

İstanbul Takas ve Saklama Bankası Anonim Şirketi

Interim unconsolidated financial statements at September 30, 2021 together with independent auditor's review report

(Convenience translation of publicly announced unconsolidated financial statements and Independent Auditor's Report originally issued in Turkish, See Note.I. of Section three.)



Güney Bağımsız Denetim ve SMMM A.Ş.
Maslak Mah. Eski Büyükdere Cad.
Orjin Maslak İş Merkezi No: 27
Kat: 2-3-4 Daire: 54-57-59
34485 Sarıyer
İstanbul - Türkiye

Tel: +90 212 315 3000
Fax: +90 212 230 8291
ey.com
Ticaret Sicil No : 479920
Mersis No: 0-4350-3032-6000017

Convenience Translation of the Review Report Originally Prepared and Issued in Turkish

REVIEW REPORT ON INTERIM FINANCIAL INFORMATION

To the Board of Directors of Istanbul Takas ve Saklama Bankası A.Ş:

Introduction

We have reviewed the unconsolidated balance sheet of Istanbul Takas ve Saklama Bankası A.Ş. (the “Bank”) at September 30, 2021 and the related unconsolidated statement of income, 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 nine-month-period then ended. The Bank Management is responsible for the preparation and fair presentation of interim financial statements in accordance with the “Regulation on Accounting Applications for Banks and Safeguarding of Documents” published in the Official Gazette no.26333 dated November 1, 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency (“BRSA”) and circulars and interpretations published by Banking Regulation and Supervision Agency (“BRSA”) and Turkish Accounting Standard (“TAS”) 34 “Interim Financial Reporting” for those matters not regulated by BRSA Legislation (together referred as “BRSA Accounting and Financial Reporting Legislation”). Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of review

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, “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 of Turkey 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 statements do not give a true view of the financial position of Istanbul Takas ve Saklama Bankası A.Ş. at September 30, 2021 and of the results of its operations and its cash flows for the nine-month period then ended in all material respects in accordance with the BRSA Accounting and Financial Reporting Legislation.

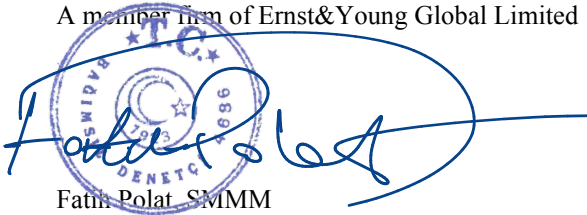
Report on other regulatory requirements arising from legislation

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 VII, are not consistent with the reviewed unconsolidated interim financial statements and disclosures in all material respects.

Additional paragraph for convenience translation to English:

As explained in detail in Note I of Section Three, the effects of differences between accounting principles and standards set out by regulations in conformity with BRSA Accounting and Reporting Legislation) and Turkish Accounting Standard 34 “Interim Financial Reporting” except for the matters regulated by BRSA Legislation., accounting principles generally accepted in countries in which the accompanying unconsolidated financial statements are to be distributed and International Financial Reporting Standards (“IFRS”) have not been quantified in the accompanying unconsolidated financial statements. Accordingly, the accompanying unconsolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst&Young Global Limited



Fatma Polat SMMM
Partner

November 10, 2021
Istanbul, Turkey

CONVENIENCE TRANSLATION OF PUBLICLY
ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS AND AUDITORS' REVIEW REPORT
ORIGINALLY ISSUED IN TURKISH, SEE IN NOTE I.B OF SECTION SIX

THE UNCONSOLIDATED FINANCIAL AUDIT REPORT OF
İSTANBUL TAKAS VE SAKLAMA BANKASI A.Ş. AS OF 30 SEPTEMBER 2021

Address of the Bank's Headquarters : Takasbank Genel Müdürlüğü
Reşitpaşa Mahallesi, Borsa İstanbul Caddesi, No:4
Sarıyer 34467 İstanbul

Telephone of the Bank : (0 212) 315 25 25

Fax of the Bank : (0 212) 315 25 26

Web site of the Bank : www.takasbank.com.tr

E-mail for correspondence : rap@takasbank.com.tr

The unconsolidated financial report for the nine 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 THE FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE BANK
- EXPLANATIONS AND DISCLOSURES RELATED TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
- AUDITOR'S REVIEW REPORT
- INTERIM ACTIVITY REPORT

The accompanying unconsolidated financial statements and notes to these financial statements for the nine 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 ÖZTİN
Head of the Audit
Committee



Murat TACİR
Member of the
Audit Committee



Avşar R. SÜNGÜRLÜ
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:

Name-Surname/Title : Zülal Tarı / Chief Specialist
Telephone Number : (0 212) 315 23 15
Fax Number : (0 212) 315 22 34

INDEX**PAGE****SECTION ONE****GENERAL INFORMATION**

I.	Bank's establishment date, start-up statute, history about the changes in this mentioned statute	1
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	1
III.	Explanation on the Board of Directors, members of the audit committee, president and executive vice presidents, changes in these matters (if any) and shares of the Bank they possess	2-3
IV.	Information on the Bank's qualified shareholders	4
V.	Information on the Bank's function and areas of activity	4
VI.	Current or likely actual or legal barriers to immediate transfer of equity or repayment of debts between parent bank and its subsidiaries	4

SECTION TWO**UNCONSOLIDATED FINANCIAL STATEMENTS**

I.	Balance sheet	6-7
II.	Off-balance sheet	8
III.	Statement of profit or loss	9
IV.	Statement of profit or loss and other comprehensive income	10
V.	Statement of changes in shareholders' equity	11-12
VI.	Statement of cash flows	13

SECTION THREE**EXPLANATIONS ON ACCOUNTING POLICIES**

I.	Basis of presentation	14
II.	Explanations on usage strategy of financial assets and foreign currency transactions	14-15
III.	Explanations on investments in associates, subsidiaries and joint ventures	15
IV.	Explanations on forward and options contract and derivative instruments	15
V.	Explanations on interest income and expenses	15
VI.	Explanations on fees and commission income and expense	15
VII.	Explanations on disclosures on financial assets	16-18
VIII.	Explanations on impairment of financial assets	18
IX.	Explanations on offsetting of financial assets and liabilities	18
X.	Explanations on sales and repurchase agreements and lending of securities	18
XI.	Explanations on assets held for sale and discontinued operations	19
XII.	Explanations on goodwill and other intangible assets	19
XIII.	Explanations on tangible assets	20
XIV.	Explanations on leasing transactions	20
XV.	Explanations on provisions and contingent liabilities	21
XVI.	Explanations on liabilities regarding employee benefits	21
XVII.	Explanations on taxation	22-23
XVIII.	Additional explanations on funds borrowed	24
XIX.	Explanations on issuance of equity securities	24
XX.	Explanations on acceptances	24
XXI.	Explanations on government incentives	24
XXII.	Explanations on segment reporting	24
XXIII.	Related parties	24
XXIV.	Cash and cash equivalents	24
XXV.	Investment Property	24
XXVI.	Reclassifications	24

SECTION FOUR**INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT**

I.	Explanations related to components of shareholders' equity	25-28
II.	Explanations related to currency risk	29-30
III.	Explanations related to interest rate risk	31-33
IV.	Equity share position risk in banking accounts	34
V.	Explanations related to liquidity risk	34-35
VI.	Explanations related to leverage ratio	36
VII.	Risk management objectives and policies	36-37
VIII.	Explanations on segment reporting	38-39

SECTION FIVE**EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS**

I.	Explanations and notes related to the assets	40-46
II.	Explanations and notes related to the liabilities	47-53
III.	Explanations and notes related to off-balance sheet accounts	54-55
IV.	Explanations and notes related to statement of profit or loss	56-59
V.	Explanations and notes related to risk group of the Bank	60
VI.	Explanations and notes related to subsequent events	61
VII.	Other explanations	61

SECTION SIX**INDEPENDENT AUDITOR'S REVIEW REPORT**

I.	Explanations on independent auditors' review report	62
II.	Other footnotes and explanations prepared by independent auditors	62

SECTION SEVEN**EXPLANATIONS ON INTERIM ACTIVITY REPORT**

I.	Interim period activity report that contains Bank's Chairman and General Manager assessments related to interim period activities	63-71
-----------	---	-------

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 September 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 30 September 2021 and 31 December 2020, 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 İş Bankası A.Ş.	26,235	4.37	1	26,235	4.37	1
7	Türkiye Vakıflar Bankası T.A.O.	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

The General Assembly meeting was held on 29 March 2021. The Bank decided to pay a dividend of TL 216,000 to shareholders. The dividend payments were made on 30 April 2021.

SECTION ONE (Continued)**GENERAL INFORMATION (Continued)****III. Explanation on the Board of Directors, members of the audit committee, president and executive vice presidents, changes in these matters and shares of the Bank they possess:****Chairman and Members of the Board of Directors**

Name Surname	Area of Responsibility	Education Status
Mahmut Kayacık*	Chairman	Boğaziçi University / Faculty of Economics and Administrative Sciences / Political Sciences and International Relations Marmara University / Institute of Social Sciences / Economics / Master
Korkmaz Ergun*	Deputy Chairman of the Board	Ankara University / Faculty of Political Sciences / Business Administrative Marmara University / Institute of Middle East Studies / Economics of Middle East / Master Marmara University / Institute of Social Science / History of Economics/Doctorate
Avşar R. Sungurlu*	General Manager Chairman of the Credit Committee	Middle East Technical University / Faculty of Engineering / Aeronautical Engineering / Bachelor's Degree Middle East Technical University / Institute of Science / Aeronautical Engineering / Master Degree Long Island University / Faculty of Postgraduate/ Business Administration / Master Degree
Murat Tacir*	Member (Chairman of the Risk Committee-Audit Committee Member)	İstanbul University / Faculty of Business Administration / Business Administration
Murat Onuk*	Member (Credit Committee Master Member - Corporate Governance Committee Member)	İstanbul University / Faculty of Economics / International Relations / Bachelors Degree
Bekir Bayraktar	Member (Chairman of the Remuneration Committee - Credit Committee Associate Member)	İstanbul University / Faculty of Political Science / International Relations/ Bachelor's Degree
Yusuf Karaloğlu	Member (Remuneration Committee Member - Credit Committee Associate Member)	Uludağ University / Faculty of Economics and Administrative Science / Business Administration / Bachelor's Degree Erzincan University / Institute of Social Science / Public Law / Master Degree
Münevver Çetin	Member (Chairman of the Audit Committee - Risk Committee Member)	Ankara University / Department of Economics Management Ankara University / Institute of Social Sciences / Educational Administration and Planning / Graduate İstanbul University / Institute of Social Sciences / Money and Monetary Policy / Postgraduate
Gülseren Topuz	Member (Chairman of the Corporate Governance Committee - Credit Committee Master Member)	Ankara University / Faculty of Economics / Economics Marmara University / Institute of Social Sciences / Statistics / Graduate İstanbul University / Institute of Social Sciences / Money and Monetary Policy / Postgraduate

SECTION ONE (Continued)

GENERAL INFORMATION (Continued)

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

General Manager and Assistant General Managers

Name Surname	Area of Responsibility	Education Status
Avşar R. Sungurlu	Member (General Manager - Chairman of the Credit Committee)	Middle East Technical University / Faculty of Engineering / Aeronautical Engineering / Bachelor's Degree Middle East Technical University / Institute of Science / Aeronautical Engineering / Master Degree Long Island University / Faculty of Postgraduate/ Business Administration / Master Degree
Gökhan Elibol	Deputy General Manager – Markets and Operation	Ankara University / Faculty of Political Science / Finance / Bachelor's Degree Beykent University / Faculty of Law / Law / Bachelor's Degree
Murat Görgün	Executive Vice President –Central Counter Party and Financial Services	Bogazici University / Faculty of Engineering / Electrical and Electronics University of Massachusetts / Faculty of Engineering / Electrical and Computing / Computer Systems / Graduate University of Massachusetts / Faculty of Engineering / Computer Systems / PhD
Taşkın Öker	Deputy General Manager - Information Technologies	İstanbul University / Faculty of Engineering / Electric and Electronics / Bachelor's Degree

* At the General Assembly held on March 29, 2021, Board Members Ekrem Kerem Korur, Hüseyin Melih Akosman and Suat Sarıgül resigned from their duties, and Mahmut Kayacık, Korkmaz Ergun, Murat Tacir and Murat Onuk were elected as members of the board of directors.

*On March 29,2021, Mr Avşar R. Sungurlu was appointed as the General Manager and Member of the Board by the Board of Directors resolution.

*On May 04, 2021, Serkan Aşkar, Deputy General Manager responsible for Central Counterparty and Financial Services, resigned from his post.

*On May 07 2021,Murat Görgün was appointed as the Executive Vice President and Central Counterparty and Financial Services by the board of directors resolution.

SECTION ONE (Continued)

GENERAL INFORMATION (Continued)

IV. Information on the Bank's qualified shareholders:

Shareholding in the Bank's shares, except BİAŞ, does not exceed 5% as stated in the Articles of Association of the Bank. 64.18% of the Bank belongs to BİAŞ. The Bank has no preferred shares as of 30 September 2021 (31 December 2020: None). The preferred shares belonging to BİAŞ grants to shareholders the right to nominate four candidates to be elected to the Board of Directors by the General Assembly).

Name Surname/Business Name	Share Amount	Share Proportions	Paid-in Shares	Unpaid Shares
BİAŞ	385,067	64.18	385,067	-

V. Information on the Bank's function and areas of activity:

The main purpose of the Bank is to increase our country's market competitiveness by providing settlement and custody services, providing financial services, and performing all types of economic activities within the scope of the relevant legislation.

The areas of activity that are specified in the Bank's Articles of Association, in general, are as follows:

- Providing all financial services, and primarily central bartering services and central counterparty services, activity of settlement and custody, market management, establishing and making payments, transfer and reconciliation systems, and banking activities;
- Financial services related to international markets including all kinds of payments, transfers, settlements, custody, and reconciliation services;
- Performing judiciary activities and signing all agreements related to its subject, signing written contracts, notes, and miscellaneous notes, acquiring all kinds of rights and receivables and binding debts;
- Purchasing, manufacturing, constructing, acquiring in other ways, renting, partially or completely, selling when necessary, transferring and leasing, and establishing all kinds of real rights on moveable and immoveable goods or removing all kinds of moveable and immoveable goods as well as all kinds of rights associated with them;
- All kinds of loaning and borrowing required by its activities, in line with corporate management principles as determined by banking and capital market legislation, as well as providing and obtaining personal in cash or in kind guarantees such as sureties, pledges, mortgages, and enterprise pledges in its favour or in favour of others, and transferring or cancelling these;
- Exporting all types of capital market instruments within the framework of Capital Markets legislation;
- Establish partnerships with domestic and foreign organizations and join existing partnerships.

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

None.

SECTION TWO

UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)

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

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.

UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)

AT 30 SEPTEMBER 2021

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

SECTION TWO

I. UNCONSOLIDATED BALANCE SHEET

ASSETS	Note	Reviewed Current Period 30 September 2021			Audited Prior Period 31 December 2020		
		TL	FC	Total	TL	FC	Total
I. FINANCIAL ASSETS (NET)		21,733,188	7,181,025	28,914,213	18,119,439	4,364,896	22,484,335
1.1 Cash and Cash Equivalents		21,729,517	7,180,364	28,909,881	18,115,768	4,364,235	22,480,003
1.1.1 Cash and Balances with Central Bank	I-(1)	132	-	132	290	-	290
1.1.2 Banks	I-(3)	21,735,169	7,180,364	28,915,533	18,116,660	4,364,235	22,480,895
1.1.3 Money Markets	I-(3)	28,037	-	28,037	25,827	-	25,827
1.1.4 Expected Loss Provision (-)	I-(3)	33,821	-	33,821	27,009	-	27,009
1.2 Financial Assets at Fair Value Through Profit or Loss	I-(2)	-	-	-	-	-	-
1.2.1 Government Debt Securities		-	-	-	-	-	-
1.2.2 Equity Instruments		-	-	-	-	-	-
1.2.3 Other Financial Assets		-	-	-	-	-	-
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)	-	-	-	-	-	-
1.4.1 Derivative Financial Assets at Fair Value Through Profit or Loss		-	-	-	-	-	-
1.4.2 Derivative Financial Assets at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
II. FINANCIAL ASSETS MEASURED AT AMORTISED COST (Net)		610,897	1,519,114	2,130,011	1,122,738	1,411,751	2,534,489
2.1 Loans	I-(6)	129,649	-	129,649	99,886	-	99,886
2.2 Lease Receivables	I-(11)	-	-	-	-	-	-
2.3 Factoring Receivables		-	-	-	-	-	-
2.4 Financial Assets Measured at Amortised Cost	I-(7)	481,673	1,519,114	2,000,787	1,023,303	1,411,751	2,435,054
2.4.1 Government Debt Securities		481,673	1,519,114	2,000,787	1,023,303	1,411,751	2,435,054
2.4.2 Other Financial Assets		-	-	-	-	-	-
2.5 Expected Loss Provision (-)		425	-	425	451	-	451
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)		8,927	-	8,927	10,296	-	10,296
VI. INTANGIBLE ASSETS (Net)		112,801	-	112,801	106,908	-	106,908
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		112,801	-	112,801	106,908	-	106,908
VII. INVESTMENT PROPERTY (Net)	I-(12)	35,730	-	35,730	35,730	-	35,730
VIII. CURRENT TAX ASSET		-	-	-	-	-	-
IX. DEFERRED TAX ASSET	I-(14)	5,348	-	5,348	-	-	-
X. OTHER ASSETS	I-(15)	61,791	774	62,565	209,206	2,447	211,653
TOTAL ASSETS		22,573,507	8,700,913	31,274,420	19,609,142	5,779,094	25,388,236

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

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.

UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)

AT 30 SEPTEMBER 2021

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

I. UNCONSOLIDATED BALANCE SHEET

LIABILITIES	Note	Reviewed Current Period			Audited Prior Period		
		30 September 2021			31 December 2020		
		TL	FC	Total	TL	FC	Total
I. FUNDS COLLECTED		-	-	-	-	-	-
II. FUNDS BORROWED	II-(2)	-	4,041,482	4,041,482	57,026	1,786,447	1,843,473
III. MONEY MARKETS DEBTS		-	-	-	203,020	-	203,020
IV. SECURITIES ISSUED (Net)		-	-	-	-	-	-
4.1 Bills		-	-	-	-	-	-
4.2 Asset Backed Securities		-	-	-	-	-	-
4.3 Bonds		-	-	-	-	-	-
V. FUNDS	II-(3)	19,533,943	4,526,093	24,060,036	16,670,784	3,972,382	20,643,166
5.1 Borrower Funds		-	-	-	-	-	-
5.2 Other		19,533,943	4,526,093	24,060,036	16,670,784	3,972,382	20,643,166
VI. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		-	-	-	-	-	-
VII. DERIVATIVE FINANCIAL LIABILITIES	II-(1)	3,194	-	3,194	-	-	-
7.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss		3,194	-	3,194	-	-	-
7.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
VIII. FACTORING PAYABLES		-	-	-	-	-	-
IX. LEASE PAYABLES	II-(4)	2,366	-	2,366	2,042	-	2,042
X. PROVISIONS	II-(5)	77,684	-	77,684	68,894	-	68,894
10.1 Restructuring Provisions		-	-	-	-	-	-
10.2 Reserve for Employee Benefits		19,036	-	19,036	15,395	-	15,395
10.3 Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4 Other Provisions		58,648	-	58,648	53,499	-	53,499
XI. CURRENT TAX LIABILITY	II-(6)	87,450	-	87,450	64,282	-	64,282
XII. DEFERRED TAX LIABILITY		-	-	-	912	-	912
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)	3,002,208	-	3,002,208	2,562,447	-	2,562,447
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		(532)	-	(532)	(294)	-	(294)
16.4 Accumulated Other Comprehensive Income or Loss Reclassified Through Profit or Loss		-	-	-	-	-	-
16.5 Profit Reserves		1,687,658	-	1,687,658	1,364,284	-	1,364,284
16.5.1 Legal Reserves		199,063	-	199,063	164,767	-	164,767
16.5.2 Status Reserves		-	-	-	-	-	-
16.5.3 Extraordinary Reserves		1,485,951	-	1,485,951	1,196,873	-	1,196,873
16.5.4 Other Profit Reserves		2,644	-	2,644	2,644	-	2,644
16.6 Income or (Loss)		678,802	-	678,802	562,177	-	562,177
16.6.1 Prior Periods' Income or (Loss)		22,803	-	22,803	22,803	-	22,803
16.6.2 Current Period Income or (Loss)		655,999	-	655,999	539,374	-	539,374
16.7 Share Premium		-	-	-	-	-	-
TOTAL LIABILITIES AND EQUITY		22,706,845	8,567,575	31,274,420	19,629,407	5,758,829	25,388,236

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

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.
UNCONSOLIDATED OFF-BALANCE SHEET COMMITMENTS
AS OF 30 September 2021

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

II. OFF-BALANCE SHEET

OFF-BALANCE SHEET COMMITMENTS	Note	Reviewed Current Period 30 September 2021			Audited Prior Period 31 December 2020		
		TL	FC	Total	TL	FC	Total
A. OFF-BALANCE SHEET COMMITMENTS (I+II+III)		28,344,752	103,135	28,447,887	28,651,331	-	28,651,331
I. GUARANTEES AND WARRANTIES	III-(1)	27,462,193	-	27,462,193	28,063,370	-	28,063,370
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		27,462,193	-	27,462,193	28,063,370	-	28,063,370
1.7. Other Collaterals		-	-	-	-	-	-
1.8. Import Letter of Acceptance		-	-	-	-	-	28,063,370
1.9. Other Bank Acceptances		-	-	-	-	-	-
II. COMMITMENTS	III-(1)	782,509	-	782,509	587,961	-	587,961
2.1. Irrevocable Commitments		782,509	-	782,509	587,961	-	587,961
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		782,509	-	782,509	587,961	-	587,961
2.2. Revocable Commitments		-	-	-	-	-	-
2.2.1. Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2. Other Revocable Commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS		100,050	103,135	203,185	-	-	-
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		100,050	100,050	203,185	-	-	-
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		100,050	103,135	203,185	-	-	-
3.2.2.1. Foreign Currency Swap-Buy		100,050	-	100,050	-	-	-
3.2.2.2. Foreign Currency Swap-Sell		-	103,135	103,135	-	-	-
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)		4,985,478,553	7,474,978	4,992,953,531	4,652,173,747	9,395,379	4,661,569,126
IV. ITEMS HELD IN CUSTODY		4,945,598,108	-	4,945,598,108	4,617,130,394	-	4,617,130,394
4.1. Customer Fund and Portfolio Balances		1,698	-	1,698	1,959	-	1,959
4.2. Investment Securities Held in Custody	III-(1)	4,945,594,910	-	4,945,594,910	4,617,126,935	-	4,617,126,935
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		39,880,445	7,474,978	47,355,423	35,043,353	9,395,379	44,438,732
5.1. Marketable Securities		19,404,014	7,474,978	26,878,992	17,395,948	9,395,379	26,791,327
5.2. Guarantee Notes		-	-	-	-	-	-
5.3. Commodity		-	-	-	-	-	-
5.4. Warranty		-	-	-	-	-	-
5.5. Properties		-	-	-	-	-	-
5.6. Other Pledged Items		20,476,431	-	20,476,431	17,647,405	-	17,647,405
5.7. Pledged Items-Depository		-	-	-	-	-	-
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		-	-	-	-	-	-
TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)		5,013,823,305	7,578,113	5,021,401,418	4,680,825,078	9,395,379	4,690,220,457

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

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE NINE-MONTH PERIOD ENDED 30 September 2021

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

III. STATEMENT OF PROFIT OR LOSS

INCOME STATEMENT		Note	Current Period 01/01/2021- 30/09/2021	Prior Period 01/01/2020- 30/06/2020	Current Period 01/04/2020- 30/09/2021	Prior Period 01/04/2020- 30/06/2021
I.	INTEREST INCOME		605,412	339,500	208,999	129,685
1.1	Interest on Loans	IV-(1)	11,728	11,894	4,274	2,744
1.2	Interest Received from Reserve Requirements		-	-	-	-
1.3	Interest Received from Banks	IV-(1)	516,438	248,418	183,457	88,358
1.4	Interest Received from Money Market Transactions		-	-	-	-
1.5	Interest Received from Marketable Securities Portfolio	IV-(1)	76,573	78,584	21,145	38,261
1.5.1	Financial Assets at Fair Value Through Profit or Loss		-	-	-	-
1.5.2	Financial Assets at Fair Value Through Other Comprehensive Income		-	-	-	-
1.5.3	Financial Assets Measured at Amortised Cost	IV-(1)	76,573	78,584	21,145	38,261
1.6	Financial Lease Income		-	-	-	-
1.7	Other Interest Income		673	604	123	322
II.	INTEREST EXPENSE	IV-(2)	21,253	38,992	4,933	17,447
2.1	Interest on Deposits		-	-	-	-
2.2	Interest on Funds Borrowed		14,664	38,753	4,854	17,376
2.3	Interest Expense on Money Market Transactions		6,364	-	-	-
2.4	Interest on Securities Issued		-	-	-	-
2.5	Lease Interest Expenses		225	239	79	71
2.6	Other Interest Expenses		-	-	-	-
III.	NET INTEREST INCOME (I - II)		584,159	300,508	204,066	112,238
IV.	NET FEES AND COMMISSIONS INCOME/EXPENSE		411,407	272,503	135,034	104,100
4.1	Fees and Commissions Received		451,978	303,076	148,285	116,220
4.1.1	Non-cash Loans		36,984	25,972	11,547	10,246
4.1.2	Other	IV-(11)	414,994	277,104	136,738	105,974
4.2	Fees and Commissions Paid		40,571	30,573	13,251	12,120
4.2.1	Non-cash Loans		-	-	-	-
4.2.2	Other		40,571	30,573	13,251	12,120
V.	DIVIDEND INCOME	IV-(3)	15,213	10,739	750	-
VI.	TRADING INCOME / LOSS (Net)	IV-(4)	9,368	18,202	5,848	1,864
6.1	Trading Gains/ Losses on Securities		-	-	-	-
6.2	Trading Gains/ Losses on Derivative Financial Instruments		2,078	(11,329)	2,078	-
6.3	Foreign Exchange Gains/ Losses		7,290	29,531	3,770	1,864
VII.	OTHER OPERATING INCOME	IV-(5)	6,879	5,686	6,158	1,058
VIII.	TOTAL OPERATING INCOME (III+IV+V+VI+VII)		1,027,026	607,638	351,856	219,260
IX.	EXPECTED CREDIT LOSS (-)	IV-(6)	4,040	19,654	(922)	15,528
X.	OTHER PROVISION EXPENSES (-)	IV-(7)	35,025	24,859	11,068	8,194
XI.	PERSONNEL EXPENSES (-)	IV-(7)	70,535	62,496	25,826	20,067
XII.	OTHER OPERATING EXPENSES (-)	IV-(7)	52,015	44,812	17,928	13,852
XIII.	NET OPERATING INCOME/ LOSS (VIII+...+XII)		865,411	455,817	297,956	161,619
XIV.	EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER		-	-	-	-
XV.	INCOME/ LOSS FROM INVESTMENTS IN SUBSIDIARIES		-	-	-	-
XVI.	CONSOLIDATED BASED ON EQUITY METHOD		-	-	-	-
XVII.	INCOME/ LOSS ON NET MONETARY POSITION		-	-	-	-
XVIII.	INCOME/ LOSS BEFORE TAX FROM CONTINUING OPERATIONS (XIII+...+XVI)		865,411	455,817	297,956	161,619
XVIII.	TAX PROVISION FOR CONTINUING OPERATIONS (±)	IV-(8)	(209,412)	(96,618)	(72,583)	(35,501)
18.1	Current Tax Provision		(215,613)	(106,867)	(74,564)	(35,207)
18.2	Deferred Tax Income Effect (+)		6,201	-	6,201	-
18.3	Deferred Tax Expense Effect (-)		-	10,249	(4,220)	(294)
XIX.	NET INCOME/ LOSS FROM CONTINUING OPERATIONS (XVIII±XVIII)	IV-(9)	655,999	359,199	225,373	126,118
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)		-	-	-	-
25.1	Group's profit/loss		-	-	-	-
25.2	Minority shares profit/loss (-)		-	-	-	-
XXV.	NET PROFIT/LOSS (XIX+XXIV)	IV-(10)	655,999	359,199	225,373	126,118
	Earnings / (Loss) Per Share in (Full TL)		1,0933	0,5987	0,3756	0,2102

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

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS

AND OTHER COMPREHENSIVE INCOME

FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2021

(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- 30 September 2021	1 January- 30 September 2020
I.	CURRENT PERIOD INCOME/LOSS	655,999	359,199
II.	OTHER COMPREHENSIVE INCOME	(238)	(50)
2.1	Not Reclassified Through Profit or Loss	(238)	(50)
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	(297)	(63)
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	59	13
2.2	Reclassified Through Profit or Loss	-	-
2.2.1	Foreign Currency Translation Differences	-	-
	Valuation and/or Reclassification Income/Expense of the Financial Assets at Fair Value through Other		
2.2.2	Comprehensive Income	-	-
2.2.3	Cash Flow Hedge Income/Loss	-	-
2.2.4	Foreign Net Investment Hedge Income/Loss	-	-
2.2.5	Other Comprehensive Income Items Reclassified Through Profit or Losses	-	-
2.2.6	Tax Related Other Comprehensive Income Items Reclassified Through Profit or Loss	-	-
III.	TOTAL COMPREHENSIVE INCOME (I+II)	655,761	359,149

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

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.

UNCONSOLIDATED CHANGES IN SHAREHOLDERS'S EQUITY

FOR THE NINE-MONTH PERIOD ENDED 30 September 2021

(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					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	Income/expenses from valuation and/or reclassification of financial assets measured at FVOCI						Other
Current Period																
1 January 2021-30 September 2021																
I. Prior Period End Balance	600,000	33,019	-	3,261	-	(294)	-	-	-	-	1,364,284	562,177	-	-	-	2,562,447
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	-	(294)	-	-	-	-	1,364,284	562,177	-	-	-	2,562,447
IV. Total Comprehensive Income	-	-	-	-	-	(238)	-	-	-	-	-	-	655,999	-	-	655,761
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	-	-	-	-	-	-	-	-	-	-	323,374	(539,374)	-	-	-	(216,000)
11.1 Dividends paid	-	-	-	-	-	-	-	-	-	-	-	(216,000)	-	-	-	(216,000)
11.2 Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	323,374	(323,374)	-	-	-	-
11.3 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period-End Balance (III+IV+...+X+XI)	600,000	33,019	-	3,261	-	(532)	-	-	-	-	1,687,658	22,803	655,999	-	-	3,002,208

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

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.

UNCONSOLIDATED CHANGES IN SHAREHOLDERS'S EQUITY

FOR THE NINE-MONTH PERIOD ENDED 30 September 2021

(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				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	Income/expenses from valuation and/or reclassification of financial assets measured at FVOCI	Other	Profit Reserves	Prior Period Profit or (Loss)
Prior Period																
1 January 2020-30 September 2020																
I. Prior Period End Balance	600,000	33,019	-	3,261	-	(272)	-	-	-	-	1,033,296	638,791	-	-	-	2,308,095
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	-	(272)	-	-	-	-	1,033,296	638,791	-	-	-	2,308,095
IV. Total Comprehensive Income	-	-	-	-	-	(50)	-	-	-	-	-	-	359,199	-	-	359,149
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	-	-	-	-	-	-	-	-	-	-	330,988	(615,988)	-	-	-	(285,000)
11.1 Dividends paid	-	-	-	-	-	-	-	-	-	-	-	(285,000)	-	-	-	(285,000)
11.2 Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	330,988	(330,988)	-	-	-	-
11.3 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period-End Balance (III+IV+...+X+XI)	600,000	33,019	-	3,261	-	(322)	-	-	-	-	1,364,284	22,803	359,199	-	-	2,382,244

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

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.

UNCONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2021

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

VI. STATEMENT OF CASH FLOWS

		Reviewed	Reviewed
		Current Period	Prior Period
	Note	1 January – 30 September 2021	1 January – 30 September 2020
A.	CASH FLOWS FROM BANKING OPERATIONS		
1.1	Operating Profit/ (Loss) Before Changes in Operating Assets and Liabilities	(398,609)	773,213
1.1.1	Interest Received	568,857	319,807
1.1.2	Interest Paid	(21,938)	(38,844)
1.1.3	Dividend Received	15,213	10,739
1.1.4	Fees and Commissions Received	418,626	272,902
1.1.5	Other Income	6,879	5,686
1.1.6	Collections from Previously Written-off Loans and Other Receivables	-	-
1.1.7	Payments to Personnel and Service Suppliers	(72,659)	(63,825)
1.1.8	Taxes Paid	(141,049)	(89,007)
1.1.9	Other	(1,172,538)	355,755
1.2	Changes in Operating Assets and Liabilities	4,756,614	8,090,279
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	-	-
1.2.3	Net (increase) / decrease in Loans	(15,604)	(21,717)
1.2.4	Net (increase) / decrease in Other Assets	(29,773)	(12,940)
1.2.5	Net increase / (decrease) in Bank Deposits	182,440	1,227
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	-	-
1.2.8	Net increase/(decrease) in Funds Borrowed	1,994,356	(1,140,966)
1.2.9	Net increase/(decrease) in Payables	-	-
1.2.10	Net increase/(decrease) in Other Liabilities	2,625,195	9,166,567
I.	Net Cash Provided from Banking Operations	4,358,005	8,765,384
B.	CASH FLOWS FROM INVESTING ACTIVITIES		
II.	Net Cash Provided from Investing Activities	1,190,614	(1,680,417)
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	(2,483)	(1,666)
2.4	Disposals of Property and Equipment	143	-
2.5	Purchase of Financial Assets at Fair Value Through Other Comprehensive Income	-	(1,250)
2.6	Sale of Financial Assets at Fair Value Through Other Comprehensive Income	-	-
2.7	Purchase of Financial Assets Measured at Amortised Cost	(1,129,748)	(3,229,312)
2.8	Sale of Financial Assets Measured at Amortised Cost	2,339,027	1,564,499
2.9	Other	(16,325)	(12,688)
C.	CASH FLOWS FROM FINANCING ACTIVITIES		
III.	Net Cash Provided from Financing Activities	(201,698)	(299,279)
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	(216,000)	(285,000)
3.5	Payments for Leases	(3,280)	(239)
3.6	Other	17,582	(14,040)
IV.	Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents	1,074,165	(431,913)
V.	Net Decrease in Cash and Cash Equivalents (I+II+III+IV)	6,421,086	6,353,775
VI.	Cash and Cash Equivalents at Beginning of the Period	22,485,537	15,660,042
VII.	Cash and Cash Equivalents at End of the Period	28,906,623	22,013,817

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

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED September 30, 2021

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

SECTION THREE

EXPLANATIONS ON ACCOUNTING POLICIES

I. Basis of Presentation

Presentation of financial statements

The Bank prepares its financial statements in accordance with the BRSA Accounting and Reporting Regulation” which includes the regulation on “The Procedures and Principles Regarding Banks’ Accounting Practices and Maintaining Documents” published in the Official Gazette dated 1 November 2006 with No. 26333, and other regulations on accounting records of banks published by the Banking Regulation and Supervision Board and circulars and pronouncements published by the BRSA and Turkish Financial Reporting Standards (“TFRS”) published by the Public Oversight Accounting and Auditing Standards Authority for the matters not regulated by the aforementioned legislations.

The format and content of the publicly announced unconsolidated financial statements and notes to these statements have been prepared in accordance with the “Communiqué on Publicly Announced Financial Statements, Explanations and Notes to These Financial Statements”, published in Official Gazette no. 28337, dated 28 September 2012, and “Communiqué Pertaining to Public Disclosure of Risk Management in Banks” amendments to these Communiqués. The Bank maintains its books in Turkish Lira in accordance with the Banking Law, Turkish Commercial Code and Turkish Tax Legislation.

The preparation of financial statements in conformity with TAS requires the use of certain critical accounting estimates by the Bank management to exercise its judgment on the assets and liabilities of the balance sheet and contingent issues as of the balance sheet date. These estimates are being reviewed regularly and, when necessary, suitable corrections are made and the effects of these corrections are reflected to the income statement.

Amounts are expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.

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

The differences between accounting principles, as described in these preceding paragraphs and accounting principles generally accepted in countries in which financial statements are to be distributed and International Financial Reporting Standards (“IFRS”) have not been quantified in these financial statements.

Additional paragraph for convenience translation to English:

The effects of differences between accounting principles and standards set out by regulations in conformity with BRSA Accounting and Reporting Legislation) and Turkish Accounting Standard 34 “Interim Financial Reporting” except for the matters regulated by BRSA Legislation, accounting principles generally accepted in countries in which the accompanying unconsolidated financial statements are to be distributed and International Financial Reporting Standards (“IFRS”) have not been quantified in the accompanying unconsolidated financial statements. Accordingly, the accompanying unconsolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

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.

The Bank has not any area of operations for which a return is achieved above the average rate of return.

The Bank carries transactions in securities and money markets. Accordingly, exchange rate and interest rate volatility are managed by matching its assets and liabilities. The Bank does not engage in derivative or structured products defined as off-balance sheet to provide balance sheet management or to make profit. The Bank does not have any transactions that cause liability or affect the net asset position negatively in other foreign currency transactions.

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

**ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED September 30, 2021
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)**

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

II. Explanations on Usage Strategy of Financial Assets and Foreign Currency Transactions

Coronavirus pandemic, which has recently emerged in China, spread to various countries in the world, causing potentially fatal respiratory infections, affects both regional and global economic conditions negatively, as well as it causes disruptions in operations, especially in countries exposed to the pandemic. As a result of the spread of COVID-19 throughout the world, various measures have been taken in our country as well as in the world in order to prevent the transmission of the virus and still continue to be taken. In addition to these measures, economic measures are also taken to minimize the economic impact of the virus outbreak on individuals and businesses in our country and worldwide.

In the interim financial statements prepared as of September 30, 2021, it is aimed to update the financial information included in the most recent annual financial statements. Considering the magnitude of the economic changes due to COVID-19, in the coming periods, the Bank will update its relevant assumptions as necessary and revise the realizations of past estimates.

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

Bank’s derivative instruments mainly consist of swap transactions for hedging purposes. The Bank has no derivative financial instruments designated as hedging instruments or embedded derivative financial instruments.

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

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

Explanations on Derivative Instruments for Hedging Purpose

The Bank performs cross currency swap transactions in order to avoid changes in the fair value of fixed-rate financial instruments. The Bank has derivative transaction rediscount for trading amounting to TL 3,194, which is created by separating it from the articles of association.

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 Expenses

Fees and commissions, excluding those that are an integral part of the effective interest rate of financial instruments measured at amortized cost, are accounted for in accordance with the “TFRS 15-Revenue from Contracts with Customers” standard. Fees and commission income/expenses are accounted for on the accrual basis or the effective interest method, depending on the nature of the transaction. Income received in return for services rendered through contracts or transactions such as asset purchase or asset sale for a third natural or legal person are transferred to income accounts in the period they are collected. The Bank performs banking services by establishing and operating central clearing and central counterparty services, custody activities, market operation, payment, transfer and settlement systems.

The Bank provides custody, clearing, collateral management services, market operation, gold transfer, crowdfunding trustee, biga platform, securities and cash transfer, numbering, data broadcasting, cash correspondence, cash loan, TEFAS and BEFAS services it provides in this context. collects fees and commissions from its customers and accounts these fees and commissions under the monthly accrual fee and commission income account item.

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED September 30, 2021

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

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.

b. Financial assets at fair value through other comprehensive income

Financial assets are classified as fair value through other comprehensive income if the assets are being held in line with a business model that aims collection of contractual cash flows or sale of assets and additionally if the contractual terms of the financial asset lead to cash flows that solely include the payments of principal and interest on certain dates.

Financial assets at fair value through other comprehensive income are recognized by adding transaction cost to acquisition cost reflecting the fair value of the financial asset. After the recognition, financial assets at fair value through other comprehensive income are remeasured at fair value. Interest income calculated with effective interest rate method arising from financial assets at fair value through other comprehensive income and dividend income from equity securities are recorded to income statement. “Unrealized gains and losses” arising from the difference between the amortized cost and the fair value of financial assets at fair value through other comprehensive income are not reflected in the income statement of the period until the acquisition of the asset, sale of the asset, the disposal of the asset, and impairment of the asset and they are accounted under the “Accumulated other comprehensive income or expense to be reclassified through profit or loss” under shareholders’ equity. When these securities are collected or disposed of, the accumulated fair value differences reflected in the equity are reflected to the income statement.

c. Financial Assets Measured at Amortised Cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are classified as financial assets measured at amortized cost.

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.

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

**ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED September 30, 2021
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)**

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VII. Explanations and Disclosures on Financial Assets (Continued)

d. Loans

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 September 2016 and numbered 29750, the Bank calculates the expected credit loss provision in accordance with TFRS 9 and indicates in its financial statements. Expected credit losses related to cash and cash equivalents under financial assets, other receivables, loans and non-cash loans are calculated and accounted.

Provisions provided by the Bank under TFRS 9; the expected credit loss provision amounts for 12 months and the expected credit loss provision amounts due to a significant increase in the credit risk of the borrower and the expected lifetime credit loss provisions for the default of the debts are considered as special provisions.

For non-impaired financial assets, the expected credit loss provision for twelve months is calculated and set aside for the initial recognition stage. For these financial assets, effective interest rate is used over the gross book value.

Although not available for the reporting period, the expected lifetime credit loss is calculated and set aside for non-impaired financial assets that have significant increase in credit risk after initial recognition. For these financial assets, effective interest rate is used over the gross book value.

The expected lifetime credit loss provision is calculated and set aside for financial assets that are purchased or created with impaired loans. For these financial assets, effective interest rate is applied through net book value.

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)”.

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

**ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED September 30, 2021
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)**

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VII. Explanations and Disclosures on Financial Assets (Continued)

d. Loans (Continued)

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.
- As stated in the Board Decision dated 17.03.2020 and numbered 8948, the implementation of the 4th and 5th articles of the Regulation on the Procedures and Principles Regarding the Classification of Loans and Provisions to be Set aside for them was terminated by the end of 30.09.2021, however, as of 01.10.2021, the delay period is more than 91 days. As of the end of 30.09.2021, the said application will be continued by the banks in the same way for the loans not exceeding 180 days and the implementation of Article 4 of the Regulation on the Procedures and Principles Regarding the Classification of Loans and Provisions to be Set aside for them, as stated in the Board Decision dated 27.03.2020 and numbered 8970. However, as of 01.10.2021, it has been decided that the said application will be continued in the same way by the banks for the loans with a delay period of more than 31 days and not exceeding 90 days.

In accordance with BRSA decisions, The Bank has no any credit for such classification explained above.

VIII. Explanations on Impairment of Financial Assets

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

IX. Explanations on Offsetting of Financial Assets and Liabilities

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

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

Repurchase agreements are classified as their purposes on the securities portfolio and evaluated by the principals of the portfolio which they belong to. The Bank has no repurchase transaction as of the balance sheet date.

Receivables from reverse repurchase agreements are accounted for under “Receivables from Reverse Repurchase Agreements” account in the balance sheet. The difference between purchase and sale price determined by these agreements is accrued over the life of agreements according to effective interest rate method.

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

**ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED September 30, 2021
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)**

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XI. Explanations on Assets Held for Sale and Discontinued Operations

According to “TFRS 5 Non Current Assets Held for Sale and Discontinued Operations” which satisfy to be classified as held for sale are measured by the lower of carrying value and fair value less costs to sell and these assets are not amortized; and are separately presented in the financial statements. For an asset (or else the group of assets) to be classified as held for sale; the asset should be ready for immediate sale in frequently seen and accustomed terms and the probability of sale should be high. For the probability of sale to be high, appropriate level of management should have made a plan for the sale of the asset (or else the group of assets) and a program should have been initiated in order to determine buyers as well as complete the plan. Also the asset (or else the group of assets) shall be actively marketed in conformity with its fair value. On the other hand, the sale is expected to be journalized as a completed sale within one year after the classification date; and the necessary transactions and procedures to complete the plan should demonstrate the fact that the possibility of making significant changes or cancelling the plan is low. Certain events and conditions may extend the duration of completion of sale to more than one year.

If such delay arises from any events and conditions beyond the control of the entity and if there is sufficient evidence that the entity has an ongoing disposal plan for these assets, such assets (or else group of assets) are continued to be classified as assets held for sale (or else group of assets). A discontinued operation is a division of a bank that is either disposed or held for sale. Results of discontinued operations are included in the income statement separately.

A discontinued operation is a part of a bank classified as held for sale or held for sale. The results of discontinued operations are presented separately in statement of profit or loss.

The Bank has no assets held for sale as of the balance sheet date. The Bank has no discontinued operations during the period.

XII. Explanations on Goodwill and Other Intangible Assets

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

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

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.

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED September 30, 2021
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

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
Plant machinery and equipment	4
Vehicles	-
Flooring and fixtures	5
Special Costs	5
Rights	5
Development costs	5

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.

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.

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

**ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED September 30, 2021
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)**

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

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.

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 30 September 2021 is TL 10,061 (31 December 2020: TL 8,785).

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 30 September 2021, actuarial gain after deferred tax effect amounting to TL 297 (31 December 2020: TL 28 actuarial loss) was classified as “Other Capital Reserves”.

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED September 30, 2021

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

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.

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED September 30, 2021

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XVII. Explanations on Taxation (Continued)

Current Tax

The corporate tax rate of 20% implementation on the Corporate Tax Law No. 5520 was taken into effect on 1 January 2006 after being published in the Official Gazette dated 21 September 2006 numbered 26205, will be applied as 22% for corporation earnings for three years from 1 January 2018 with the regulation dated 28 November 2017 numbered 7061. In accordance with the 11 and 14th articles of the Law numbered 7316 on “Amendment of Law on Collection Procedure of Public Receivables and Certain Laws” published in the Official Gazette dated April 22,2021 and numbered 31462, starting from declaration that must be submitted starting from July 1,2021 and to be valid for the taxation period starting from January 1,2021 corporate tax rate will be applied as 25% for enterprises’ corporate income belonging to the taxation periods of 2021 and 23% for enterprises’ corporate income belonging to the taxation periods of 2022. The corporate tax rate is still applied as 20% in the first provisional tax declaration for the corporate income belonging to the taxation periods of 2021 but as of second provisional tax declaration the rate of 25% will be applied. The Bank applies new regulations to its current and deferred tax responsibilities. The corporate tax rate is calculated on the total income of the Bank after adjusting for certain disallowable expenses, exempt income (like affiliate gains) and other allowances. If there is no dividend distribution, no further tax charges are made.

Dividends paid to non-resident corporations, which have a place of business or permanent attorney in Turkey or to resident corporations are not subject to withholding tax. Otherwise, dividends paid are subject to withholding tax at the rate of 15%. An increase in capital via issuing bonus shares is not considered as profit distribution and no withholding tax incurs in such a case.

Corporations are required to pay advance corporate tax quarterly at a rate of 22% on their corporate income. Advance tax is declared by the 14th and paid by the 17th day of the second month following each calendar quarter end. Advance tax paid by corporations for the current period is credited against the annual corporation tax calculated on the annual corporate income in the following year. Despite the offset, if there is temporary prepaid tax remaining, this balance can be refunded or used to offset any other financial liabilities to the government.

This exemption applies to the period the sale is made and the part of return on sales that benefits from the exemption is held in a special fund in the liabilities account until the end of the fifth year started from the following year sale is made. However, the sales payment must be collected until the end of the second calendar year following the year in which the sale is made. Taxes which are not realized in time due to the exemption that hits uncollected sales payment are considered tax loss.

Taxes which were not accrued on time because of the applying exemption for the transfer of the exempted part of revenue to the other accounts with other ways out of capitalizing in five years or withdrawn from company or transferring from limited taxpayer corporations to the headquarters, are considered as tax loss. This is also be applicable in the condition of liquidation of business (Except transfers and divisions that make according to this code).

Moreover, according to 5.1.f. article of Corporation Tax Law; corporations which have been fallen to legal proceedings because of owe to the bank or Savings Deposit Insurance Funds, and their warrantors’ real estates, participation stocks, founding bonds, redeemed shares, options to call of mortgagors’ revenues that used for against debts or transferring to SDIF, 75% of real estates, and 50% others are exempted from Corporation tax (It was changed with 89th article of code 7061 that entries into force in 5 December 2017. According to dated 23 December 2017 5rd article of Corporation Tax Code (CTC) 14 annunciation this exemption will apply as ratio of 75% for selling that made till the 5 December 2017, after this date it will apply as ratio of 50%).

Under the Turkish Corporate Tax Law, losses can be carried forward to offset against future taxable income for up to five years. Losses cannot be carried back to offset profits from previous periods.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments with tax authorities. Tax returns are required to be filled and delivered to the related tax office until the evening of the 25th of the fourth month following the balance sheet date and the accrued tax is paid until the end of the same month Tax returns are open for 5 years from the beginning of the year following the balance sheet date and during this period the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

**ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED September 30, 2021
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)**

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

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

BİAŞ Guarantee Fund, BİAŞ Loan and Share Market, Takasbank Money Market, Loan Share Market, Derivatives Exchange Market, Electricity Market, Leveraged call-put transactions and Over The Counter Derivatives Market, BİAŞ Money Market and Precious Metals Market, BİAŞ Swap Market, cash warrant amounts are tracked in asset side under banks account, in liability side under various liabilities account. These funds provide creditor members not to be affected in case debtor members may undergo cash default. Cash warrant mechanisms are created in order to provide continuous cash flow in the market by tracking payments to be made in time and in full amounts.

XIX. Explanations on Issuance of Equity Securities

The Bank does not have any shares issued in the current period.

XX. Explanations on Acceptances

The Bank performs acceptances with its customers simultaneously and follows them in off balance sheet liabilities.

The Bank has no acceptances that have been included as a liability against an asset.

XXI. Explanations on Government Incentives

There are no government incentives utilized by the Bank as of the balance sheet date.

XXII. Explanations on Segment Reporting

Operational segment is distinguishable section of the Bank that has different characteristics from other operational segments per earning and conducts the presentation of service group, associated bank products or a unique product. Reporting on operating segments is disclosed in Note VIII in Section Four.

XXIII. Related Parties

For the purpose of these financial statements, shareholders, key management personnel and board members associated with companies controlled by their families and themselves or affiliated companies, associates and joint ventures are referred to as related parties in accordance with TAS 24 - Related Party Disclosures.

XXIV. Cash and Cash Equivalents

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

XXV. Investment 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.

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED September 30, 2021
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FOUR

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT

I. Explanations Related to Components of Shareholders' Equity

Based on the press release made by the BRSA on 8 December, 2020; due to the fluctuations in the financial markets as a result of the COVID-19 outbreak; in the calculation of the amount subject to credit risk in accordance with the Regulation on Measurement and Evaluation of Capital Adequacy; with monetary assets and non-monetary assets excluding assets that are measured in terms of historical cost in a foreign currency valued amount of items in accordance with TAS and its special provision amounts, spot purchase exchange rate can be used the simple arithmetic average of buying exchange rates of the Central Bank for the last 252 days before the calculation date and negative revaluation differences of the securities classified under "Financial Assets Measured at Fair Value through Other Comprehensive Income" which acquired before 30 September, 2020 may not be included in capital calculation. The bank did not apply this incentive.

The method used for risk measurement in determining capital adequacy standard ratio; Capital Adequacy Standard Ratio is calculated in accordance with the Communiqué on "Measurement and Assessment of Capital Adequacy of Banks".

The Bank's current period equity capital is TL 2,945,123 (31 December 2020: TL 2,512,824), capital adequacy standard ratio is 24.18% (31 December 2020: 23.46%). 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	1,690,919	1,367,545
Gains recognized in equity as per TAS	-	-
Profit	678,802	562,177
Current Period Profit	655,999	539,374
Prior Period Profit	22,803	22,803
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognised within profit for the period	-	-
Common Equity Tier 1 Capital Before Deductions	3,002,740	2,562,741
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	532	294
Improvement costs for operating leasing	13	30
Goodwill (net of related tax liability)	-	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	112,801	106,908
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	118,171	112,057
Total Common Equity Tier 1 Capital	2,884,569	2,450,684

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED September 30, 2021
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

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

	Current Period	Prior Period
ADDITIONAL TIER I CAPITAL	-	-
Preferred Stock not Included in Common Equity and the Related Share Premiums	-	-
Debt instruments and premiums approved by BRSA	-	-
Debt instruments and premiums approved by BRSA(Temporary Article 4)	-	-
Additional Tier I Capital before Deductions	-	-
Deductions from Additional Tier I Capital	-	-
Direct and indirect investments of the Bank in its own Additional Tier I Capital	-	-
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% 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)	2,884,569	2,450,684
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	60,554	62,140
Tier II Capital Before Deductions	60,554	62,140
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	60,554	62,140

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED September 30, 2021
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

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

	Current Period	Prior Period ¹⁾
Total Capital (The sum of Tier I Capital and Tier II Capital)	2,945,123	2,512,824
Deductions from Total Capital	2,945,123	2,512,824
Deductions from Capital Loans granted contrary to the 50th and 51th Article of the Law	-	-
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Three Years	-	-
Other items to be defined by the BRSA	-	-
In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components	-	-
The Sum of net long positions of investments (the portion which exceeds the 10% of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
TOTAL CAPITAL	-	-
Total Capital (The sum of Tier I Capital and Tier II Capital)	2,945,123	2,512,824
Total risk weighted amounts	12,177,755	10,712,864
CAPITAL ADEQUACY RATIOS		
Core Capital Adequacy Ratio (%)	23.69	22.88
Tier I Capital Adequacy Ratio (%)	23.69	22.88
Capital Adequacy Ratio (%)	24.18	23.46
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)	60,554	62,140
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	60,554	62,140
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	-	-

⁽¹⁾ "The amounts to be taken into account at the end of the transition period are shown for the items subject to the transition provisions under the Provisional Articles of the "Regulation on Shareholders' Equity of Banks".

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED September 30, 2021

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

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

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

Information on addition debt instruments to shareholders' equity calculating:

None.

Information on applied approaches in order to evaluate internal capital adequacy within the scope of internal capital adequacy evaluation of internal capital requirement in terms of future and current activities:

The evaluation period for internal capital adequacy in the Bank has been designed within in accordance with the principle of proportionality and is consistent with the Guidelines on 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 and Compliance Unit.

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED September 30, 2021

(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

The Bank is subject to the reserve requirements in relation to the foreign currency guarantees received for the Stock Exchange Money Market, Derivatives Market, Debt Securities Market, Electricity Market, Precious Metals Market, BİAŞ Money Market, Share Market, collaterals obtained for cash loans and non-cash loans and foreign currency amounts deposited in the Bank's accounts as guarantee and the foreign currency amounts left in the unrestricted accounts of customers consisting of brokerage firms, banks and other financial institutions except the foreign settlement transaction commissions and foreign currency amounts kept for its own transactions in accordance with the agreements made in foreign currencies. Therefore, the Bank performs its obligations in two-weekly periods in ratios designated in blocked accounts of the Central Bank of Turkey. The foreign currency amounts, kept due to the reserve requirements, are creating an excess amount of assets with regard to the ratio of assets to liabilities.

The Bank calculated a net long foreign exchange of TL 30,200 (31 December 2020: TL 20,265) 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	8,8433	10,3135	11,9292	7,9227
1 st Business Day's Current Exchange Rate	8,8585	10,3486	12,0686	7,9366
2 nd Business Day's Current Exchange Rate	8,8355	10,3364	12,0759	7,9493
3 rd Business Day's Current Exchange Rate	8,8240	10,3526	12,0717	7,9685
4 th Business Day's Current Exchange Rate	8,6584	10,1456	11,8191	7,8569
5 th Business Day's Current Exchange Rate	8,6349	10,1291	11,7585	7,8661
Simple arithmetic averages for last 30 days	8,5119	10,0286	11,6865	7,7138

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED September 30, 2021

(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	3,156,833	3,969,345	54,186	7,180,364
Financial assets at fair value through profit and loss	-	-	-	-
Money market placements	-	-	-	-
Financial assets at fair value through other comprehensive income	661	-	-	661
Loans	-	-	-	-
Investments in associates, subsidiaries and joint ventures	-	-	-	-
Financial assets measured at amortised cost	554,304	964,810	-	1,519,114
Hedging derivative financial assets	-	-	-	-
Tangible assets	-	-	-	-
Intangible assets	-	-	-	-
Other assets	337	437	-	774
Total Assets	3,712,135	4,934,592	54,186	8,700,913
Liabilities				
Bank deposits	-	-	-	-
Foreign currency deposits	-	-	-	-
Money market funds	-	-	-	-
Funds provided from other financial institutions	1,818,271	2,223,211	-	4,041,482
Securities issued	-	-	-	-
Funds	1,779,049	2,693,000	54,044	4,526,093
Hedging derivative financial liabilities	-	-	-	-
Other liabilities	-	-	-	-
Total Liabilities	3,597,320	4,916,211	54,044	8,567,575
Net Balance Sheet Position	114,815	18,381	142	133,338
Net Off-Balance Sheet Position				
Net Off-Balance Sheet Position	103,135	-	-	103,135
Financial derivative assets	-	-	-	-
Financial derivative liabilities	103,135	-	-	103,135
Non-cash loans	-	-	-	-
Prior Period				
Total assets	2,624,031	3,122,290	32,773	5,779,094
Total liabilities	2,615,177	3,111,001	32,651	5,758,829
Net Balance Sheet Position	8,854	11,289	122	20,265
Net Off-Balance Sheet Position				
Net Off-Balance Sheet Position	-	-	-	-
Financial derivative assets	-	-	-	-
Financial derivative liabilities	-	-	-	-
Non-cash loans	-	-	-	-

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED September 30, 2021
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

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.

Forecast results which have been formed using estimation-simulation reports are prepared and then the effects of fluctuations in interest rates are evaluated with sensitivity and scenario analyses. 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. 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".

Other than securities guaranteed or issued by the Turkish Treasury, the Bank includes Government Debt Securities and debt securities issued by Banks, which established in Turkey in its portfolio during the year 2021. The Bank does not undertake any liability due to using derivative financial instruments attributable to its transactions in evaluating its funding 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	-	-	-	-	-	132	132
Banks ⁽²⁾	26,723,196	1,777,947	-	-	-	380,569	28,881,712
Financial assets at fair value through profit and loss	-	-	-	-	-	-	-
Money market placements	28,037	-	-	-	-	-	28,037
Financial assets at fair value through other comprehensive income	-	-	-	-	-	4,332	4,332
Loans ⁽³⁾	129,494	-	-	-	-	-	129,494
Financial assets measured at amortised cost ⁽⁴⁾	106,664	556,727	936,459	400,667	-	-	2,000,517
Other assets ⁽¹⁾	34,047	-	-	-	-	196,149	230,196
Total Assets	27,021,438	2,334,674	936,459	400,667	-	581,182	31,274,420
Liabilities							
Bank deposits	-	-	-	-	-	-	-
Other deposits	-	-	-	-	-	-	-
Money market funds	-	-	-	-	-	-	-
Miscellaneous payables	5,047,288	-	-	-	-	19,012,748	24,060,036
Marketable securities issued	-	-	-	-	-	-	-
Funds borrowed from other financial institutions	4,041,482	-	-	-	-	-	4,041,482
Other liabilities ⁽²⁾	-	-	-	-	-	3,172,902	3,172,902
Total Liabilities	9,088,770	-	-	-	-	22,185,650	31,274,420
Balance sheet long position	17,932,668	2,334,674	936,459	400,667	-	-	21,604,468
Balance sheet short position	-	-	-	-	-	(21,604,468)	(21,604,468)
Off-balance sheet long position	-	-	-	-	-	-	-
Off-balance sheet short position	-	203,135	-	-	-	-	203,135
Total Position	17,932,668	2,537,809	936,459	400,667	-	(21,604,468)	203,135

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

⁽²⁾ Expected credit loss provisions recognized under TFRS 9 are presented in the "Non-interest bearing" column.

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

⁽⁴⁾ Expected credit loss provisions recognized under TFRS 9 are presented in the "3-12 Month" column.

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED September 30, 2021
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

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	-	-	-	-	-	290	290
Banks	21,342,898	876,368	-	-	-	234,620	22,453,886
Financial assets at fair value through profit and loss	-	-	-	-	-	-	-
Money market placements	25,827	-	-	-	-	-	25,827
Financial assets available-for-sale	-	-	-	-	-	4,332	4,332
Loans	99,764	-	-	-	-	-	99,764
Held-to-maturity investments	-	1,646,439	648,208	140,078	-	-	2,434,725
Other assets ⁽¹⁾	695	-	-	-	-	368,717	369,412
Total Assets	21,469,184	2,522,807	648,208	140,078	-	607,959	25,388,236
Liabilities							
Bank deposits	-	-	-	-	-	-	-
Other deposits	-	-	-	-	-	-	-
Money market funds	203,020	-	-	-	-	-	203,020
Miscellaneous payables	4,573,770	-	-	-	-	16,069,396	20,643,166
Marketable securities issued	-	-	-	-	-	-	-
Funds borrowed from other financial institutions	1,843,395	-	-	-	-	78	1,843,473
Other liabilities ⁽¹⁾	-	-	-	-	-	2,698,577	2,698,577
Total Liabilities	6,620,185	-	-	-	-	18,768,051	25,388,236
Balance sheet long position	14,848,999	2,522,807	648,208	140,078	-	-	18,160,092
Balance sheet short position	-	-	-	-	-	(18,160,092)	(18,160,092)
Off-balance sheet long position	-	-	-	-	-	-	-
Off-balance sheet short position	-	-	-	-	-	-	-
Net Position	14,848,999	2,522,807	648,208	140,078	-	(18,160,092)	-

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

⁽²⁾ Expected credit loss provisions recognized under TFRS 9 are presented in the "Non-interest bearing" column.

Other Assets	Current Period	Prior Period
Intangible assets	112,801	106,908
Custody service commission rediscunts	34,077	38,242
Investment properties	35,730	35,730
Deferred tax asset	5,348	-
Temporary accounts	7,455	6,760
Tangible Assets	8,927	10,296
Miscellaneous receivables	20,934	166,530
Subsidiaries	4,825	4,825
Stationary supplies	99	121
Total	230,196	369,412

Other Liabilities	Current Period	Prior Period
Provisions	77,684	68,894
Lease Liabilities	2,366	2,042
Derivative Financial Liabilities	3,194	-
Tax Liabilities	87,450	65,194
Shareholders' Equity	3,002,208	2,562,447
Total	3,172,902	2,698,577

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED September 30, 2021

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

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	(68,101)	(0.023)
TRY	(-) 400 bp	57,740	0.020
EUR	(+) 200 bp	(2,445)	(0.001)
EUR	(-) 200 bp	2,499	0.001
USD	(+) 200 bp	(11,385)	(0.004)
USD	(-) 200 bp	11,748	0.004
Total (of negative shocks)		71,986	0.24
Total (of positive shocks)		(81,931)	0.028

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	0.80	1.53	-	18.37
Financial assets at fair value through profit and loss	-	-	-	-
Money market placements	-	-	-	15.57
Financial assets at fair value through other comprehensive income	-	-	-	-
Loans	-	-	-	20.14
Financial assets measured at amortized cost	2.58	3.62	-	16.79
Liabilities				
Bank deposits	-	-	-	-
Other deposits	-	-	-	-
Money market borrowings	-	-	-	-
Funds	-	-	-	18.32
Securities issued	-	-	-	-
Funds borrowed	0.01	0.10	-	-
Prior Period End Balance				
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	2.64	3.16	-	18.03
Financial assets at fair value through profit and loss	-	-	-	-
Money market placements	-	-	-	15.27
Financial assets available-for-sale	-	-	-	-
Loans	-	-	-	20.15
Financial assets measured at amortized cost	2.32	4.10	-	11.54
Liabilities				
Bank deposits	-	-	-	-
Other deposits	-	-	-	-
Money market borrowings	-	-	-	15.00
Funds	-	-	-	17.98
Securities issued	-	-	-	-
Funds borrowed	0.01	0.19	-	3.36

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED September 30, 2021**

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

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

IV. Equity share position risk in banking accounts

As of 30 September 2021, the Bank has no equity share position risk arising from the equity share and banking accounts (31 December 2020: None).

V. Explanations Related to Liquidity Risk

The Bank pays attention to work under guarantees and committed to keeping most of its TL funds in liquid to meet the risks arising from transactions with Takasbank Money Market, BİAŞ Debt Securities Market, Futures and Options Market, Takasbank Securities Lending Market, BİAŞ Money Market, Share Market, BİAŞ Swap Market and other transactions.

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 and Legal Compliance 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 members' free accounts, Over-the-Counter Derivatives Markets, BİAŞ Guarantee Fund, BİAŞ Debt Securities Market, BİAŞ Equity Market, Takasbank Money Market (TPP), Takasbank Stock Lending Market (ÖPP), Natural Gas Market Renewable Energy Resource Guarantee Policy (YEK-G), Natural Gas Futures Market (VGP), Natural Gas Market, BİAŞ Futures and Options Market (VIOP), BİAŞ Swap Market, BİAŞ Money Market, BİAŞ Precious Metals Market, EPİAŞ Electricity Market, Cash collaterals received for reasons such as leveraged trading transactions 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.

According to the fifth section of Article 4 of the Regulation on the Calculation of Liquidity Cover Ratio of Banks, it was decided that the ratio of consolidated and unconsolidated total and foreign currency liquidity coverage ratios shall be zero percentage.

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED September 30, 2021
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

V. Explanations Related to Liquidity Risk (Continued)

Presentation of assets and liabilities according to their remaining maturities:

Current Period	Demand	Up to 1 Month	1-3 Month	3-12 Month	1-5 Year	5 Year and Over	Undistributed ⁽¹⁾	Total
Assets								
Cash (cash in vault, foreign currency cash, money in transit, cheques purchased) and balances with the Central Bank of Turkey	132	-	-	-	-	-	-	132
Banks	380,569	26,723,196	1,777,947	-	-	-	-	28,881,712
Financial assets at fair value through profit and loss	-	-	-	-	-	-	-	-
Money market placements	-	28,037	-	-	-	-	-	28,037
Fair value with changes in other comprehensive income	4,332	-	-	-	-	-	-	4,332
Loans ⁽²⁾	-	129,494	-	-	-	-	-	129,494
Financial assets measured at amortized cost	-	-	663,391	936,459	400,667	-	-	2,000,517
Other assets ⁽¹⁾	-	34,047	-	-	-	-	-	230,196
Total Assets	385,033	26,914,774	2,441,338	936,459	400,667	-	196,149	31,274,420
Liabilities								
Bank deposits	-	-	-	-	-	-	-	-
Other deposits	-	-	-	-	-	-	-	-
Funds borrowed	-	4,041,482	-	-	-	-	-	4,041,482
Money market borrowings	-	-	-	-	-	-	-	-
Securities issued	-	-	-	-	-	-	-	-
Funds	19,012,748	5,047,288	-	-	-	-	-	24,060,036
Other liabilities	5,560	16,250	74,564	19,037	-	-	3,057,491	3,172,902
Total Liabilities	19,018,308	9,105,020	74,564	19,037	-	-	3,057,491	31,274,420
Liquidity Gap	(18,633,275)	17,809,754	2,366,774	917,422	400,667	-	(2,861,342)	-
Net off-Balance sheet position	-	(203,185)	-	-	-	-	-	(203,185)
Receivables from derivative financial instruments	-	-	-	-	-	-	-	-
Liabilities from derivative financial instruments	-	203,185	-	-	-	-	-	203,185
Non-Cash Loans	14,225,660	27,462,193	-	-	-	-	-	41,687,853
Prior Period								
Total assets	239,242	21,469,184	2,522,807	648,208	140,078	-	368,717	25,388,236
Total liabilities	16,071,438	6,641,668	-	62,847	-	-	2,612,283	25,388,236
Liquidity Gap	(15,832,196)	14,827,516	2,522,807	585,361	140,078	-	(2,243,566)	-
Net off-Balance sheet position	-	-	-	-	-	-	-	-
Receivables from derivative financial instruments	-	-	-	-	-	-	-	-
Liabilities from derivative financial instruments	-	-	-	-	-	-	-	-
Non-Cash Loans	13,214,491	14,848,880	-	-	-	-	-	28,063,371

⁽¹⁾ Accounts that constitute the balance sheet assets such as fixed assets, participation and subsidiaries, prepaid expenses, receivables for follow up those are required to maintain banking operations and are not convertible to cash in short term period are recorded into this account.

⁽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 "3-12 Month" column.

Securitization positions:

The Bank does not apply securitisation as of 30 September 2021 (31 December 2020: None).

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED September 30, 2021
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

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 4.80% (31 December 2020: 4.35%). This ratio is above the minimum ratio and the regulation stipulates the minimum leverage ratio as 3%. The increase in the off-balance sheet transactions is the main reason for the change in the leverage ratio compared to the previous period.

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)	30,526,761	27,207,408
(Assets deducted from core capital)	(118,302)	(111,317)
Total risk amount for assets on the balance sheet	30,408,459	27,096,091
Derivative financial instruments and credit derivatives		
Renewal cost of derivative financial instruments and loan derivatives	3,194	-
Potential credit risk amount of derivative financial instruments and loan derivatives	-	-
Total risk amount of derivative financial instruments and loan derivatives	3,194	-
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	28,082,974	27,746,232
(Adjustment amount arising from multiplying by the credit conversion rate)	-	-
Total risk amount for off-balance sheet transactions	28,082,974	27,746,232
Capital and total risk		
Tier 1 capital	2,807,367	2,383,680
Total risk amount	58,494,627	54,842,323
Leverage ratio		
Leverage ratio (%)	4.80	4.35

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

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.

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED September 30, 2021

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

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 30 September 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 30 September 2021 as the standard approach is used in the calculation of Bank’s capital adequacy.

- Change table of Risk Weighted Assets (RAV) under Internal Rating-Based (IRA) approach
- RAV changes regarding Counterparty Credit Risk (CCR) within the scope of Internal Model Method
- Market risk RAV change table according to the internal model approach

a) Overview of risk management and RWA

	Risk Weighted Amounts		Minimum Capital
	Current Period	Prior Period	Current Period
Credit risk (excluding counterparty credit risk)	10,518,421	9,325,723	841,474
Standardised approach	10,518,421	9,325,723	841,474
Internal rating-based approach	-	-	-
Counterparty credit risk	3	10	0.02
Standardised approach for counterparty credit risk	3	10	0.02
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	30,200	20,263	2,416
Standardised approach	30,200	20,263	2,416
Internal model approaches	-	-	-
Operational risk	1,629,131	1,366,869	130,330
Basic Indicator approach	1,629,131	1,366,869	130,330
Standard approach	-	-	-
Advanced measurement approach	-	-	-
The amount of the discount threshold under the equity(subject to a 250% risk weight)	-	-	-
Floor adjustments	-	-	-
Total	12,177,755	10,712,864	974,220

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED September 30, 2021
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

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	-	-	132	-	132
Financial Assets At Fair Value Through Profit/Loss (Net)	-	-	-	-	-
Banks	-	-	28,881,712	-	28,881,712
Money Markets	-	-	-	28,037	28,037
Financial Assets At Fair Value Through Other Comprehensive Income	-	-	4,332	-	4,332
Loans ⁽¹⁾	-	129,494	-	-	129,494
Financial Assets At Fair Value Through Amortized Cost ⁽²⁾	-	-	2,000,517	-	2,000,517
Subsidiaries	-	-	-	-	-
Joint Ventures (Net)	-	-	4,825	-	4,825
Tangible Assets (Net)	-	-	-	8,927	8,927
Intangible Assets (Net)	-	-	-	112,801	112,801
Investment Properties (Net)	-	-	-	35,730	35,730
Tax Assets	-	-	-	5,348	5,348
Other Assets	34,076	-	-	28,489	62,565
Total Assets	34,076	129,494	30,891,518	219,332	31,274,420
Funds Borrowed	-	-	4,041,482	-	4,041,482
Debts to the Money Markets	-	-	-	-	-
Funds	21,355,465	1,238,178	-	1,466,393	24,060,036
Lease Liability	-	-	-	2,366	2,366
Derivative Financial Liability	-	-	3,194	-	3,194
Provisions	-	25,733	-	51,951	77,684
Tax Liability	-	-	-	87,450	87,450
Shareholder's Equity	-	-	-	3,002,208	3,002,208
Total Liabilities	21,355,465	1,263,911	4,044,676	4,610,368	31,274,420

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

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED September 30, 2021

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

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VIII. Explanations on Segment Reporting (Continued)

Prior Period	Custody, Clearing and Operation	Loans and MM	Treasury Transactions	Other	Total
Cash and Balances with Central Bank	-	-	290	-	290
Financial Assets At Fair Value Through Profit/Loss (Net)	-	-	-	-	-
Banks	-	-	22,453,886	-	22,453,886
Money Markets	-	-	-	25,827	25,827
Available-For-Sale Financial Assets (Net)	-	-	4,332	-	4,332
Loans ⁽¹⁾	-	99,764	-	-	99,764
Held-to-Maturity Securities (Net) ⁽²⁾	-	-	2,434,725	-	2,434,725
Subsidiaries	-	-	-	-	-
Joint Ventures (Net)	-	-	4,825	-	4,825
Tangible Assets (Net)	-	-	-	10,296	10,296
Intangible Assets (Net)	-	-	-	106,908	106,908
Investment Properties (Net)	-	-	-	35,730	35,730
Tax Assets	-	-	-	-	-
Other Assets ⁽³⁾	38,241	-	-	173,412	211,653
Total Assets	38,241	99,764	24,898,058	352,173	25,388,236
Funds Borrowed	-	-	1,843,473	-	1,843,473
Debts to the Money Market	-	-	203,020	-	203,020
Funds	18,263,027	1,019,370	-	1,360,769	20,643,166
Miscellaneous Payables	-	-	-	2,042	2,042
Other Liabilities	-	-	-	-	-
Provisions	-	31,288	-	37,606	68,894
Tax Liability	-	-	-	65,194	65,194
Shareholder's Equity	-	-	-	2,562,447	2,562,447
Total Liabilities	18,263,027	1,050,658	2,046,493	4,028,058	25,388,236

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

(2)Treasury transactions included Derivative financial assets

(3)Derivative financial assets item is included under the title of treasury transactions.

Current Period	Custody, Clearing and Operation	Loans and MM	Treasury Transactions	Other	Total
Net interest income	-	12,401	571,758	-	584,159
Net fees and commissions income and other operating income	374,423	36,984	-	-	411,407
Dividend income	-	-	15,213	-	15,213
Trading profit/loss	-	-	9,368	-	9,368
Other operating receivables	-	-	-	6,879	6,879
Impairment provision for loans and other receivables	-	4,040	-	-	4,040
Other operating expenses	-	-	-	(157,575)	(157,575)
Profit before taxes	374,423	45,345	596,339	(150,696)	865,411
Tax provision	-	-	-	(209,412)	(209,412)
Net profit for the period	374,423	45,345	596,339	(360,108)	655,999

Prior Period	Custody, Clearing and Operation	Loans and MM	Treasury Transactions	Other	Total
Net interest income	-	12,498	288,010	-	300,508
Net fees and commissions income and other operating income	246,531	25,972	-	-	272,503
Dividend income	-	-	10,739	-	10,739
Trading profit/loss	-	-	18,202	-	18,202
Other operating receivables	-	-	-	5,686	5,686
Impairment provision for loans and other receivables	-	19,654	-	-	19,654
Other operating expenses	-	-	-	(132,167)	(132,167)
Profit before taxes	246,531	18,816	316,951	(126,481)	455,817
Tax provision	-	-	-	(96,618)	(96,618)
Net profit for the period	246,531	18,816	316,951	(223,099)	359,199

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED September 30, 2021
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FIVE

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS

I. Explanations and Notes Related to the Assets

1. Information on Cash and Balances with the Central Bank of Turkey:

1.a) Information on cash and balances with the Central Bank of Turkey:

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash/foreign currency	34	-	27	-
CBRT	98	-	263	-
Other	-	-	-	-
Total	132	-	290	-

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted demand deposit	98	-	263	-
Unrestricted time deposit	-	-	-	-
Restricted time deposit	-	-	-	-
Total	98	-	263	-

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.

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

2.a) Information on government debt securities: None (31 December 2020: None).

2.b) Information on marketable securities representing the Bank's share: None (31 December 2020: None).

2.c) Information on other financial assets: None (31 December 2020: None).

3. Information on Banks

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	21,711,224	6,800,544	18,116,660	4,129,942
Foreign	23,945	379,820	-	234,293
Branches and overseas head office	-	-	-	-
Total	21,735,169	7,180,364	18,116,660	4,364,235

As of 30 September 2021, an expected loss amounting to TL 33,821 has been allocated to the Banks account (December 31, 2020: TL 27,009).

3.b) Information on foreign banks account:

	Unrestricted amount		Restricted amount	
	Current Period	Prior Period	Current Period	Prior Period
European Union Countries	393,254	200,750	-	-
USA, Canada	10,511	33,543	-	-
OECD countries	-	-	-	-
Off-shore banking regions	-	-	-	-
Other	-	-	-	-
Total	403,765	234,293	-	-

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED September 30, 2021
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Notes Related to the Assets (Continued)

3.c) Information on receivables from money markets

The details about the receivables from Money Markets are as below:

	Current Period	Prior Period
Reverse repo belongs to closed member cash balance	28,037	25,827
Receivables from Central Bank	-	-
Total	28,037	25,827

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 (%)
Borsa İstanbul A.Ş.	31/05/2013	324	0,15	324	0,15
Ege Tarım Ürünleri Lisanslı Depoculuk A.Ş.	03/01/2011	637	4,12	637	4,12
Sermaye Piyasası Lisanslama Sicil ve Eğitim Kuruluşu A.Ş.	29/07/2011	210	10,50	210	10,50
S.W.I.F.T.SCR.L	24/04/2009	339	0,02	339	0,02
SASE - Sarajevo Menkul Kıymetler Borsası	18/05/2011	322	5,00	322	5,00
Türkiye Ürün İhtisas Borsası A.Ş.	25/07/2018	2,500	5,00	2,500	5,00
Total		4,332		4,332	

	Current Period	Prior Period
Debt securities	-	-
<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

5. Information on derivative financial assets:

a) i. Information on derivative financial assets at fair value through profit or loss: None (31 December 2020: None).

a) ii. Information on derivative financial assets at fair value through other comprehensive income: None (31 December 2020: 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	96,431	12,106,011	84,877	11,228,460
<i>Corporate shareholders</i>	96,431	12,106,011	84,877	11,228,460
<i>Real person shareholders</i>	-	-	-	-
Indirect loans granted to shareholders	-	-	-	-
Loans granted to employees	-	-	-	-
Total	96,431	12,106,011	84,877	11,228,460

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.
 NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
 FOR THE NINE-MONTH PERIOD ENDED September 30, 2021
 (Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Notes Related to the Assets (Continued)

6. Information on loans (Continued)

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	Refinanced
Current Period			Revised Contract Terms	
Non-specialized loans	129,649	-	-	-
Business loans	-	-	-	-
Export loans	-	-	-	-
Import loans	-	-	-	-
Loans given to financial sector	129,649	-	-	-
Consumer loans	-	-	-	-
Credit cards	-	-	-	-
Other	-	-	-	-
Specialized loans	-	-	-	-
Other receivables	-	-	-	-
Total	129,649	-	-	-

Cash Loans	Standard Loans and Other Receivables		Loans and Other Receivables Under Close Monitoring	
	Loans (Total)	Revised contract terms	Loans (Total)	Revised contract terms
Prior Period		Restructure for extending the payment plan	Restructure for extending the payment plan	Restructure for extending the payment plan
Non-specialized loans	99,886	-	-	-
Working capital loans	-	-	-	-
Export loans	-	-	-	-
Import loans	-	-	-	-
Loans given to financial sector	99,886	-	-	-
Foreign loans	-	-	-	-
Consumer loans	-	-	-	-
Credit cards	-	-	-	-
Precious metal credit	-	-	-	-
Other	-	-	-	-
Specialized loans	-	-	-	-
Other receivables	-	-	-	-
Total	99,886	-	-	-

c) Information on consumer loans, individual credit cards, and personnel loans and personnel credit cards: None (31 December 2020: None).

d) Information on commercial loans with instalments and corporate credit cards: None (31 December 2020: None).

e) Loans according to borrowers:

	Current Period	Prior Period
Private	129,649	99,886
Public	-	-
Total	129,649	99,886

f) Domestic and foreign loans:

	Current Period	Prior Period
Domestic loans	129,649	99,886
Foreign loans	-	-
Total	129,649	99,886

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED September 30, 2021

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

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Notes Related to the Assets (Continued)

6. Information on loans (Continued):

g) Loans granted to subsidiaries and associates:None (31 December 2020: None).

h) Information on non-performing loans (Net):

i.) Information on non-performing loans (Net) (Continued):

i.1) Information on loans and other receivables included in non-performing loans which are restructured or rescheduled:
None (31 December 2020: None).

i.2) Information on movement of non-performing loans: None.

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED September 30, 2021
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Notes Related to the Assets (Continued)

6. Information on loans (Continued):

i) Information on non-performing loans (Net) (Continued):

i.3) Information on foreign currency non-performing loans and other receivables: As of 30.09.2021, there are swap transactions for trading purposes amounting to 3,194 thousand TL (31 December 2020: None).

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

None (31 December 2020: None).

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	155	-	122	-
Significant increase in credit risk	-	-	-	-
Total	155	-	122	-

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	1,226,364	2,024,239
Treasury bills	774,423	410,815
Other public sector debt instruments	-	-
Total	2,000,787	2,435,054

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

	Current Period	Prior Period
Debt securities	2,000,787	2,435,054
Quoted on a stock exchange	2,000,787	2,435,054
Not quoted on a stock exchange	-	-
Impairment provision (-)	-	-
Total	2,000,787	2,435,054

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

	Current Period	Prior Period
Beginning balance	2,435,054	694,289
Foreign currency differences on monetary assets	-	-
Purchases during year	1,129,748	2,477,069
Disposals through sales and redemptions ⁽¹⁾	(2,339,027)	(1,564,499)
Impairment provision (-)	-	-
Effect of valuation ⁽²⁾	775,012	828,195
Closing Balance	2,000,787	2,435,054

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

⁽²⁾ Includes interest accruals change.

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED September 30, 2021
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Notes Related to the Assets (Continued)

7. Information on financial assets measured at amortised cost (Continued):

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

	Current Period	Prior Period
Other Financial Assets Measured by Amortized Cost	270	329
	270	329

7.c) Information on other financial assets: None. (31 December 2020: None).

8. Information on investments in associates (Net):

8.a) Information on consolidated associates according to Communiqué on Preparing Banks' Consolidated Financial Statements and related Turkish Accounting Standard: None (31 December 2020: None).

8.b) Information on the unconsolidated associates: None (31 December 2020: None).

8.c) Explanations of consolidated associates: None (31 December 2020: None).

8.d) Information on sector information on consolidated associates: None (31 December 2020: None).

8.e) Consolidated associates which are quoted on the stock exchange: None (31 December 2020: None).

9. Information on subsidiaries (Net):

9.a) Information on the unconsolidated subsidiaries:

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
249,214	182,112	41,062	22,669	885	65,298	41,649	-

⁽¹⁾ Current period financial statements are obtained from unreviewed financial statements prepared as of 31 September 2021 in accordance with the TAS.

9.b) Information on the consolidated subsidiaries:

i. Information on the consolidated subsidiaries: None (31 December 2020: None).

ii. Information on movement of consolidated subsidiaries: None (31 December 2020: None).

iii. Sectorial information on the consolidated subsidiaries: None (31 December 2020: None).

iv. Consolidated subsidiaries quoted on the stock exchange: None (31 December 2020: None).

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED September 30, 2021
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and Notes Related to the Assets (Continued)

10. Information on entities under common control (joint ventures): None (31 December 2020: None).

11. Information on finance lease receivables (Net): None (31 December 2020: None).

12. Information on investment property:

As of 30 September 2021, the Bank's investment property amounting to TL 35,730 (31 December 2020: TL 35,730).

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

None (31 December 2020: 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.

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
Custody and fee accruals	34,077	38,242
VIOP guarantees	19,741	163,866
Prepaid expenses	7,455	6,760
Cash guarantees given	898	2,451
Other	295	213
Stationary supplies	99	121
Total	62,565	211,653

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED September 30, 2021
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and Notes Related to Liabilities

1. Information on derivative financial liabilities:

- a) i. Information on derivative financial liabilities at fair value through profit or loss. As of 30.09.2021, there are swap transactions for trading purposes amounting to 3,194 thousand TL. (31 December 2020: None).
- a) ii. Derivative financial liabilities at fair value through other comprehensive income: None (31 December 2020: 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	-	4,041,482	57,026	1,786,447
From foreign banks, institutions and funds	-	-	-	-
Total	-	4,041,482	57,026	1,786,447

- b) Information on money market debts:

	Current Period		Prior Period	
	TL	FC	TL	FC
CBRT	-	-	203,020	-
Total	-	-	203,020	-

- c) Maturity analysis of funds borrowed:

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-term	-	4,041,482	57,026	1,786,447
Medium and long-term	-	-	-	-
Total	-	4,041,482	57,026	1,786,447

- 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.

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED September 30, 2021

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

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and Notes Related to Liabilities (Continued)

3. Information on funds:

a) Information on borrowers' funds: None (31 December 2020: 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	18,640,222	3,691,113	15,767,450	3,401,097
Members' receivables	370,629	834,980	300,369	571,285
Capital Markets Board Share	-	-	-	-
Partners' Dividend Receivables	-	-	-	-
Expense accruals	3,364	-	4,652	-
Other ⁽¹⁾	519,728	-	598,313	-
Total	19,533,943	4,526,093	16,670,784	3,972,382

⁽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 2020: None).

b) Explanations regarding operational leases:

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	-	-	-	-
Between 1-4 years	5,140	2,366	3,891	2,042
More than 4 years	-	-	-	-
Total	5,140	2,366	3,891	2,042

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED September 30, 2021

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

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and Notes Related to Liabilities (Continued)

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 September 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 8,284.51 (31 December 2020: TL 7,117.17) (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:

The main assumption is that the maximum liability for each year of service will increase parallel with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying financial statements as of 30 September 2021, the provision has been calculated by estimating the present value of the future probable obligation of the Bank arising from the retirement of the employees. The provisions at the balance sheet date have been calculated assuming an annual inflation rate of 9.00% and interest rate 13.00% and a discount rate of 3.85% (31 December 2020: 9.5% inflation rate, 3.74% discount rate). The estimated rate of severance pay amount which is not paid and to be held in the bank as a result of optional leavings are also considered.

	30 September 2021	31 December 2020
Total liabilities of employee terminations (Undiscounted)	17,561	14,638
Provision for employee termination (Presented in financial statements)	10,061	8,785
The ratio of provision to undiscounted total liabilities (%)	57.29	60.02

As of 30 September 2021, the Bank provided a reserve of TL 8,975 (31 December 2020: TL 6,610) for the unused vacation which classified under Reserve for Employee Benefits in the financial statements.

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED September 30, 2021
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and Notes Related to Liabilities (Continued)

5. Information on provisions (Continued):

a.1) Movement of employee termination benefits:

	Current Period	Prior Period
As of January 1	8,785	7,389
Paid during the year	(579)	(453)
Actuarial (gain)/loss	297	28
Charge for the year	1,558	1,821
<i>Service charge</i>	678	908
<i>Interest charge</i>	880	913
Total	10,061	8,785

b) Information on other provisions:

b.1) Liabilities for pension funds established in accordance with “Social Security Institution”: None (31 December 2020: None).

b.2) Breakdown of the subsidiary accounts if other provisions exceed 10% of the grand total of provisions:

	Current Period	Prior Period
Expected credit losses ⁽¹⁾	25,994	31,619
Provisions for CMB’s Share Fee ⁽²⁾	18,325	18,937
Provision for legal claims	2,521	2,943
Provision for premiums	11,808	-
Total	58,648	53,499

⁽¹⁾ Consists of 12 months 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 2020 consists of an expense accrual (CMB Board Share).

	Current Period	Prior Period
Provisions for cases beginning balance	2,943	3,592
Additions	532	735
Payments (-)	-	(1,384)
Cancellations (-)	(954)	-
Provisions for cases year end	2,521	2,943

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED September 30, 2021

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

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and Notes Related to Liabilities (Continued)

5. Information on provisions (Continued):

c) Liabilities Resulting from Retirement Benefits: None (31 December 2020: None).

c.1) Liabilities for pension funds established in accordance with “Social Security Institution”: None (31 December 2020: None).

c.2) Liabilities resulting from all kinds of pension funds, foundations, which provide post-retirement benefits for the employees: None (31 December 2020: None).

6. Explanations on taxes payable:

a) Information on current tax liability:

a.1) Corporate tax:

	Current Period	Prior Period
Provision for corporate taxes	215,613	154,328
Prepaid taxes (-)	141,049	106,876
Corporate Income Tax Payable	74,564	47,452

a.2) Information on taxes payable:

	Current Period	Prior Period
Corporate taxes payable	74,564	47,452
Taxation on securities	2,446	3,423
Banking insurance transaction tax (BITT)	5,850	7,129
Value added tax payable	97	86
Other	2,338	4,243
Total	85,295	62,333

a.3) Information on premiums:

	Current Period	Prior Period
Social security premiums-employer	952	857
Social security premiums-employee	999	909
Unemployment insurance-employer	68	61
Unemployment insurance-employee	136	122
Total	2,155	1,949

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED September 30, 2021

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

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and Notes Related to Liabilities (Continued)

6. 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	10,061	2,012	8,785	1,757
Allowance provision	20,783	5,196	6,610	1,322
CMB Board share provision - other provision	18,325	4,215	18,937	3,787
TFRS 9 provision for expected losses	60,554	12,111	62,139	12,428
Lawsuits and bonus	2,521	504	2,943	589
Interest accruals	671	168	16	3
TFRS 16 Leases	132	33	190	38
Internal yield and market value differences of Government Domestic Borrowing Certificates	(4,275)	(1,069)	(11,236)	(2,247)
Deferred tax asset	108,772	23,170	88,384	17,677
Differences between the book value of fixed assets and tax value	(91,447)	(18,620)	92,947	18,589
Internal yield and market value difference of Government domestic borrowing certificates measured at amortized cost	-	-	-	-
Financial instruments value difference – from swap transactions	3,194	798	-	-
Deferred tax liability	(88,253)	(17,822)	92,947	18,589
Deferred tax asset / (liability), net		5,348		(912)

Deferred tax asset transaction table :

	Current Period	Prior Period
Previous period balance	(912)	(8,175)
Deferred tax income / (expense)	6,201	7,257
Deferred tax recognized under equity	59	6
Deferred tax asset	5,348	(912)

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED September 30, 2021
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and Notes Related to Liabilities (Continued)

7. Information on Shareholders' Equity:

a) Presentation of Paid-in capital:

	Current Period	Prior Period
Common stock ⁽¹⁾	600,000	600,000
Preferred stock	-	-

(1) As of 30 September 2021, the Bank has totally 6,000,000,000 issued share certificates.

	Current Period	Prior Period
Reserve Fund Reserved in accordance with the General Assembly Decision	1,485,951	1,196,873
Retained earnings	-	-
Accumulated Losses	-	-
Foreign Currency Capital Exchange Difference	-	-
Total	1,485,951	1,196,873

b) **Paid-in capital amount, explanation as to whether the registered share capital system is applicable at the Bank if so, and amount of registered share capital ceiling:** Registered share capital system is not applied as of the balance sheet date (31 December 2020: Not applied).

c) **Other information on the share of capital increased through capital contributions performed during the current period and capital funds:** None (31 December 2020: None).

d) **Information on share capital increases from capital reserves during the current period:** None (31 December 2020: None).

e) **Capital commitments in the last fiscal year and at the end of the following interim period, the general purpose of these commitments and projected resources required to meet these commitments:** None (31 December 2020: None).

f) **Indicators of the Bank's income, profitability and liquidity for the previous periods and possible effects of these future assumptions on the Bank's equity due to the uncertainty of these indicators:**

Due to the Bank's liquid position and good relations with other banks, the Bank has the means to provide low cost financing and place it in domestic market which leads to profits. In parallel with this, if similar circumstances will occur in the future, it can be predicted that profitability will increase and this will improve the equity of the Bank with retained profits.

g) **Information on marketable securities valuation reserve:**

None (31 December 2020: None).

h) **Information on past year profit distribution:**

At the General Assembly meeting held on 29 March 2021, it was decided to pay dividends of TL 216,000 to the shareholders.

Dividend payments have been made on 30 April 2021.

i) **Information on minority shares:**

None (31 December 2020: None).

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED September 30, 2021
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

III. Explanations and Notes Related to the Off-Balance Sheet Accounts

1. Information on off-balance sheet liabilities:

- a) Nature and amount of irrevocable loan commitments: None (31 December 2020: None).
- b) Possible losses and commitments related to off-balance sheet items including items listed below:
- b.1) Non-cash loans including guarantees, acceptances, financial guarantee and other letters of credits: There are no non-cash loans including guarantees, acceptances, financial guarantee and other letters of credits as of the balance sheet date.

	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⁾	27,462,193	28,063,370
Total Non-Cash Loans	27,462,193	28,063,370

⁽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.

- b.2) Guarantees, temporary guarantees, collateral and other warranties: None (31 December 2020: None).

b.3) Explanation of irrevocable commitments:

	Current Period		Prior Period	
	TL	FC	TL	FC
Capital commitment for VIOP (Bank is central counterparty services)	88,591	-	86,227	-
Capital commitment for ÖPP (Bank is central counterparty services)	3,983	-	2,544	-
Capital commitment for MKT (Bank is central counterparty services)	-	-	-	-
Capital commitment for Money Market (Bank is central counterparty services)	1,562	-	29	-
Capital commitment for PAY Market (Bank is central counterparty services)	26,993	-	15,749	-
Capital commitment for BAP Market (Bank is central counterparty services)	270,285	-	211,188	-
Capital commitment for SWAP Market (Bank is central counterparty services)	381,590	-	267,511	-
Capital commitment for OTC Market (Bank is central counterparty services (CCP))	9,505	-	4,713	-
Total	782,509	-	587,961	-

c) Information related to Non-Cash Loans:

Information related to Non-Cash Loans: As the Bank functions as a bridge between seller and buyer in money market operations in which bank has a market maker role and guarantees that the debts will be paid, bank follows the risks which occurred in this market in non-cash loans accounts.

The limits are defined for the members and it is required to have continued guarantees. A limit is set for members for Takasbank Money Market, Loan Share Market, Share Market, Futures and Options Market (VIOP), BİAŞ Money Market and Debt Securities Market there is a continuing guarantee for these limits. These mentioned guarantees are hold in bank as defined credit limits' multiples according to their liquidity.

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED September 30, 2021

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

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

d) Information related to Allocations

	Current Period		Prior Period	
	TL	FC	TL	FC
Capital allocation for VIOP (Bank is central counterparty services)	25,900	-	29,392	-
Capital allocation for ÖPP (Bank is central counterparty services)	1,164	-	867	-
Capital allocation for Money Market (Bank is central counterparty services)	457	-	10	-
Capital allocation for PAY Market (Bank is central counterparty services)	7,892	-	5,368	-
Capital allocation for BAP Market (Bank is central counterparty services)	79,020	-	71,989	-
Capital allocation for SWAP Market (Bank is central counterparty services)	111,560	-	91,187	-
Capital allocation for OTC Market (Bank is central counterparty services)	2,779	-	1,607	-
Total	228,772	-	200,420	-

e) Information related to Guarantees:

Total valued market collateral in markets where the Bank is central counterparty is TL 37,514,055 (31 December 2020: TL 33,267,874), the total of the valued guarantee fund is TL 2,301,178 (31 December 2020: TL 2,305,378).

f) Information related to investment securities held in custody:

The investment securities held in custody, TL 4,806,810,149 (31 December 2020: TL 4,617,126,935) of the TL 4,945,369,433 (31 December 2020: TL 4,616,901,220) balance of investment securities held in custody are investment funds as the other TL 225,478 (31 December 2020: TL 225,714) balance consists of share certificate held in custody.

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED September 30, 2021
(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

1. Information on interest on loans:

a) Information on interest on loans:

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-term loans	11,728	-	11,894	-
Medium/long-term loans	-	-	-	-
Interest on loans under follow-up	-	-	-	-
Premiums received from resource utilisation support fund	-	-	-	-
Total	11,728	-	11,894	-

b) Information on interest received from banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of Turkey	-	-	-	-
Domestic banks	401,487	114,951	181,690	66,728
Foreign banks	-	-	-	-
Branches and head office abroad	-	-	-	-
Total	401,487	114,951	181,690	66,728

c) Interest received from marketable securities portfolio:

	Current Period		Prior Period	
	TL	FC	TL	FC
From financial assets at fair value through profit or loss	-	-	-	-
From financial assets at fair value through other comprehensive income	-	-	-	-
From financial assets measured at amortised cost	47,020	29,553	53,802	24,782
Total	47,020	29,553	53,802	24,782

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

None (30 September 2020: None).

e) Other information:

None (30 September 2020: None).

2. Information on interest expense

a) Information on interest on funds borrowed:

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	19,196	1,832	29,682	9,071
<i>The Central Bank of Turkey</i>	-	-	-	-
<i>Domestic banks</i>	19,196	1,832	29,682	9,071
<i>Foreign banks</i>	-	-	-	-
<i>Branches and head office abroad</i>	-	-	-	-
<i>Other financial institutions</i>	225	-	239	-
Total	19,421	1,832	29,921	9,071

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED September 30, 2021
(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)

2. Information on interest expense (Continued)

b) Information on interest expense to associates and subsidiaries:

None (30 September 2020: None).

c) Information on interest expense to marketable securities issued:

None (30 September 2020: None).

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

None (30 September 2020: None).

3. Information on dividend income:

	Current Period	Prior Period
Financial assets at fair value through profit or loss	-	-
Financial assets at fair value through other comprehensive income	1,584	355
Other	13,629	10,384
Total	15,213	10,739

4. Information on net trading income:

	Current Period	Prior Period
Income	38,965	75,697
Gains on capital market operations	-	-
Gains on derivative financial instruments	5,272	-
Foreign exchange gains	33,693	75,697
Losses (-)	(29,597)	(57,495)
Losses on capital market operations	-	-
Losses on derivative financial instruments	(3,194)	(11,329)
Foreign exchange losses	(26,403)	(46,166)
Total (Net)	9,368	18,202

5. Information on other operating income:

	Current Period	Prior Period
Provisions no longer required	6,577	5,238
Collection of prior year expenses	64	283
Income from sales of the assets	87	16
Other income	151	149
Total	6,879	5,686

In the fifth section and fourth part Note 10, details of sub-accounts of balances that are grouped under “Others” section that constitute at minimum 10% of the balances under “Other” section are included if the accounted under “Other” section excludes 20% of the total balance of the Income Statement.

Information about the factors that affect the Bank’s profit materially and including new developments and the amount and quality of extraordinary accounts: None (30 September 2020: None).

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED September 30, 2021

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

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

6. Explanations on Banks' expected credit loss:

	Current Period	Prior Period
Expected credit loss	4,040	19,654
12 month expected credit loss (Stage 1)	4,040	19,654
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	-	-
Total	4,040	19,654

7. Information on other operating expenses:

	Current Period	Prior Period
Personnel expenses ⁽¹⁾	70,536	62,496
Provisions for termination indemnities	1,558	1,318
Provisions for Bank Social Assistance Fund Asset Deficits	-	-
Depreciation of Tangible Fixed Assets expenses	-	-
Tangible Asset Depreciation expenses	3,811	3,763
Intangible Assets Impairment expenses	-	-
Goodwill Impairment expense	-	-
Intangible Asset Depreciation expenses	10,551	10,773
Depreciation expense of Shareholding Shares with Equity Management Applied	-	-
Assets to be Disposed of Impairment expenses	-	-
Depreciation Value expenses on assets to be disposed	-	-
Held for Sale and Asset Impairment expenses Related to Discontinued Operations	-	-
Other operating expenses	30,449	26,861
-Leasing expenses related to TFRS 16 Exceptions ⁽²⁾	3,280	3,126
-Maintenance and Repair expenses	298	278
-Advertising and Advertisement expenses	1,825	1,051
-Other expenses ⁽³⁾	25,046	22,406
-Losses from the Sale of Assets	46	-
Other	40,624	26,956
Total	157,575	132,167

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

(2) 30 September 2021 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.

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED September 30, 2021
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

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

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	(215,613)	(106,867)
Deferred tax charge	6,201	10,249
Total	(209,412)	(96,618)

b) Deferred tax on temporary differences:

	Current Period	Prior Period
Provisions for capital market board's share fee	428	(490)
Provision for employee termination	255	251
Unused vacation provision	3,874	(494)
Provision for legal claims and premium	(85)	(410)
TFRS 9 - Provisions for expected credit losses	(317)	4,324
Difference between internal rate of return and market value of government debt securities measured at amortised cost	1,178	(697)
Derivative financial assets	798	8,803
Difference between book value and tax value of fixed assets	(31)	(923)
Interest accruals	165	70
Deferred tax expense recognized under equity	(59)	(13)
Financial Leasing_TFRS16	(5)	(172)
Total	6,201	10,249

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

As of 30 September 2021, net profit after tax of the Bank is TL 655,999 (30 September 2020: TL 359,199).

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 (30 September 2020: 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 (30 September 2020: None).
- c) Profit/loss attributable to minority shares: There is no profit or loss attributable to minority shares as of the balance sheet date (30 September 2020: 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		
Custody commissions	80,571	59,656
Service commissions	111,760	86,813
Customer account maintenance commissions	29,668	25,491
Commissions on option exchange	145,207	64,207
Transfer commissions	7,276	8,865
Bank transfer commissions	11,109	9,090
Other	29,403	22,982
Total	414,994	277,104

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED September 30, 2021
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

V. Explanations and notes related to 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	-	-	84,877	11,228,460	-	-
Balance at end of the period	-	-	96,431	12,106,011	-	-
Interest and commission income	6,405	-	18,639	10,753	-	-

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⁾	-	-	154,942	1,200,782	-	-
Balance at end of the period ⁽¹⁾	-	-	84,877	11,228,460	-	-
Interest and commission income	9,863	-	21,172	8,214	3,920	-

⁽¹⁾ 31 December 2020 amounts are expressed.

c) Information on related party deposits balances: None (31 December 2020: None).

d) Information on forward and option agreements and other similar agreements made with related parties: None (31 December 2020: None).

2. Disclosures for the risk group of the bank:

- 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 2020: None).
- 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 2020: None).
- 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 2020: None).
- Transactions accounted for under the equity method: None (31 December 2020: None).
- 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 2020: None).

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED September 30, 2021

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

VI. Explanations and Notes Related To Subsequent Events

None.

VII. Other Explanations

None.

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED September 30, 2021

(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 nine month period ended 30 September 2021 were reviewed by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik AŞ (A member firm of Ernst & Young Global Limited) and Auditors’ Review Report dated November 10, 2021 is presented in the introduction of this report.

II. Other Footnotes and Explanations Prepared by Independent Auditor

None.

SECTION SEVEN

EXPLANATIONS ON INTERIM ACTIVITY REPORT

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

In the third quarter of 2021, developments regarding the coronavirus epidemic and vaccination process continued to be the main agenda item of the global economy. Although vaccination applications have gained speed in the fight against the epidemic worldwide, number of cases continued to increase with the emergence of various variants of the virus. Comments that the third wave has started in the epidemic raise concerns and restrictions continue around the world. While concerns about vaccine supply, which are seen as the determining factor in the economic recovery, are on the agenda, many countries take additional restrictive measures to prevent the spread of the new type of coronavirus, limiting optimistic expectations.

The constraints we face due to the pandemic have enabled us to quickly adopt different ways of connecting, working and learning. Although this crisis poses significant difficulties for both people and economies, the measures taken with determination and on time have paved the way for us to come out of this process with as little impact as possible. The Turkish economy grew by 7% compared to the same period of the last year in an annual basis . Although it depends on the course of the epidemic and the pace of vaccination practices, expectations for the upcoming period also draw a positive picture.

With business continuity plans which have been implemented in the context of the pandemic, our activities have continued in an effective manner. The health and safety of our employees is protected by working from home alternately and taking precautions at work. During this period, Takasbank, which is an important financial infrastructure institution with the services it provides to the money and capital markets of our country, focused on the deepening of the markets and the management of financial risks, as in the previous periods. Projects in line with our strategic goals, in particular to increase the service quality under a strong financial structure and as an important part of Borsa Istanbul Group to contribute to the deepening and development of the markets have been implemented.

Our projects and initiatives to develop and diversify the services offered for the markets, especially the central counterparty service, are carried out in line with the demands of the sector and taking into account the needs of our country. Efforts to strengthen our technological infrastructure have been continued in this period as well in order to manage operational risks arising from information technologies and to continue providing Takasbank services in a fast, efficient and uninterrupted manner.

With strategic point of view and effective management policies, our Bank has made a pre-tax profit of 865 million TL as of September 30, 2021, its asset size has reached 31.3 billion TL and its equity has reached 3 billion TL.

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED September 30, 2021

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

Thanks to our preparedness for risks and our technical competence, our business continuity will be preserved in the upcoming period, and new products and services will continue to be developed in harmony with the Group companies.

I would like to thank all our stakeholders, especially our employees and managers, on behalf of myself and our Board of Directors for their successful performance.

Best regards,

Mahmut KAYACIK

Chairman of the Board of Directors

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED September 30, 2021
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION SEVEN (Continued)

EXPLANATIONS ON INTERIM ACTIVITY REPORT (Continued)

Evaluation of the CEO for the Period

In the first nine months of 2021 in which our country and the whole world are struggling with epidemic diseases and the negative economic effects it creates, Takasbank has continued to work for the development of Turkish capital markets and demonstrated a successful performance.

In the first nine months of 2021, due to the increase in market transaction volumes and the expansion in Takasbank's service profile, fee and commission income increased significantly above the budget projections and the realizations in the same period of the previous year, reaching 451.978 million TL and pre-tax profit was realized as 865 million TL. As of September, 2021, Takasbank's asset size reached 31.3 billion TL, equity reached 3 billion TL and total cash collateral size reached 22.3 billion TL.

Takasbank has continued its activities without interruption in all markets to which it provides service.

As of September 30, 2021; A total of 10,505 billion TL transactions, 27.71 billion TL of which were private sector bond transactions, were realized in Borsa İstanbul (BİAŞ) Debt Securities Market Outright Purchases and Sales Market and Repo-Reverse Repo Market. Regarding the transactions in the market; As a result of multilateral netting in the Takasbank system, cash clearing of TL 1,494 billion and securities with a market value of TL 6,761 billion were realized. In the BİAŞ Swap Market, a total of 3,391 billion TL of bilateral transactions were made, of which 366 billion USD and 42.23 billion EUR transactions. In the BİAŞ Equity Market, 5,068 billion TL transactions were realized, 219 billion TL cash and 775 billion TL securities clearing transactions were realized. As of September 30, 2021, the number of open positions in the Futures and Options Market was 12 million and the open position value was 29.8 billion TL. Transaction volume in Takasbank Money Market, one of the markets operated by Takasbank, reached TL 593 billion in the nine-month period, while the total number of transactions was 181,825. While the average daily transaction volume was 3.22 billion TL, the average transaction size was 3.3 million TL. In the Equity Lending Market, 60 different securities were traded in a nine-month period, 5.88 billion transactions were realized on a unit basis, and the total transaction volume was 43.68 billion TL. In the Turkish Electronic Fund Trading Platform (TEFAS), the transaction volume was 122 billion TL and the number of traded funds was 334 in the nine-month period. While the average daily transaction volume was 661 million TL, the number of transacting institutions was 85. Regarding private pension fund services; As of September 30, 2021, the fund asset value of 400 private pension mutual funds stood at TL 191.15 billion. In the same period, total fund asset value of 854 mutual funds is 198.49 billion TL, total fund asset value of 85 real estate investment funds is 11.24 billion TL, total fund asset value of 109 venture capital investment funds is 8.05 billion TL, total fund asset value of 15 exchange traded funds 4.38 billion TL and the total net asset value of 10 securities investment trusts was 638.87 million TL. Within the scope of the cash loan service offered by Takasbank to intermediary institutions, a daily average of 74.7 million TL of cash loans was extended. In the nine-month period of 2021, Takasbank continued its efforts to deepen the markets and strengthen the IT infrastructure with development activities for the management of financial risks, within the framework of its vision of “contributing to the development of markets with reliable and effective post-transaction services”. I would like to thank everyone, especially our employees, who contributed to the success of our Bank, which has shown a successful financial performance by maintaining its services effectively and uninterruptedly in these days when our country is going through a difficult period along with the rest of the world.

Best regards,

Avşar R. SUNGURLU
General Manager
Board Member

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

İSTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED September 30, 2021
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION SEVEN (Continued)

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 March 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 Firm)	26,397	4.40
Other (Bank)	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 287 employees and does not have any branches. The Bank is operating as Head Office.

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED September 30, 2021
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION SEVEN (Continued)

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 ⁽¹⁾	President
Korkmaz Ergun ⁽¹⁾	Vice President
Murat Tacir ⁽¹⁾	Member (Risk Committee Chair - Audit Committee Member)
Gülseren Topuz	Member (Corporate Governance Committee Chair - Credit Committee Permanent Member)
Münevver Çetin	Member (Audit Committee Chair - Risk Committee Member)
Murat Onuk ⁽¹⁾	Member (Credit Committee Permanent Member - Corporate Governance Committee Member)
Avşar R. Sungurlu ⁽¹⁾	Member (General Manager - Credit Committee Chair)
Bekir Bayrakdar	Member (Remuneration Committee Chair - Credit Committee Master Member)
Yusuf Karaloğlu	Member (Remuneration Committee Member - Credit Committee Substitute Member)

CEO and Executive Vice Presidents

Name Surname	Area of Responsibility
Avşar R. Sungurlu ⁽²⁾	General Manager and Board Member - Credit Committee Chair
Gökhan Elibol ⁽²⁾	Executive Vice President – Markets and Operation
Murat Görgün ⁽⁴⁾	Executive Vice President - Central Counterparty and Financial Services
Taşkın Öker	Executive Vice President – Information Technology

(1) At the General Assembly held on March 29, 2021, Board Members Hüseyin Melih Akosman, Ekrem Kerem Korur and Suat Sarıgül resigned from their duties, and Mahmut Kayacık, Korkmaz Ergun, Murat Tacir and Murat Onuk were elected as members of the board of directors.

(2) On March 29, 2021, Mr Avşar R. Sungurlu was appointed as the General Manager and Member of the Board by the Board of Directors resolution.

(3) On May 04, 2021, Serkan Aşkar, Deputy General Manager responsible for Central Counterparty and Financial Services, resigned from his post.

(4) On May 07 2021, Murat Görgün was appointed as the Executive Vice President and Central Counterparty and Financial Services by the board of directors resolution.

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

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

Bank's Risk Group	Subsidiaries, associates and entities under common control (Joint Venture) (Thousand TL)		Direct and indirect shareholders of the Bank (Thousands of TL)		Other real persons and legal entities included in the risk group (Thousand TL)	
	Cash	Non-Cash	Cash	Non-Cash	Non-Cash	Cash
Loans and Other Receivables						
Opening Balance at the Beginning of the Period	-	-	84,877	11,228,460	-	-
Closing Balance at the end of the Period	-	-	96,431	12,106,011	-	-
Received Interest and Commission Income	6,405	-	18,639	10,753	-	-

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED September 30, 2021
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION SEVEN (Continued)

EXPLANATIONS ON INTERIM ACTIVITY REPORT (Continued)

Evaluation on the Bank's Financial Indicators and Performance

ASSETS (Thousand TL)	30 September 2021
Financial Assets (net)	28,914,213
<i>Cash and Cash Equivalents</i>	28,909,881
<i>Cash and Balances with Central Bank</i>	132
<i>Banks</i>	28,915,533
<i>Money Markets</i>	28,037
<i>Expected Loss Reserves (-)</i>	33,821
<i>Financial Assets at Fair Value Through Other Comprehensive Income</i>	4,332
<i>Derivative Financial Assets</i>	-
Financial Assets Measured at Amortised Cost (net)	2,130,011
<i>Loans</i>	129,649
<i>Other Financial Assets Measured at Amortised Cost</i>	2,000,787
<i>Expected Credit Losses (-)</i>	425
Investments in Associates, Subsidiaries and Joint Ventures	4,825
Tangible Assets (net)	8,927
Intangible Assets and Goodwill (net)	112,801
Investment Properties (net)	35,730
Current Tax Assets	-
Deferred Tax Assets	5,348
Other Assests	62,565
Total Assets	31,274,420
LIABILITIES (Thousand TL)	30 September 2021
Loans Received	4,041,482
Funds	24,060,036
<i>Other</i>	24,060,036
Derivative Financial Liabilities	3,194
Lease Payables	2,366
Provisions	77,684
<i>Provision for Employee Benefits</i>	19,036
<i>Other Provisions</i>	58,648
Current Tax Liabilities	87,450
Deferred Tax Liability	-
Shareholders` Equity	3,002,208
Total Liabilities	31,274,420

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED September 30, 2021
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION SEVEN (Continued)

EXPLANATIONS ON INTERIM ACTIVITY REPORT (Continued)

Statement of Profit or Loss(Thousand TL)	30 September 2021
Interest Income	605,412
Interest Expense (-)	21,253
Net Interest Income/Expense	584,159
Net Fees and Commission Income/Expense	411,407
Dividend Income	15,213
Net Trading Income/Losses	9,368
Other Operating Income	6,879
Total Operating Profit	1,027,026
Expected Credit Losses (-)	4,040
Other Provisions (-)	35,025
Personnel Expenses (-)	70,535
Other Operating Expenses	52,015
Net Operating Profit/Loss	865,411
Provision for Taxes (-)	(209,412)
Net profit/loss	655,999
Financial Ratios	30 September 2021
Operating Income / Total Assets	2.77
Shareholders Equity / Total Assets	9.60
Operating Income / Shareholders Equity	28.83
Net Interest Income/Operating Income	56.88

ASSETS (Thousand TL)	31 December 2020
Financial Assets (Net)	22,484,335
<i>Cash and Cash Equivalents</i>	22,485,003
<i>Cash Values and Central Bank</i>	290
<i>Banks</i>	22,480,895
<i>Receivables From Money Markets</i>	25,827
<i>Expected Loss Reserves (-)</i>	27,009
Financial Assets at Fair Value Through Other Comprehensive Income	4,332
Derivative Financial Assets	-
Financial Assets Measured by Amortized Cost (Net)	2,534,489
<i>Credits</i>	99,886
<i>Other Financial Assets Measured by Amortized Cost</i>	2,435,054
<i>Expected Loss Reserves (-)</i>	451
Partnership Investments	4,825
Property, Plant and Equipment (Net)	10,296
Intangible Assets (Net)	106,908
Investment Properties (Net)	35,730
Current Tax Asset	-
Deferred Tax Asset	-
Other Assets	211,653
Total Assets	25,388,236

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED September 30, 2021
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION SEVEN (Continued)

EXPLANATIONS ON INTERIM ACTIVITY REPORT (Continued)

LIABILITIES (Thousand TL)	31 December 2020
Loans received	1,843,473
Debts to the Money Market	203,020
Funds	20,643,166
Other	20,643,166
Derivative Financial liabilities	-
Lease payables	2,042
Provisions	68,894
Provision for Employee Benefits	15,395
Other provisions	53,499
Current tax liabilities	64,282
Deferred tax liabilities	912
Shareholders' equity	2,562,447
Loans received	
Total Liabilities	25,388,236
Statement of Profit or Loss (Thousand TL)	30 September 2020
Interest Income	339,500
Interest Expense (-)	38,992
Net Interest Income/Expense	300,508
Net Fees and Commission Income/Expense	272,503
Dividend Income	10,739
Net Trading Income/Losses	18,202
Other Operating Income	5,686
Total Operating Profit	607,638
Expected Credit Losses (-)	19,654
Other Provisions (-)	24,859
Personnel Expenses (-)	62,496
Other Operating Expenses	44,812
Net Operating Profit/Loss	455,817
Provision for Taxes (-)	(96,618)
Net Income/(Loss)	359,199
Financial Ratios	30 September 2020
Operating Income / Total Assets	1.83
Shareholders Equity / Total Assets	9.57
Operating Income / Shareholders Equityx"	19.13
Net Interest Revenue / Operating Revenue	49.46

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES ORIGINALLY ISSUED IN TURKISH)

ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED September 30, 2021

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

SECTION SEVEN (Continued)

EXPLANATIONS ON INTERIM ACTIVITY REPORT (Continued)

The size of the balance sheet which was 25,388,236 thousand TL at the end of 2020 reached 31,274,420 thousand TL as of end-September 2021. The banks account representing the highest amount in the assets increased by 29% and realized as 28,915,533 thousand TL.

While the funds item holding the most important place in the liabilities of the Bank was 20,643,166 thousand TL at the end of the previous year, it increased by 17% and reached 24,060,036 thousand TL.

On the other hand, the obtained loans item of the bank loans received from 1,843,473 thousand TL to 4,041,482 thousand TL with an increase of 119%

As of the end of third quarter of 2021, the Bank has a pre-tax profit of 865,411 thousand TL and after-tax profit of 655,999 thousand TL.

An interest income of 605,412 thousand TL is earned as of end-September 2021, where 516,438 thousand TL interest is collected from the banks, 76,573 thousand TL interest is collected from the securities and 11,728 thousand TL is collected from the loans and 673 thousand TL results from other interest income. Total interest expense for this period was realized as 21,253 thousand TL.

The Bank earned 451,978 thousand TL commission income as a result of the services it provides and paid 40,571 thousand TL commission for its Turkish Lira and foreign currency denominated transactions. As of end-September 2021, net fee and commission income was realized as 411,407 thousand TL.