



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

**1 JANUARY – 31 MARCH 2021**

**UNCONSOLIDATED**

**INTERIM ANNUAL REPORT**

## Istanbul Takas ve Saklama Bankası A.Ş. 2021 I. Interim Period Annual Report

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

In the first 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 5.9% in the last quarter of 2020 in an annual basis and 1.8% in 2020 overall, making it one of the few countries that registered positive growth. 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 271 million TL as of March 31, 2021, its asset size has reached 30.1 billion TL and its equity has reached 2.6 billion TL.

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**

## **Evaluation of the CEO for the Period**

In the first three 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 three 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 154.3 million TL and pre-tax profit was realized as 271 million TL. As of March, 2021, Takasbank's asset size reached 30.1 billion TL, equity reached 2.6 billion TL and total cash collateral size reached 21.7 billion TL.

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

In the first three months of 2021, transactions at the total amount of 3,304 billion TL have been conducted in Borsa İstanbul (BİAŞ) Debt Securities Market Outright Purchases and Sales Market and Repo-Reverse Repo Market, where 9.44 billion TL of them constitutes private sector bond transactions. For the transactions conducted in the market; cash settlement at the amount of 484 billion TL and securities settlement with a market value of 2,049 billion TL have been executed in the Takasbank system as a result of multilateral netting process. In BİAŞ Swap Market, bilateral transactions at the total amount of 812 billion TL have been conducted of which 107 billion is USD and 4 billion is EUR. In BİAŞ Equities Market, transactions at the total amount of 2,616 billion TL have been conducted and 109 billion TL cash settlement and 359 billion TL securities settlement transactions have been concluded by Takasbank. As of March 31, 2021 the number of open positions in the Futures and Options Market was 9 million, and the amount of open positions was 30.1 billion TL.

The trading volume in Takasbank Money Market as one of the markets operated by Takasbank was 224 billion TL and the number of total transactions was 64.258 in the the three months of 2021. The daily average trading volume was 3.6 billion TL and the average transaction size was occurred as 3.5 million TL. In the Securities Lending Market, 50 different type of securities were traded during the the three months of 2021, 1.68 billion transactions were conducted in total and the trading volume was realized as 11.9 billion TL. In Turkey Electronic Fund Trading Platform (TEFAS), the trading volume for the first quarter was 53 billion TL and the number of traded funds was realized as 286. The daily average trading volume was 837 million TL, the number of institutions conducting trades was 79.

With regard to the private pension fund services; the fund asset value of 407 private pension investment funds was 170.3 billion TL as of March 31, 2021. At the same period, total fund asset value of 746 investments funds reached TL 152.4 billion and total fund asset value of 10 securities investment trusts reached 614.3 million TL.

Daily average of the cash credit service provided by Takasbank to the brokerage houses is 71 million TL in this period.

In the first three months of 2021, Takasbank has continued its development efforts to deepen markets and manage financial risks within the framework of its vision of “contributing to the development of markets with reliable and efficient post-trade services”.

During this period in which our country and the whole world are struggling with epidemic diseases and the negative economic effects it creates, I would like to thank our employees and everyone who contributed to financial and operational success of Takasbank

Best regards,

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

## Bank's Historical Development

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

## Shareholding Structure

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

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

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

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

Share transfer of our shareholders within the reporting period: None

## Branch and Personnel Information

The Bank's number of employees is 282 and it does not have any branch. The Bank is operating as a Head Office.

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

Chairman and Members of the Board of Directors	
Name Surname	Area of Responsibility
Mahmut Kayacık <sup>(1)</sup>	President
Korkmaz Ergun <sup>(1)</sup>	Vice President
Murat Tacir <sup>(1)</sup>	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 <sup>(1)</sup>	Member (Credit Committee Permanent Member - Corporate Governance Committee Member)
Avşar R. Sungurlu <sup>(1)</sup>	Member (General Manager - Credit Committee Chair)
Bekir Bayrakdar	Member (Remuneration Committee Chair - Credit Committee Substitute Member)
Yusuf Karaloğlu	Member (Remuneration Committee Member - Credit Committee Substitute Member)
CEO and Executive Vice Presidents	
Name Surname	Area of Responsibility
Avşar R. Sungurlu <sup>(2)</sup>	General Manager and Board Member - Credit Committee Chair
Gökhan Elibol <sup>(2)</sup>	Executive Vice President – Markets and Operation
Serkan Aşkar <sup>(3)</sup>	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 her post.

### Information about the transactions conducted by the Bank 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)		Direct and Indirect Shareholders of the Bank		Other Real and Legal Persons included in the Risk Group	
	Cash	Non-Cash	Cash		Cash	Non-Cash
Loans and other receivables						
Opening Balance of the Period	-	-	84.877	11.228.40	-	-
Closing Balance of the Period	-	-	44.256	9.250.665	-	-
Received Interest and Commission Income	2.805		5,975	3.610	1.916	-

## Analysis of the Bank's Financial Indicators and Performance

<b>Assets (Thousand TL)</b>	<b>31 March 2021</b>
<b>Financial Assets (Net)</b>	<b>27,919,627</b>
Cash and Cash Equivalents	27,915,295
<i>Cash Assets and Central Bank Banks</i>	282
<i>Money market receivables</i>	27,926,333
<i>Expected loss reserves (-)</i>	21,950
<b>Financial assets at fair value through other comprehensive income</b>	<b>4,332</b>
<b>Derivative financial assets</b>	<b>-</b>
<b>Financial assets measured at amortized cost (Net)</b>	<b>1,926,459</b>
<i>Loans</i>	59,266
<i>Other financial assets measured at amortized cost</i>	1,867,517
<i>Expected credit losses (-)</i>	324
<b>Investments in associates, subsidiaries and joint ventures</b>	<b>4,825</b>
<b>Tangible assets (Net)</b>	<b>9,180</b>
<b>Intangible assets and goodwill (Net)</b>	<b>112,696</b>
<b>Investment properties (Net)</b>	<b>35,730</b>
<b>Current tax assets</b>	<b>-</b>
<b>Deferred tax assets</b>	<b>24</b>
<b>Other assets</b>	<b>74,841</b>
<b>Total Assets</b>	<b>30,083,382</b>

<b>Liabilities (Thousand TL)</b>	<b>31 March 2021</b>
<b>Loans received</b>	<b>3,744,230</b>
<b>Funds</b>	<b>23,644,947</b>
<i>Other</i>	23,644,947
<b>Derivative financial liabilities</b>	<b>-</b>
<b>Lease payables</b>	<b>2,071</b>
<b>Provisions</b>	<b>60,560</b>
<i>Provision for Employee Benefits</i>	17,466
<i>Other provisions</i>	43,094
<b>Current tax liabilities</b>	<b>67,830</b>
<b>Deferred tax liabilities</b>	<b>-</b>
<b>Shareholders` equity</b>	<b>2,563,744</b>
<b>Total Liabilities</b>	<b>30,083,382</b>



<b>Statement of Profit or Loss (Thousand TL)</b>	<b>31 March 2021</b>
Interest Income	190,476
Interest Expense (-)	10,318
Net Interest Income/Expense	180,158
Net Fees and Commission Income/Expense	140,817
Dividend Income	40
Net Trading Income/Losses	2,474
Other Operating Income	1,536
Gross Operating Income	325,025
Allowance Expenses for Expected Credit Losses (-)	3,478
Other Allowance Expenses (-)	12,199
Personnel Expenses (-)	21,900
Other Operating Expenses	16,465
Net Operating Profit/Loss	270,983
Tax Provision for Continuing Operations (-)	-53,476
<b>Net Period Profit/Loss</b>	<b>217,507</b>

<b>Financial Ratios (%)</b>	<b>31 March 2020</b>
Operating Income / Total Assets	0.90
Shareholders Equity / Total Assets	8.52
Operating Income / Shareholders Equity	10.57
Net Interest Income / Operating Revenue	55.43

<b>Assets (Thousand TL)</b>	<b>31 December 2020</b>
<b>Financial Assets (Net)</b>	<b>22,484,335</b>
Cash and Cash Equivalents	22,480,003
<i>Cash Assets and Central Bank</i>	290
<i>Banks</i>	22,480,895
<i>Money market receivables</i>	25,827
<i>Expected loss reserves (-)</i>	27,009
<b>Financial assets at fair value through other comprehensive income</b>	<b>4,332</b>
<b>Derivative financial assets</b>	<b>0</b>
<b>Financial assets measured at amortized cost (Net)</b>	<b>2,534,489</b>
<i>Loans</i>	99,886
<i>Other financial assets measured at amortized cost</i>	2,435,054
<i>Expected credit losses (-)</i>	451
<b>Investments in associates, subsidiaries and joint ventures</b>	<b>4,825</b>
<b>Tangible assets (Net)</b>	<b>10,296</b>
<b>Intangible assets and goodwill (Net)</b>	<b>106,908</b>
<b>Investment properties (Net)</b>	<b>35,730</b>
<b>Current tax assets</b>	<b>-</b>
<b>Deferred tax assets</b>	<b>-</b>
<b>Other assets</b>	<b>211,653</b>
<b>Total Assets</b>	<b>25,388,236</b>

<b>Liabilities (Thousand TL)</b>	<b>31 December 2020</b>
<b>Loans received</b>	<b>1,843,473</b>
<b>Funds</b>	<b>203,020</b>
<i>Other</i>	20,643,166
<b>Derivative Financial liabilities</b>	<b>20,643,166</b>
<b>Lease payables</b>	<b>-</b>
<b>Provisions</b>	<b>2,042</b>
<i>Provision for Employee Benefits</i>	68,894
<i>Other provisions</i>	15,395
<b>Current tax liabilities</b>	<b>53,499</b>
<b>Deferred tax liabilities</b>	<b>64,282</b>
<b>Shareholders` equity</b>	<b>912</b>
<b>Loans received</b>	<b>2,562,447</b>
<b>Total Liabilities</b>	<b>25,388,236</b>

**Statement of Profit or Loss (Thousand TL)****31 March 2020**

Interest Income	92,329
Interest Expense (-)	6,804
Net Interest Income/Expense	85,525
Net Fees and Commission Income/Expense	84,134
Dividend Income	0
Net Trading Income/Losses	13,453
Other Operating Income	3,733
Gross Operating Income	186,845
Allowance Expenses for Expected Credit Losses (-)	1,260
Other Allowance Expenses (-)	9,005
Personnel Expenses (-)	21,295
Other Operating Expenses	15,043
Net Operating Profit/Loss	140,242
Tax Provision for Continuing Operations (-)	-30,215
<b>Net Period Profit/Loss</b>	<b>110,027</b>

**Financial Ratios (%)****31 March 2020**

Operating Income / Total Assets	0.73
Shareholders Equity / Total Assets	12.51
Operating Income / Shareholders Equity	5.80
Net Interest Income / Operating Revenue	45.77

The size of the balance sheet which was 25,388,236 thousand TL at the end of 2020 reached 30,083,382 thousand TL as of end-March 2021. The banks account representing the highest amount in the assets increased by 24% and realized as 27,926,333 thousand TL.

Bankanın pasif kalemleri içinde en önemli yeri tutan alınan fonlar kalemi önceki yıl sonunda 20,643,166 Bin TL iken, % 15 oranında artarak 23,644,947 Bin TL'ye yükselmiştir.

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 15% and reached 23,644,947 thousand TL.

On the other hand, the obtained loans item of the bank loans received from 1,843,473 thousand TL to 3,744,230 thousand TL with an increase of 103%

As of the end of first quarter of 2021, the Bank has a pre-tax profit of 270,983 thousand TL and after-tax profit of 217,507 thousand TL.

An interest income of 190,476 thousand TL is earned as of end-March 2021, where 153,266 thousand TL interest is collected from the banks, 33,266 thousand TL interest is collected from the securities and 3,609 thousand TL is collected from the loans and 335 thousand TL results from other interest income. Total interest expense for this period was realized as 10,318 thousand TL.

The Bank earned 154,266 thousand TL commission income as a result of the services it provides and paid 13,449 thousand TL commission for its Turkish Lira and foreign currency denominated transactions. As of end-March 2021, net fee and commission income was realized as 140,217 thousand TL.