which are necessary for the banking activities and which cannot be converted into cash in the short term are recorded here.

Securitization positions:

The Bank does not apply securitisation as of 31 March 2024 (31 December 2023: None).

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INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

V. Explanations on liquidity risk management, liquidity coverage ratio and net stable funding 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 January 1, 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 May 26, 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.

		Unadjusted Amount According to Remaining Maturity				Total Amount with Consideration Applied
Current Period		Demand	Term Less than 6 Months	6 Months or More than 6 Months and Less than 1 Year Term	1 Year and More than 1 Year Term	
Available Stable Fund						
1	Equity Items	9,116,654	-	-	-	9,116,654
2	Total Core Capital and Supplementary Capital	9,116,654	-	-	-	9,116,654
3	Other Equity Items	-	-	-	-	-
4	Real person and retail customer deposits/participation funds	-	-	-	-	-
5	Stable deposit/participation fund	-	-	-	-	-
6	Low stable deposit/participation fund	-	-	-	-	-
7	Due to other persons	-	145,368,166	8,097,193	-	4,048,597
8	Operational deposits/participation funds	-	-	-	-	-
9	Other Debts	-	145,368,166	8,097,193	-	4,048,597
10	Liabilities equivalent to interconnected assets	-	-	-	-	-
11	Other liabilities	27,111	1,291,416	-	-	-
12	Derivative liabilities	-	1,291,416	-	-	-
13	Other equity items and liabilities not included above	27,111	-	-	-	-
14	Available Stable Fund					13,165,251
Required Stable Funding						
15	High quality liquid assets	173	8,000,000	-	-	-
16	Operational deposits/participation funds deposited with credit institutions or financial institutions	-	144,483,758	-	-	21,672,564
17	Live receivables	-	2,704,494	3,915,585	1,439,647	2,798,184
18	Receivables from credit institutions or financial institutions whose collateral is first quality liquid assets	-	-	-	-	-
19	Unsecured receivables from credit institutions or financial institutions or secured receivables whose collateral is not first quality liquid assets	-	2,704,494	3,623,897	771,551	2,750,194
20	Receivables from corporate customers, institutions, real persons and retail customers, central governments, central banks and public institutions other than credit institutions or financial institutions	-	-	291,688	668,096	47,989
21	Receivables subject to risk weighting of 35% or less	-	-	-	-	-
22	Receivables collateralised with mortgages on residential properties	-	-	-	-	-
23	Receivables subject to risk weighting of 35% or less	-	-	-	-	-
24	High quality liquid assets that do not qualify as high quality liquid assets, listed equities and debt instruments	-	-	-	-	-
25	Assets equivalent to interconnected liabilities	-	-	-	-	-
26	Other Assets	1,355,988	1,404,729	-	-	2,760,717
27	Commodities with physical delivery including gold	-	-	-	-	-
28	Initial margin for derivative contracts or guarantee fund given to central counterparty	-	-	-	-	-
29	Derivative Assets	-	1,404,729	-	-	1,404,729
30	Derivative liabilities before deduction of variation margin	-	-	-	-	-
31	Other assets not included above	1,355,988	-	-	-	1,355,988
32	Off-Balance Sheet Liabilities	-	51,824,371	-	-	2,591,219
33	Required Stable Funding					29,822,683
34	Net Stable Funding Ratio (%)					44.15%

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
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INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

V. Explanations on liquidity risk management, liquidity coverage ratio and net stable funding ratio (Continued)

Net Stable Funding Ratio (Continued):

		Unadjusted Amount According to Remaining Maturity				Total Amount with Consideration Applied
		Demand	Term Less than 6 Months	6 Months or More than 6 Months and Less than 1 Year Term	1 Year and More than 1 Year Term	
	Previous Period					
	Mevcut İstikrarlı Fon					
1	Equity Items	7,427,852	-	-	-	7,427,852
2	Total Core Capital and Supplementary Capital	7,427,852	-	-	-	7,427,852
3	Other Equity Items	-	-	-	-	-
4	Real person and retail customer deposits/participation funds	-	-	-	-	-
5	Stable deposit/participation fund	-	-	-	-	-
6	Low stable deposit/participation fund	-	-	-	-	-
7	Due to other persons	-	108,507,207	4,757,522	-	2,378,761
8	Operational deposits/participation funds	-	-	-	-	-
9	Other Debts	-	108,507,207	4,757,522	-	2,378,761
10	Liabilities equivalent to interconnected assets	-	-	-	-	-
11	Other liabilities	43,433	4,415,730	-	-	-
12	Derivative liabilities	-	4,415,730	-	-	-
13	Other equity items and liabilities not included above	43,433	-	-	-	-
14	Available Stable Fund					9,806,613
	Required Stable Funding					
15	High quality liquid assets	1,958	4,886,085	-	-	-
16	Operational deposits/participation funds deposited with credit institutions or financial institutions	-	109,556,497	-	-	16,433,475
17	Live receivables	-	4,027,513	5 21,659	1,228,287	1,450,568
18	Receivables from credit institutions or financial institutions whose collateral is first quality liquid assets	-	-	-	-	-
19	Unsecured receivables from credit institutions or financial institutions or secured receivables whose collateral is not first quality liquid assets	-	2,925,791	259,633	792,605	1,360,596
20	Receivables from corporate customers, institutions, real persons and retail customers, central governments, central banks and public institutions other than credit institutions or financial institutions	-	1,101,722	262,026	435,682	89,972
21	Receivables subject to risk weighting of 35% or less	-	-	-	-	-
22	Receivables collateralised with mortgages on residential properties	-	-	-	-	-
23	Receivables subject to risk weighting of 35% or less	-	-	-	-	-
24	High quality liquid assets that do not qualify as high quality liquid assets, listed equities and debt instruments	-	-	-	-	-
25	Assets equivalent to interconnected liabilities	-	-	-	-	-
26	Other Assets	1,201,029	4,698,735	-	-	5,899,764
27	Commodities with physical delivery including gold	-	-	-	-	-
28	Initial margin for derivative contracts or guarantee fund given to central counterparty	-	-	-	-	-
29	Derivative Assets	-	4,698,735	-	-	4,698,735
30	Derivative liabilities before deduction of variation margin	-	-	-	-	-
31	Other assets not included above	1,201,029	-	-	-	1,201,029
32	Off-Balance Sheet Liabilities	-	35,259,238	-	-	1,762,962
33	Required Stable Funding					25,546,769
34	Net Stable Funding Ratio (%)					38.39%

The average net stable funding ratio for the last 3 months including the reporting period is 43.44%. (31 December 2023: 36.97%)

The Bank's Net Stable Funding Ratio was 36.97% as of 31 March 2024 (31 December 2023: 43.44%) Development and investment banks, including the Bank, are exempt from the legal limit of NSFR of minimum 100%.

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INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VI. 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 5.10% (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)	148,123,378	120,309,522
(Assets deducted from core capital)	(257,085)	(208,473)
Total risk amount for assets on the balance sheet	147,866,293	120,101,049
Derivative financial instruments and credit derivatives		
Renewal cost of derivative financial instruments and loan derivatives	6,700,156	10,589,679
Potential credit risk amount of derivative financial instruments and loan derivatives	-	-
Total risk amount of derivative financial instruments and loan derivatives	6,700,156	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	4,190,855	4,849,545
(Adjustment amount arising from multiplying by the credit conversion rate)	-	-
Total risk amount for off-balance sheet transactions	4,190,855	4,849,545
Capital and total risk		
Tier 1 capital	8,098,818	6,642,487
Total risk amount	158,757,304	135,540,273
Leverage ratio		
Leverage ratio (%)	5.10	4.90

(1) The amounts in the table are calculated by using the quarterly average amounts.

(2) In accordance with the written application dated 5 July 2022 and numbered 43806 submitted to the BRSA and the letter dated 7 February 2023 and numbered 10042 received from the BRSA, the Bank started to calculate the leverage ratio by taking into account the amounts allocated and committed from Takasbank's capital instead of the amount of off-balance sheet liabilities in the markets where CCP service is provided and the open position amount in Takasbank Money Market, which are included in the calculation as non-cash loans in off-balance sheet liabilities as of this date. Accordingly, the leverage ratio is above the legal limit of 3%.

VII. 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.

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INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VII. Risk management objectives and policies (Continued)

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 March 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)

a) General Explanations on Risk Management and Risk Weighted Amounts

Overview of risk management and RWA

	Risk Weighted Amounts		Minimum Capital
	Current Period	Prior Period	Current Period
Credit risk (excluding counterparty credit risk)	31,609,957	24,007,472	2,528,797
Standardised approach	31,609,957	24,007,472	2,528,797
Internal rating-based approach	-	-	-
Counterparty credit risk	-	-	-
Standardised approach for counterparty credit risk	-	-	-
Internal model method	-	-	-
Basic risk weight approach to internal models equity position in the banking account	-	-	-
Investments made in collective investment companies-look through approach	-	-	-
Investments made in collective investment companies-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	1,729,152	627,406	138,332
Standardised approach	1,729,152	627,406	138,332
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	40,663,580	27,914,572	3,253,087

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INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VIII. Explanations on Segment Reporting

The Bank operates mainly in clearing-operation, custody, loans and treasury.

Current Period	Custody, Clearing and Operation	Loans and MM	Treasury Transactions	Other	Total
Cash and Balances with Central Bank	-	-	8,000,173	-	8,000,173
Financial Assets At Fair Value Through Profit/Loss (Net)	-	-	-	911,733	911,733
Banks	-	-	144,106,844	-	144,106,844
Money Markets	-	-	-	-	-
Financial Assets At Fair Value Through Other Comprehensive Income	-	-	4,332	-	4,332
Loans ⁽¹⁾	-	2,282,537	-	-	2,282,537
Financial Assets At Fair Value Through Amortized Cost ⁽²⁾	-	-	4,858,557	-	4,858,557
Subsidiaries	-	-	-	-	-
Joint Ventures (Net)	-	-	4,825	-	4,825
Tangible Assets (Net)	-	-	-	149,914	149,914
Intangible Assets (Net)	-	-	-	240,295	240,295
Investment Properties (Net)	-	-	-	244,470	244,470
Tax Asset	-	-	-	163,321	163,321
Derivative Financial Assets	-	-	11,592	-	11,592
Other Assets	227,908	-	-	298,522	526,430
Total Assets	227,908	2,282,537	156,986,323	2,008,255	161,505,023
Funds Borrowed	-	-	8,481,044	-	8,481,044
Debts to the Money Markets	-	-	-	-	-
Funds	111,621,689	1	-	30,733,903	142,355,593
Lease Liability	-	-	-	23	23
Derivative Financial Liability	-	-	-	-	-
Provisions	-	4,853	-	318,423	323,276
Tax Liability	-	-	-	1,415,614	1,415,614
Shareholder's Equity	-	-	-	8,929,473	8,929,473
Total Liabilities	111,621,689	4,854	8,481,044	41,397,436	161,505,023

The bank mainly operates in the fields of clearing-operations, custody services, credit and treasury transactions.

Prior Period	Custody, Clearing and Operation	Loans and MM	Treasury Transactions	Other	Total
Cash and Balances with Central Bank	-	-	4,888,043	-	4,888,043
Financial Assets At Fair Value Through Profit/Loss (Net)	-	-	-	39,647	39,647
Banks	-	-	109,440,841	-	109,440,841
Money Markets	-	-	-	-	-
Financial Assets At Fair Value Through Other Comprehensive Income	-	-	4,332	-	4,332
Loans ⁽¹⁾	-	1,793,500	-	-	1,793,500
Financial Assets At Fair Value Through Amortized Cost ⁽²⁾	-	-	3,939,828	-	3,939,828
Subsidiaries	-	-	-	-	-
Joint Ventures (Net)	-	-	4,825	-	4,825
Tangible Assets (Net)	-	-	-	149,948	149,948
Intangible Assets (Net)	-	-	-	202,858	202,858
Investment Properties (Net)	-	-	-	244,470	244,470
Tax Assets	-	-	-	163,165	163,165
Other Assets ⁽³⁾	-	-	55,113	-	55,113
	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

(1) It includes Expected Credit Loss allocated under IFRS 9.

(2) It includes Expected Credit Loss allocated under IFRS 9.

(3) Derivative financial assets item is included under treasury operationsv

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INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VIII. Explanations on Segment Reporting (Continued)

Current Period	Custody, Clearing and Operation	Loans and MM	Treasury Transactions	Other	Total
Net interest income	-	284,885	1,856,210	-	2,141,095
Net fees and commissions income and other operating income	1,129,464	-	-	-	1,129,464
Dividend income	-	-	-	-	-
Trading profit/loss	-	-	(279,971)	-	(279,971)
Other operating receivables	-	-	-	45,042	45,042
Impairment provision for loans and other receivables	-	34,677	-	-	34,677
Other operating expenses	-	-	-	(693,063)	(693,063)
Profit before taxes	1,129,464	250,208	1,576,239	(648,021)	2,307,890
Tax provision	-	-	-	(653,765)	(653,765)
Net profit for the period	1,129,464	250,208	1,576,239	(1,301,786)	1,654,125

Prior Period	Custody, Clearing and Operation	Loans and MM	Treasury Transactions	Other	Total
Net interest income	-	124,921	474,348	-	599,269
Net fees and commissions income and other operating income	491,021	-	-	-	491,021
Dividend income	-	-	-	-	-
Trading profit/loss	-	-	(14,680)	-	(14,680)
Other operating receivables	-	-	-	96,121	96,121
Impairment provision for loans and other receivables	-	-	-	-	-
Other operating expenses	-	-	-	(1,056,644)	(1,056,644)
Profit before taxes	491,021	124,921	459,668	(960,523)	115,087
Tax provision	-	-	-	(23,752)	(23,752)
Net profit for the period	491,021	124,921	459,668	(984,275)	91,335

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SECTION FIVE

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS

I. Explanations 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		Prior Period	
	TL	FC	TL	FC
CBRT	8,000,068	-	1,871	4,886,085
Cash/foreign currency	105	-	87	-
Other	-	-	-	-
Total	8,000,173	-	1,958	4,886,085

1.b) Information related to the account of the Central Bank of Turkey:

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted demand deposit	8,000,068	-	1,871	-
Unrestricted time deposit	-	-	-	4,886,085
Restricted time deposit	-	-	-	-
Total	8,000,068	-	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 Communiqué No. 2022/20 on the Establishment of Securities Denominated in Turkish Lira for Foreign Currency Liabilities, the obligations were changed. With the regulation numbered 2022/23, the name of the communiqué has been changed as "Communiqué on Securities Issuance". There is no amount to be blocked in this period within the scope of the obligations specified in the new communiqué.

2. Information on financial assets at fair value through profit and loss (net):

2.a) Information on financial assets at fair value through profit or loss (combination with net values):

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Debt Securities	39,320	-	37,291	-
Securities Representing Shares in Capital	-	-	-	-
Other Financial Assets(*)	2,355	870,058	2,356	-
Toplam	41,675	870,058	39,647	-

(*) Eurobonds and mutual funds received from other public institutions are measured at fair value through profit or loss. As at 31 March 2024, Eurobonds and mutual funds with a fair value of TL 872,413 (31 December 2023: TL 2,536) are classified under other financial assets.

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations Related to the Assets (Continued)

3. Information on Banks

3.a) Information on banks and other financial institutions:

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	95,212,595	39,815,765	84,459,507	20,514,574
Foreign	19	9,227,849	19	4,582,398
Branches and overseas head office	-	-	-	-
Total	95,212,614	49,043,614	84,459,526	25,096,972

As of 31 March 2024, an expected loss amounting to TL 149,384 has been allocated to the Banks accounts (31 December 2023: TL 115,657).

3.b) Information on foreign banks account:

	Unrestricted amount		Restricted amount	
	Current Period	Prior Period	Current Period	Prior Period
European Union Countries	9,169,280	4,490,379	-	-
USA, Canada	58,588	92,037	-	-
OECD countries	-	-	-	-
Off-shore banking regions	-	-	-	-
Other	-	-	-	-
Total	9,227,868	4,582,416	-	-

3.c) Information on receivables from money markets

None. (31 December 2023: None)

4. Information on financial assets at fair value through other comprehensive income:

4.a) Information on equity instruments:

Name	Current Period			Prior Period	
	Acquired On	Amount	Ratio (%)	Amount	Ratio (%)
Türkiye Ürün İhtisas Borsası A.Ş. (TÜRİB)	25.07.2018	2,500	5.00	2,500	5.00
Ege Tarım Ürünleri Lisanslı Depoculuk A.Ş.	03.01.2011	637	4.12	637	4.12
S.W.I.F.T.SCRIL	24.04.2009	339	0.02	339	0.02
Borsa İstanbul A.Ş.	31.05.2013	324	0.15	324	0.15
SASE - Sarajevo Menkul Kıymetler Borsası	18.05.2011	322	5.00	322	5.00
Sermaye Piyasası Lisanslama Sicil ve Eğitim Kuruluşu A.Ş.	29.07.2011	210	10.50	210	10.50
		4,332		4,332	

5. Information on derivative financial assets:

5.a) Information on equity instruments:

	Current Period		Prior Period	
	TL	FC	TL	FC
Futures	-	-	-	-
Swap Transactions	11,592	-	55,113	-
Futures Transactions	-	-	-	-
Option Transactions	-	-	-	-
Other	-	-	-	-
Total	11,592	-	55,113	-

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations Related to the Assets (Continued)

5. Information on derivative financial assets: (Continued)

	Current Period	Prior Period
Debt securities	-	-
<i>Quoted on a stock exchange</i>	-	-
<i>Not quoted on a stock exchange</i>	-	-
Share certificates	4,332	4,332
<i>Quoted on a stock exchange</i>	-	-
<i>Not quoted on a stock exchange</i>	4,332	4,332
Impairment provision(-)	-	-
Total	4,332	4,332

a) i. Information on derivative financial assets at fair value through profit or loss TL 11,592 (31 December 2023: TL 55,113).

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	1,081,819	27,498,339	840,953	17,831,604
<i>Corporate shareholders</i>	<i>1,081,819</i>	<i>27,498,339</i>	<i>840,953</i>	<i>17,831,604</i>
<i>Real person shareholders</i>	-	-	-	-
Indirect loans granted to shareholders	-	-	-	-
Loans granted to employees	-	-	-	-
Total	1,081,819	27,498,339	840,953	17,831,604

b) Information on loans with standard qualifications and close monitoring followed by restructured loans:

Cash Loans	Performing Loans	Loans under Follow-up		
		Non-restructured	Restructured	
Current Period			Revised Contract Terms	Refinanced
Non-specialized loans	2,285,076	-	-	-
Business loans	-	-	-	-
Export loans	-	-	-	-
Import loans	-	-	-	-
Loans given to financial sector	2,285,076	-	-	-
Consumer loans	-	-	-	-
Credit cards	-	-	-	-
Other	-	-	-	-
Specialized loans	-	-	-	-
Other receivables	-	-	-	-
Total	2,285,076	-	-	-

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations Related to the Assets (Continued)

6. Information on loans: (Continued)

Cash Loans	Performing Loans	Loans under Follow-up		
		Non-restructured	Restructured	
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	-	-	-

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 Period
Private	2,285,076	1,795,481
Public	-	-
Total	2,285,076	1,795,481

f) Domestic and foreign loans:

	Current Period	Prior Period
Domestic loans	2,285,076	1,795,481
Foreign loans	-	-
Total	2,285,076	1,795,481

g) Loans granted to subsidiaries and associates:

None (31 December 2023: None).

h) Information on non-performing loans:

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).

i.4) Information regarding gross and net amounts of non-performing loans with respect to user groups:

None (31 December 2023: None).

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations Related to the Assets (Continued)

6. Information on loans: (Continued)

j) Expected loss provision:

	Current Period		Prior Period	
	Standard Loans	Loans Under Close Monitoring	Standard Loans	Loans Under Close Monitoring
12 Month expected credit losses	2,539	-	1,981	-
Significant increase in credit risk	-	-	-	-
Total	2,539	-	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”.

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	917,858	1,762,139
Treasury bills	-	-
Other public sector debt instruments	1,239,408	717,471
Other	2,705,651	1,462,719
Total	4,862,917	3,942,329

7.a) ii. Information on government debt instruments:

	Current Period	Prior Period
Debt securities	4,862,917	3,942,329
<i>Quoted on a stock exchange</i>	<i>4,862,917</i>	<i>3,942,329</i>
<i>Not quoted on a stock exchange</i>	-	-
Impairment provision (-)	-	-
Total	4,862,917	3,942,329

7.a) iii. Movement of financial assets measured at amortised cost:

	Current Period	Prior Period
Beginning balance	3,942,329	2,901,106
Foreign currency differences on monetary assets	-	-
Purchases during year	3,455,688	7,269,155
Disposals through sales and redemptions ⁽¹⁾	(1,959,888)	(5,727,789)
Impairment provision (-)	-	-
Effect of valuation ⁽²⁾	(575,212)	(500,143)
Total	4,862,917	3,942,329

⁽¹⁾ All of disposals through sales and redemptions amount is from redemptions.

⁽²⁾ Includes change in interest accruals.

7.b) Information on expected credit loss provisions for financial assets

	Current Period	Prior Period
Other Financial Assets Measured by Amortized Cost	4,360	2,501
Treasury Loans	149,384	115,657
Miscellaneous Receivables	3,644	5,489
Total	157,388	123,647

7.c) Information on other financial assets: None. (31 December 2023: None).

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations Related to the Assets (Continued)

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 owns 65% of the shares of Merkezi Kayıt Kuruluşu A.Ş., its voting ratio is 2/7 according to the articles of association and it does not have control power over the subsidiary; therefore, this subsidiary is not consolidated. The subsidiary is recognized in the financial statements at cost amounting to TL 4,825 thousand.

Description	Address (City/ Country)	Bank's share percentage- If different voting percentage (%)	Bank risk group's share percentage (%)
Merkezi Kayıt Kuruluşu A.Ş.	Istanbul / Türkiye	28,57	65

Total Assets ⁽¹⁾	Shareholder's Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit/Loss	Prior Period Profits / Losses	Fair Value
1,225,113	737,644	323,019	57,368	41,701	194,188	322,906	-

(1) Current period financial statements are obtained from unreviewed financial statements prepared as of 31 March 2024 in accordance with the TAS.

- 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. Sectorial information on the consolidated subsidiaries: None (31 December 202: 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 31 March 2024, the Bank's investment property amounting to TL 244,470 (31 December 2023: TL 244,470).

13. Information on assets held for sale and discontinued operations:

None (31 December 2023: None).

14. Explanations on deferred tax asset:

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 II.6 of Section Five.

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations Related to the Assets (Continued)

15. 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
VIOP Guarantees	229,442	161,158
Custody and fee accruals	227,909	163,902
Prepaid expenses	55,466	48,079
Invoice Payables	12,806	40,358
Stationary supplies	489	318
Cash guarantees given	318	420
Other	-	209
Total	526,430	414,444

II. Explanations and Notes Related to Liabilities

1. Information on derivative financial liabilities:

- a) i. Information on derivative financial liabilities at fair value through profit or loss The Bank has no derivative liability balance as of 31 March 2024. (31 December 2023: None).
- a) ii. Derivative financial liabilities at fair value through other comprehensive income: None (31 December 2023: None).

2. Information on funds borrowed:

a) Information on banks and other financial institutions:

	Current Period		Prior Period	
	TL	FC	TL	FC
From domestic banks and institutions	-	8,481,044	129,836	5,521,256
From foreign banks, institutions and funds	-	-	-	-
Total	-	8,481,044	129,836	5,521,256

b) Information on money market debts:

	Current Period		Prior Period	
	TL	FC	TL	FC
CBRT	-	-	-	-
Total	-	-	-	-

c) Maturity analysis of funds borrowed:

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-term	-	8,481,044	129,836	5,521,256
Medium and long-term	-	-	-	-
Total	-	8,481,044	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):

3. 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	
	TL	FC	TL	FC
Cash collaterals	88,250,260	19,604,410	70,601,301	18,023,778
Members' receivables	4,065,536	26,645,396	2,682,657	13,642,816
Capital Markets Board Share	-	-	-	-
Partners' Dividend Receivables	-	-	-	-
Expense accruals	27,111	-	43,433	-
Other ⁽¹⁾	3,762,880	-	2,275,778	-
Total	96,105,787	46,249,806	75,603,169	31,666,594

(1) Amounting of other consists of pool and guarantee fund accounts.

4. 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
Less than 1 year	-	-	-	-
Between 1-4 years	980	23	980	80
More than 4 years	-	-	-	-
Total	980	23	980	80

5 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 TL 35,058.58 (31 December 2023: TL 23,489,83.) (full TL) 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):

5 Information on provisions: (Continued)

The main assumption is that the maximum liability for each year of service will increase in line with inflation. Accordingly, the discount rate applied represents the expected real rate after adjusting for the effects of future inflation. Therefore, provisions in the accompanying financial statements as at 31 March 2024 are calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees. Provisions at the respective balance sheet dates have been calculated assuming an annual inflation rate of 17.78% and an interest rate of 21%, resulting in a real discount rate of approximately 3.11% (31 December 2023: 17.78% inflation rate and 3.11% real discount rate). The estimated rate of severance pay that will not be paid as a result of voluntary resignations and will remain with the Bank is also taken into consideration.

	Current Period	Prior Period
Total liabilities of employee terminations (Undiscounted)	90,860	58,472
Provision for employee termination (Presented in financial statements)	53,746	42,405
The ratio of provision to undiscounted total liabilities (%)	59.15	72.52

As of 31 March 2024, the Bank provided a reserve of TL 53,746 (31 December 2023: TL 42,405) 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	(494)	(1,387)
Actuarial (gain)/loss	7,735	13,295
Charge for the year	4,100	8,117
<i>Service charge</i>	1,359	3,771
<i>Interest charge</i>	2,741	4,346
Total	53,746	42,405

a.2) The reserve for employee benefits:

	Current Period	Prior Period
Unused vacation provision	89,444	50,831
Total	89,444	50,831

As of 31 March 2024, the Bank has recognized total vacation liability amounting to TL 89,444 (31 December 2023: TL 50,831) under Provision for Employee Benefits in the financial statements.

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
Provisions for CMB’s Share Fee ⁽²⁾	115,721	83,659
Provision for employee benefits	57,000	241,150
Provision for litigation	2,512	2,580
Expected Credit Losses ⁽¹⁾	4,853	4,474
Total	180,086	331,863

⁽¹⁾ Consists of expected credit loss provisions for non-cash loans.

⁽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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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and Notes Related to Liabilities (Continued):

5 Information on provisions: (Continued)

	Current Period	Prior Period
Provision for litigation beginning balance	2,580	4,062
Additions	-	23
Payments (-)	-	-
Cancellations (-)	(68)	(1,505)
Provisions for cases year end	2,512	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).

6. Explanations on taxes payable:

a) Information on current tax liability:

a.1) Corporate tax:

	Current Period	Prior Period
Provision for corporate taxes	2,162,031	1,510,430
Prepaid taxes (-)	912,067	912,067
Corporate Income Tax Payable	1,249,964	598,363

a.2) Information on taxes payable:

	Current Period	Prior Period
Corporate taxes payable	1,249,964	598,363
Banking insurance transaction tax (BITT)	69,049	54,443
Other	25,322	17,455
Taxation on securities	32,154	15,612
Value added tax payable	1,747	3,891
Total	1,378,236	689,764

a.3) Information on premiums:

	Current Period	Prior Period
Social security premiums-employer	17,469	11,520
Social security premiums-employee	16,394	10,647
Unemployment insurance-employer	2,344	1,527
Unemployment insurance-employee	1,171	760
Total	37,378	24,454

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and Notes Related to Liabilities (Continued):

6. Explanations on taxes payable: (Continued)

b) Explanations on deferred tax liabilities:

Distribution of deferred tax assets / (liabilities):

	Current Period		Prior Period	
	Accumulated Temporary Differences	Deferred tax asset / (liability)	Accumulated Temporary Differences	Deferred tax asset / (liability)
Provisions for severance pay	53,746	16,123	42,405	12,722
Vacation pay liability	146,444	43,933	291,981	87,594
CMB Board share provision - other provision	115,721	34,716	83,659	25,098
TFRS 9 provision for expected losses	164,780	49,434	130,103	39,031
Lawsuits and bonus	2,512	754	2,580	774
Internal yield and market value differences of financial assets and government securities measured at amortized cost	38,381	11,514	31,006	9,302
Interest accruals	2,605	782	121	36
TFRS 16 Leases	-	-	67	20
Differences between the book value of fixed assests and tax value	12,363	3,709	-	-
Financial instruments value difference from Derivative Transactions	-	-	20,594	6,178
Provision for Prepaid Expenses	8,264	2,479	4,431	1,329
Deferred tax asset	544,816	163,444	606,947	182,084
TFRS 16 Leases	(11)	(3)	-	-
Differences between the book value of fixed assests and tax value	-	-	(63,062)	(18,919)
Internal yield and market value differences of financial assets and government securities measured at amortized cost	-	-	-	-
Financial instruments value difference – from swap transactions	(401)	(120)	-	-
Deferred tax liability	(412)	(123)	(63,062)	(18,919)
Deferred tax asset/(liability), net		163,321		163,165

Deferred tax asset transaction table :

	Current Period	Prior Period
As of 1 January (Prior period end balance)	163,165	43,267
Deferred tax income / (expense)	(2,165)	115,910
Deferred tax recognized under equity	2,321	3,988
Deferred tax asset	163,321	163,165

7. Information on Shareholders' Equity:

a) Presentation of Paid-in capital:

	Current Period	Prior Period
Common stock ⁽¹⁾	600,000	600,000
Privileged share provision	-	-

(1) As of 31 March 2024, the Bank has totally 6,000,000,000 issued share certificates.

b) Information on extraordinary reserves:

	Current Period	Prior Period
Reserves appropriated by the General Assembly	2,451,602	2,451,602
Retained Earnings	-	-
Accumulated Losses	-	-
Foreign Capital Exchange Difference	-	-
Total	2,451,602	2,451,602

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and Notes Related to Liabilities (Continued):

7. Information on Shareholders' Equity: (Continued)

c) 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).

d) Other information on the share of capital increased through capital contributions performed during the current period and capital funds:

None (31 December 2023: None).

e) Information on share capital increases from capital reserves during the current period:

None (31 December 2023: None).

f) 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).

g) 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.

h) Information on marketable securities valuation reserve:

None (31 December 2023: None).

i) Information on past year profit distribution:

As of the report date, no dividend payment has been made since the Bank's Ordinary General Assembly meeting has not been held yet.

j) Information on minority shares:

None (31 December 2023: None).

III. Explanations and Notes Related Off-Balance Sheet Accounts:

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⁾	50,948,249	34,383,116
Total Non-Cash Loans	50,948,249	34,383,116

⁽¹⁾ Guarantees given to Takasbank Money Market, Takasbank Securities Lending Market, BİAŞ Debt Securities Market, BİAŞ Money Market, BİAŞ Equity Market and BİAŞ Futures and Options Market, BİAŞ Swap Market.

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

III. Explanations and Notes Related Off-Balance Sheet Accounts: (Continued)

b.2) Guarantees, temporary guarantees, collateral and other warranties: None (31 December 2023: None).

b.3) Explanation of irrevocable commitments:

	Current Period		Prior Period	
	TL	FC	TL	FC
Capital commitment for VIOP (Bank is central counterparty services)	110,933	-	110,933	-
Capital commitment for ÖPP Market (Bank is central counterparty services)	2,778	-	2,778	-
Capital commitment for Money Market (Bank is central counterparty services (CCP))	237	-	237	-
Capital commitment for PAY (Bank is central counterparty services)	6,568	-	6,568	-
Capital commitment for Debt Instruments Market (Bank is central counterparty services)	26,649	-	26,649	-
Capital commitment for Swap Market (Bank is central counterparty services)	56,971	-	56,971	-
Capital commitment for the OTC Market (Bank is central counterparty services)	1,597	-	1,597	-
Capital commitment for the TPP Market	3,158	-	3,158	-
Total	208,891	-	208,891	-

c) Information related to Non-Cash Loans:

The Bank acts as a bridge between the buyer and the seller in the Takasbank Money Market, where it plays a role as the market founder and operator and monitors the risks arising in this market in non-cash loan items, as it provides guarantees with the guarantee fund contributions and the capital allocated and committed for this market in case of non-payment of the debt. Takasbank, Securities Lending Market, Futures and Options Market, BİAŞ Money Market, Over-the-Counter Derivatives Market, BİAŞ Swap Market, Equity Market and Debt Securities Markets, has secured the transactions in the markets by the Bank.

Limits are set for members in Takasbank Money Market, Securities Lending Market, BİAŞ Money Market, Equity Market, BİAŞ Swap Market, Over-the-Counter Derivatives Market, Debt Securities Market and Futures and Options Market transactions, and there is a permanent guarantee obligation for these limits. These collaterals are kept in the bank as multiples of the credit limits determined according to their convertibility into cash.

d) Information Related to Allocations:

	Current Period		Prior Period	
	TL	FC	TL	FC
Capital commitment for VIOP (Bank is central counterparty services)	354,341	-	354,341	-
Capital commitment for ÖPP Market (Bank is central counterparty services)	8,875	-	8,875	-
Capital commitment for Money Market (Bank is central counterparty services (CCP))	757	-	757	-
Capital commitment for PAY Market (Bank is central counterparty services)	20,978	-	20,978	-
Capital commitment for Debt Instruments Market (Bank is central counterparty services)	85,119	-	85,119	-
Capital commitment for Swap Market (Bank is central counterparty services)	181,972	-	181,972	-
Capital commitment for the OTC Market (Bank is central counterparty services)	5,100	-	5,100	-
Capital commitment for the TPP Market	10,089	-	10,089	-
Total	667,231	-	667,231	-

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

III. Explanations and Notes Related Off-Balance Sheet Accounts (Continued)

e) Information Related to Guarantees:

Total valued market collateral in markets where the Bank is central counterparty is TL 111,563,437 (31 December 2023: TL 89,055,168), the total of the valued guarantee fund is TL 6,482,048 (31 December 2023: TL 6,252,008).

f) Information related to investment securities held in custody:

The investment securities held in custody, TL 7,413,753,758 (31 December 2023: TL 7,029,357,526) of the TL 7,413,528,341 (31 December 2023: TL 7,029,132,092) balance of investment securities held in custody are investment funds as the other TL 225,417 (31 December 2023: TL 225,434) balance consists of share certificate held in custody.

IV. Explanations and Notes Related to the Statement of Profit or Loss

1. Information on interest on loans:

a) Information on interest on loans:

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-term loans	281,474	-	124,202	-
Medium/long-term loans	-	-	-	-
Interest on loans under follow-up	-	-	-	-
Premiums received from resource utilisation support fund	-	-	-	-
Total	281,474	-	124,202	-

b) Information on interest received from banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of Turkey	517	-	11,934	821
Domestic banks	1,320,162	500,030	291,846	176,027
Foreign banks	-	1,591	-	340
Branches and head office abroad	-	-	-	-
Total	1,320,679	501,621	303,780	177,188

c) Interest received from marketable securities portfolio:

	Current Period		Prior Period	
	TL	FC	TL	FC
From financial assets at fair value through profit or loss	67,179	71,229	6,377	39,210
From financial assets at fair value through other comprehensive income	-	-	-	-
From financial assets measured at amortised cost	6,933	2,607	2,357	-
Total	74,112	73,836	8,734	39,210

d) Information on interest income received from associates and subsidiaries:

None (31 March 2023: None).

e) Other information:

None (31 March 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)

2. Information on interest expense

a) Information on interest on funds borrowed:

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	1,437	112,598	18,885	35,591
<i>The Central Bank of Turkey</i>	-	-	-	-
<i>Domestic banks</i>	1,437	112,598	18,885	35,591
<i>Foreign banks</i>	-	-	-	-
<i>Branches and head office abroad</i>	-	-	-	-
Other financial institutions	3	-	94	-
Total	1,440	112,598	18,979	35,591

b) Information on interest expense to associates and subsidiaries:

None (31 March 2023: None).

c) Information on interest expense to marketable securities issued:

None (31 March 2023: None).

d) Distribution of interest expense on deposits based on maturity of deposits:

None (31 March 2023: None).

3. Information on dividend income:

	Current Period	Prior Period
Interest Received from Securities	-	-
Financial assets at fair value through profit or loss	-	-
Financial assets at fair value through other comprehensive income	-	-
Other (MKK)	-	-
Total		

4. Information on net trading income:

	Current Period	Prior Period
Income	114,030	30,987
Gains on capital market operations	-	-
Gains on derivative financial instruments	46,938	22,746
Foreign exchange gains	67,092	8,241
Losses (-)	(394,001)	(45,667)
Losses on capital market operations	(186)	(3,272)
Losses on derivative financial instruments	(2,141)	(1,683)
Foreign exchange losses	(391,674)	(40,712)
Total (Net)	(279,971)	(14,680)

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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)

5. Information on other operating income:

	Current Period	Prior Period
		74,972
Provisions no longer required ^(*)	86	
Collection of prior year expenses	1,432	330
Income from sales of the assets	-	-
Other income ^(**)	43,524	20,819
Total	45,042	96,121

(*) In accordance with the letter dated February 7, 2023 and numbered 10042 received from the BRSA, as of this date, the Bank has started to calculate the amounts allocated and committed from Takasbank's capital instead of the off-balance sheet liability amount in the markets where CCP service is provided and the open position amount in Takasbank Money Market, which are included in the calculation as non-cash loans in off-balance sheet liabilities. As of 31 March 2024 86 TL has been reclassified to unrealized loss provisions due to the change in the risk amount.

(**) Other income is the consultancy service income provided within the scope of Abu Dhabi Securities Exchange project. In the fifth section, fourth part, footnote 10 of the report, if the balances under other items in the statement of profit or loss exceed 10% of the total of the statement of profit or loss, the details of the sub-accounts constituting at least 20% of these items are given. Information on new developments and factors that significantly affect the Bank's income and the nature and amount of income arising from unusual items: None (March 31, 2023: None).

6. Explanations on Banks' expected credit loss:

	Current Period	Prior Period
Expected credit loss	34,677	-
12 month expected credit loss (Stage 1)	34,677	-
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	34,677	-

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024**

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

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations and Notes Related to the Statement of Profit or Loss (Continued)

7. Information on other operating expenses:

	Current Period	Prior Period
Personnel expenses ⁽¹⁾	299,026	121,145
Severance Pay Provision	4,100	1,332
Bank Social Assistance Fund Asset Deficit Provision	-	-
Tangible Asset Impairment Expenses	-	-
Tangible Fixed Asset Depreciation Expenses	11,151	4,169
Intangible Assets Impairment Expenses	-	-
Goodwill Impairment Expense	-	-
Intangible Assets Depreciation Expenses	10,195	4,940
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	205,734	46,732
Lease expenses related to TFRS 16 exceptions ⁽²⁾	3,759	2,365
Maintenance and Repair Expenses	634	260
Advertising and Advertisement Expenses	6,942	717
Other expenses	194,399	43,390
Losses from the Sale of Assets	44	1
Other ⁽³⁾	162,813	878,325
Total	693,063	1,056,644

⁽¹⁾ "Personnel Expenses", which is a separate item in the profit or loss statement, is also included table above.

⁽²⁾ 31 March 2024 amounts include all operating lease expenses.

⁽³⁾ Other operating expenses consists of provisions for capital market board's share fee, legal claims, unused vacation and other.

8. Information on continued and discontinued operations from tax provisions:

a) The Bank presents deferred tax asset and the resulting deferred tax benefit in its financial statements.

	Current Period	Prior Period
Current income tax charge	(651,600)	-
Deferred tax charge	(2,165)	(23,752)
Total	(653,765)	(23,752)

b) Deferred tax on temporary differences:

	Current Period	Prior Period
CMB Provision	9,618	4,655
Provision for Severance Pay	3,401	2,304
Permit Provision	(43,661)	(3,417)
Litigation and Premium Provision	(20)	(140)
TFRS 9 Expected Loss Provisions	10,403	(16,871)
Internal Yield and Market Value Differences of Government Debt Securities of Financial Assets Measured at Amortized Cost	2,212	(3,483)
Derivative Financial Asset	(6,298)	(4,668)
Differences Between Carrying Value of Fixed Assets and Tax Value	22,628	47
Interest Rediscounts	746	(42)
Deferred tax expense recognized under equity	(2,321)	(2,037)
Provision for Prepaid Expenses	1,150	-
Financial Leasing Expenses	(23)	(100)
Total	(2,165)	(23,752)

9. Information on net profit/loss from continued and discontinued operations:

As of 31 March 2024, net profit after tax of the Bank is TL 1,654,125 (31 March 2023: TL 91,335).

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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)

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 March 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 March 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 March 2023: None).

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:

	Current Period	Prior Period
Other fees and commissions		
Service commissions	268,189	129,680
Commissions on options exchange	400,725	95,708
Custody commissions	186,898	89,966
Customer account maintenance commissions	70,584	39,198
Other	232,432	150,824
Transfer commissions	19,071	11,826
Swift commissions	25,726	12,443
Bank transfer transactions	20,403	9,809
Funds transactions	10,209	3,632
Code Allocation/Transactions	4,422	1,730
Total	1,238,659	544,816

V. 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:

Bank's Risk Group	Subsidiaries, associates and entities under common control (Joint Ventures)		Direct and indirect shareholders of the Bank		Other 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	-	-	1,081,819	27,498,339	-	-
Interest and commission income	68,473	-	342,029	43,887	43,442	-

b) Prior Period:

Bank's Risk Group	Subsidiaries, associates and entities under common control (Joint Ventures)		Direct and indirect shareholders of the Bank		Other 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 ⁽¹⁾	-	-	2,107,175	34,398,499	-	-
Balance at end of the period ⁽¹⁾	-	-	840,953	17,831,604	-	-
Interest and commission income ⁽²⁾	17,785	-	319,078	30,568	54,388	-

⁽¹⁾ 31 December 2023 amounts are expressed.

⁽²⁾ 31 March 2023 amounts are expressed.

- c) Information on deposits of 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 (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)

V. Explanations and notes related to risk group of the Bank (Continued)

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 using the equity method: As of the balance sheet date, the Bank has no transactions accounted for using the equity method (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).

VI. Explanations and Notes Related to Subsequent Events

None.

VII. Other Explanations

None.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024**

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

SECTION SIX

INDEPENDENT AUDITOR'S LIMITED REVIEW REPORT

I. Explanations on the Independent Auditor's Review Report

The unconsolidated financial statements for the period ended 31 March 2024 have been reviewed by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. The auditor's review report dated 14 May 2024 is presented preceding the unconsolidated financial statements.

II. Other Footnotes and Explanations Prepared by Independent Auditor

None.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
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SECTION SEVEN

EXPLANATIONS ON INTERIM ACTIVITY REPORT

Evaluations of the Chairman of the Board of Directors for the Period

The global economy, which is estimated to have completed 2023 with 3.1% growth, started 2024 with economic and geopolitical uncertainties. Inflation and soft-landing scenarios are at the focal point of developed country economies, which maintained high interest rates last year as part of the fight against inflation.

The US economy grew by 3.4% in the fourth quarter of 2023, above expectations, driven by consumer spending. The economy grew by 2.5% throughout the year. The Fed kept the policy rate unchanged at 5.25% - 5.50% in line with expectations at its January and March meetings, while a total of 75 basis points of interest rate cuts were projected for 2024. However, inflation data for March indicated that the timing of interest rate cuts should be more cautious.

For the Eurozone, interest rate cuts are foreseen closer than in the US. The fact that inflation in the Euro Area slowed down more than expected by 2.4% YoY in March strengthened the possibility of the European Central Bank to cut interest rates in June. On the other hand, due to their inflationary effects, the course of commodity prices, especially energy prices, in this period continues to be important for the European economy.

In March, oil prices increased as geopolitical risks came to the fore. The possibility that Russia's oil exports may fall further and OPEC+ members' decision to extend production cuts until June pushed oil prices higher. The growth in the Chinese economy, one of the world's largest oil importers, also has an upward impact on prices due to expectations that it will increase demand. Chinese economy grew by 5.3% in the first quarter of the year, above expectations, despite the ongoing decline in the real estate market and weakening domestic demand.

In this period, while the economic management in China took steps to support the recovery, the Bank of Japan (BoJ) raised its policy rate to the range of 0.0%-0.1% in March, the first rate hike in 17 years. Thus, BoJ ended the negative interest rate policy that has been in effect since 2016.

Following the 5.5% growth in 2022, Turkish economy outperformed expectations with 4.5% in 2023. The contribution of increased construction and machinery and equipment investments and domestic consumption after the earthquake disaster continued to support growth in the last quarter of the year. International Monetary Fund (IMF) projected that Turkish economy will grow by 3.1% this year and 3.2% next year. On the other hand, the CBRT, which entered a tightening period starting from the second half of 2023 within the scope of the fight against inflation, increased the policy rate by 500 basis points to 50% in March 2024. Despite the fluctuations in global trade in the first quarter of the year, Turkish exports increased by 3.6% to USD 63.7 billion, while imports decreased by 12.6% to USD 84.1 billion. While economic stability and predictability increased with the policies implemented, international rating agency Fitch raised Turkey's credit rating by one level to B+. Fitch also revised the credit rating outlook from "stable" to "positive". In the upcoming period, the persistence of the rise in oil prices due to the pressures created by geopolitical developments will be important for the course of inflation, while the tightening steps taken by the economic administration are expected to have a suppressive effect on inflation.

In the first quarter of 2024, Takasbank continued to provide effective services to the Turkish money and capital markets and performed an effective management in line with international examples, especially in the management of risks and collateral arising from the markets in which it serves as the central counterparty.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024**

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

EXPLANATIONS ON INTERIM ACTIVITY REPORT (Continued)

Evaluations of the Chairman of the Board of Directors for the Period

Our projects and initiatives to develop and diversify the services offered for the markets, particularly 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 IT-related operational risks and to continue to provide Takasbank services in a fast, effective and uninterrupted manner continued in this period.

Thanks to its strategic perspective and effective management policies, our Bank achieved a pre-tax profit of TL 2.3 billion as of 31 March 2024, while its total assets and shareholders' equity reached TL 161.5 billion and TL 8.9 billion, respectively. 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 the 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

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
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EXPLANATIONS ON INTERIM ACTIVITY REPORT (Continued)

Evaluation of the CEO for the Period

In the first quarter of 2024, Takasbank continued to contribute to the development of Turkish capital markets and demonstrated a successful performance.

In the first quarter of 2023, due to the rise in market trading volumes and the expansion in Takasbank's service profile, our fee and commission revenues increased well above the figures of the same period last year and reached TL 1.7 billion, while our profit before tax was TL 2.3 billion. As of 31 March 2024, Takasbank's total assets reached TL 161.5 billion, shareholders' equity reached TL 8.9 billion and total cash collateral size reached TL 107.9 billion.

As of 31 March 2024, Borsa Istanbul (BİAŞ) Debt Securities Market Outright Purchases and Sales Market and Repo-Reverse Repo Market traded a total of TL 17,293.6 billion worth of securities, of which TL 53.1 billion were corporate bond transactions. As a result of multilateral netting in the Takasbank system, cash settlement of TL 6,972.9 billion and securities settlement with a market value of TL 12,870.4 billion were performed. In the BİAŞ Swap Market, a total of TL 1,152.5 billion worth of bilateral transactions were executed, of which USD 34.02 billion and EUR 2.94 billion were USD and EUR transactions, respectively.

On the BİAŞ Equity Market, transactions totalled TL 10,363.04 billion, with cash settlement of TL 349.17 billion and securities settlement of TL 1,502.21 billion.

As of 31 March 2024, the number of open positions in the Futures and Options Market was 12,303,135 with an open position value of TL 153 billion. The open position value in the OTC Market was TL 12.01 billion.

The trading volume in Takasbank Money Market reached TL 118.6 billion in the quarter, while the total number of transactions was 109,815. The average daily trading volume was TL 39.5 billion, while the average transaction size was TL 23 million.

The trading volume on the Turkish Electronic Fund Trading Platform (TEFAS) reached TL 1,128 billion and the number of funds traded reached 600 in the quarter. The average daily trading volume was TL 17.6 billion, while the number of trading institutions was 103.

The trading volume on the Private Pension Fund Trading Platform (BEFAS) was TL 12.1 billion and the number of funds traded was 284 in the three-month period. The average daily trading volume was TL 189.4 million and the number of trading institutions was 15.

Regarding private pension fund services; as of March 2024, the fund asset value of 381 private pension mutual funds stood at TL 901 billion. In the same period, the total fund asset value of 1,620 mutual funds was TL 2,236.7 billion, 181 real estate mutual funds had a total fund asset value of TL 82.7 billion, 316 venture capital mutual funds had a total fund asset value of TL 128.7 billion, 22 exchange traded funds had a total fund asset value of TL 73.5 billion and 10 securities investment trusts had a total net asset value of TL 1,374.5 million.

Takasbank extended a daily average daily cash credit of TL 2,412.5 million within the scope of the cash credit service provided by Takasbank to brokerage houses and a daily average daily cash credit of TL 18 million within the scope of the settlement credit service.

In the first quarter of 2024, within the framework of its vision of "contributing to the development of the markets through reliable and effective post-trade services", Takasbank continued its efforts to deepen the markets and strengthen its IT infrastructure through development activities for the management of financial risks.

I would like to thank everyone who contributed to the success of our Bank, which has shown a successful financial performance by continuing its services in an effective and uninterrupted manner, especially our employees.

Best regards,
Avşar R. SUNGURLU
General Manager
Board Member

İSTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2024

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EXPLANATIONS ON INTERIM ACTIVITY REPORT (Continued)

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. upon the resolution of the Council of Ministers No. 95/6551 published in the Official Gazette dated 23 June 1995. In its 18th Ordinary General Assembly dated 29 March 2013, the title of the Bank has been changed to İstanbul Takas ve Saklama Bankası A.Ş.

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)	Capital ratio (%)
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
Other (Brokerage houses)	26,397	4.40
Other (Banks)	20,101	3.35
Total	600,000	100.00

Names and Shares of the Real or Legal Persons having more than 10% of the capital:

Business Name	Share Amount (Thousand TL)	Ratio (%)
Borsa İstanbul A.Ş.	385,067	64.18

Share transfers of the shareholders within the reporting period:

None.

Branch and Personnel Information

The Bank has a total of 409 employees and does not have any branches. The Bank is operating as Head Office.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
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EXPLANATIONS ON INTERIM ACTIVITY REPORT (Continued)

Board of Directors, Auditors, CEO and Executive Vice Presidents

Chairman and Members of the Board of Directors	
Name Surname	Area of Responsibility
Mahmut Kayacık	Chairman
Korkmaz Ergun	Deputy Chairman of the Board
Murat Tacir	Member (Risk Committee Chair - Audit Committee Member)
Bilal Şentürk	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)
Muhsin Atıcı	Member (Member of the Remuneration Committee – Reserve Member of the Credit Committee)
Yusuf Karaloğlu	Member (Member of the Remuneration Committee - Reserve Member of the Credit Committee)
CEO and Executive Vice Presidents	
Name Surname	Area of Responsibility
Avşar R. Sungurlu	General Manager Chairman of the Credit Committee
Gökhan Elibol	Vice President - Markets and Operations
Murat Görgün	Vice President - Central Counterparty and Financial Services
Taşkın Öker	Vice President - Information Technologies

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.

	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
Bank's Risk Group						
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	-	-	1,081,819	27,498,339	-	-
Received Interest and Commission Income	68,473	-	342,029	43,887	43,442	-

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EXPLANATIONS ON INTERIM ACTIVITY REPORT (Continued)

Evaluation on the Bank's Financial Indicators and Performance

ASSETS (Thousand TL)	31 March 2024
Financial Assets (net)	153,034,674
<i>Cash and Cash Equivalents</i>	152,107,017
<i>Cash and Balances with Central Bank</i>	8,000,173
<i>Banks</i>	144,256,228
<i>Money Markets</i>	-
<i>Expected Loss Reserves (-)</i>	149,384
<i>Financial Assets at Fair Value Through Profit/Loss</i>	911,733
<i>Financial Assets at Fair Value Through Other Comprehensive Income</i>	4,332
<i>Derivative Financial Assets</i>	11,592
Financial Assets Measured at Amortised Cost (net)	7,141,094
<i>Loans</i>	2,285,076
<i>Other Financial Assets Measured at Amortised Cost</i>	4,862,917
<i>Expected Credit Losses (-)</i>	6,899
Investments in Associates, Subsidiaries and Joint Ventures	4,825
Tangible Assets (net)	149,914
Intangible Assets and Goodwill (net)	240,295
Investment Properties (net)	244,470
Current Tax Assets	-
Deferred Tax Assets	163,321
Other Assests	526,430
Total Assets	161,505,023

LIABILITIES (Thousand TL)	31 March 2024
Loans Received	8,481,044
Payables to Money Markets	-
Funds	142,355,593
<i>Other</i>	142,355,593
Derivative Financial Liabilities	-
Lease Payables	23
Provisions	323,276
<i>Provision for Employee Benefits</i>	143,190
<i>Other Provisions</i>	180,086
Current Tax Liabilities	1,415,614
Deferred Tax Liability	-
Shareholders' Equity	8,929,473
Total Liabilities	161,505,023

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
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EXPLANATIONS ON INTERIM ACTIVITY REPORT (Continued)

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

Statement of Profit or Loss(Thousand TL)	31 March 2024
Interest Income	2,255,133
Interest Expense (-)	114,038
Net Interest Income/Expense	2,141,095
Net Fees and Commission Income/Expense	1,129,464
Dividend Income	-
Net Trading Income/Losses	(279,971)
Other Operating Income	45,042
Total Operating Profit	3,035,630
Expected Credit Losses (-)	34,677
Other Provisions (-)	139,226
Personnel Expenses (-)	299,026
Other Operating Expenses	254,811
Net Operating Profit/Loss	2,307,890
Provision for Taxes (-)	(653,765)
Net profit/loss	1,654,125

Financial Ratios	31 March 2024
Operating Income / Total Assets	1.43
Shareholders Equity / Total Assets	5.53
Operating Income / Shareholders Equity	25.85
Net Interest Income / Operating Income	70.53

ASSETS (Thousand TL)	31 December 2023
Financial Assets (Net)	114,427,976
<i>Cash and Cash Equivalents</i>	114,328,884
<i>Cash Values and Central Bank</i>	4,888,043
<i>Banks</i>	109,556,498
<i>Receivables From Money Markets</i>	-
<i>Expected Loss Reserves (-)</i>	115,657
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>	1,795,481
<i>Other Financial Assets Measured by Amortized Cost</i>	3,942,329
<i>Expected Loss Reserves (-)</i>	4,482
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

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EXPLANATIONS ON INTERIM ACTIVITY REPORT (Continued)

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

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

Statement of Profit or Loss (Thousand TL)	31 March 2023
Interest Income	653,839
Interest Expense (-)	54,570
Net Interest Income/Expense	599,269
Net Fees and Commission Income/Expense	491,021
Dividend Income	-
Net Trading Income/Losses	(14,680)
Other Operating Income	96,121
Total Operating Profit	1,171,731
Expected Credit Losses (-)	-
Other Provisions (-)	80,283
Personnel Expenses (-)	121,145
Other Operating Expenses	855,216
Net Operating Profit/Loss	115,087
Provision for Taxes (-)	23,752
Net Income/(Loss)	91,335

Financial Ratios	31 March 2023
Operating Income / Total Assets	
Shareholders Equity / Total Assets	1.43
Operating Income / Shareholders Equity	5.52
Net Interest Revenue / Operating Revenue	25.89

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024**

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

EXPLANATIONS ON INTERIM ACTIVITY REPORT (Continued)

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

The size of the balance sheet which was 121,341,014 thousand TL at the end of 2023 reached 161,505,023 thousand TL as of end-March 2024. The banks account representing the highest amount in the assets and realized as 144,256,228 thousand TL. The size of credits was 1,795,481 thousand TL at the end of 2023 reached 2,285,076 thousand TL. The credits account increased by % 27.

The funds borrowed item, which occupies the most important place among the Bank's liabilities, while it was TL 107,269,763, it increased by 33% to TL 142,355,593.

The Bank's loans received balance, which was TL 5,651,092 at the end of the previous year, amounted to TL 8,481,044 as of this period.

As of the end of first quarter of 2024, the Bank has a pre-tax profit of 2,307,890 thousand TL and after-tax profit of 1,654,125 thousand TL.

An interest income of 2,255,133 thousand TL is earned as of end-March 2024, where 1,822,300 thousand TL interest is collected from the banks, 147,948 thousand TL interest is collected from the securities and 281,474 thousand TL is collected from the loans and 3,411 thousand TL results from other interest income. Total interest expense for this period was realized as 114,038 thousand TL.

The Bank earned 1,238,659 thousand TL commission income as a result of the services it provides and paid 109,195 thousand TL commission for its Turkish Lira and foreign currency denominated transactions. As of end-March 2024, net fee and commission income was realized as 1,129,464 thousand TL.

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