



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

**1 JANUARY – 31 MARCH 2024**

**UNCONSOLIDATED**

**INTERIM ANNUAL REPORT**

## **Istanbul Takas ve Saklama Bankası A.Ş. 2024 I. Interim Period Annual Report**

### **TABLE OF CONTENTS**

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

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

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

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

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

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

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

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

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

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

Our projects and initiatives to develop and diversify the services offered for the markets, particularly the central counterparty service, are carried out in line with the demands of the sector and taking into account the needs of our country. Efforts to strengthen our technological infrastructure in order to manage IT-related operational risks and to continue to provide Takasbank services in a fast, effective and uninterrupted manner continued in this period.

Thanks to its strategic perspective and effective management policies, our Bank achieved a pre-tax profit of TL 2.3 billion as of 31 March 2024, while its total assets and shareholders' equity reached TL 161.5 billion and TL 8.9 billion, respectively. Thanks to our preparedness against risks and technical competence, our business continuity will be maintained in the coming period, and new products and services will continue to be developed in harmony with Group companies.

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

Best regards,

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

## Evaluation of the CEO for the Period

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

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

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

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

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

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

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

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

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

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

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

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

Best regards,

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

## Bank's Historical Development

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

## Shareholding Structure

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

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

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

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

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

## Branch and Personnel Information

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

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

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

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

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

Bank's Risk Group	Subsidiaries, associates and entities under common control (Joint Venture) (Thousand TL)		Direct and indirect shareholders of the Bank (Thousands of TL)		Other real persons and legal entities included in the risk group (Thousand TL)	
	Cash	Non-Cash	Cash	Non-Cash	Non-Cash	Cash
Loans and Other Receivables						
Opening Balance at the Beginning of the Period	-	-	840,953	17,831,604	-	-
Closing Balance at the end of the Period	-	-	1,081,819	27,498,339	-	-
Received Interest and Commission Income	68,473	-	342,029	43,887	43,442	-



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

ASSETS (Thousand TL)	31 March 2024
<b>Financial Assets (net)</b>	<b>153,034,674</b>
<i>Cash and Cash Equivalents</i>	<i>152,107,017</i>
<i>Cash and Balances with Central Bank</i>	<i>8,000,173</i>
<i>Banks</i>	<i>144,256,228</i>
<i>Money Markets</i>	<i>-</i>
<i>Expected Loss Reserves (-)</i>	<i>149,384</i>
<i>Financial Assets at Fair Value Through Profit/Loss</i>	<i>911,733</i>
<i>Financial Assets at Fair Value Through Other Comprehensive Income</i>	<i>4,332</i>
<i>Derivative Financial Assets</i>	<i>11,592</i>
<b>Financial Assets Measured at Amortised Cost (net)</b>	<b>7,141,094</b>
<i>Loans</i>	<i>2,285,076</i>
<i>Other Financial Assets Measured at Amortised Cost</i>	<i>4,862,917</i>
<i>Expected Credit Losses (-)</i>	<i>6,899</i>
<b>Investments in Associates, Subsidiaries and Joint Ventures</b>	<b>4,825</b>
<b>Tangible Assets (net)</b>	<b>149,914</b>
<b>Intangible Assets and Goodwill (net)</b>	<b>240,295</b>
<b>Investment Properties (net)</b>	<b>244,470</b>
<b>Current Tax Assets</b>	<b>-</b>
<b>Deferred Tax Assets</b>	<b>163,321</b>
<b>Other Assests</b>	<b>526,430</b>
<b>Total Assets</b>	<b>161,505,023</b>
<b>LIABILITIES (Thousand TL)</b>	<b>31 March 2024</b>
<b>Loans Received</b>	<b>8,481,044</b>
<b>Payables to Money Markets</b>	<b>-</b>
<b>Funds</b>	<b>142,355,593</b>
<i>Other</i>	<i>142,355,593</i>
<b>Derivative Financial Liabilities</b>	<b>-</b>
<b>Lease Payables</b>	<b>23</b>
<b>Provisions</b>	<b>323,276</b>
<i>Provision for Employee Benefits</i>	<i>143,190</i>
<i>Other Provisions</i>	<i>180,086</i>
<b>Current Tax Liabilities</b>	<b>1,415,614</b>
<b>Deferred Tax Liability</b>	<b>-</b>
<b>Shareholders` Equity</b>	<b>8,929,473</b>
<b>Total Liabilities</b>	<b>161,505,023</b>

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

<b>Statement of Profit or Loss(Thousand TL)</b>	<b>31 March 2024</b>
Interest Income	2,255,133
Interest Expense (-)	114,038
Net Interest Income/Expense	2,141,095
Net Fees and Commission Income/Expense	1,129,464
Dividend Income	-
Net Trading Income/Losses	(279,971)
Other Operating Income	45,042
Total Operating Profit	3,035,630
Expected Credit Losses (-)	34,677
Other Provisions (-)	139,226
Personnel Expenses (-)	299,026
Other Operating Expenses	254,811
Net Operating Profit/Loss	2,307,890
Provision for Taxes (-)	(653,765)
<b>Net profit/loss</b>	<b>1,654,125</b>
<b>Financial Ratios</b>	<b>31 March 2024</b>
Operating Income / Total Assets	1.43
Shareholders Equity / Total Assets	5.53
Operating Income / Shareholders Equity	25.85
Net Interest Income / Operating Income	70.53

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

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

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

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

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

  

Financial Ratios	31 March 2023
Operating Income / Total Assets	1.43
Shareholders Equity / Total Assets	5.52
Operating Income / Shareholders Equity	25.89
Net Interest Revenue / Operating Revenue	70.61

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

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

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

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

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

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